

# **Comprehensive Annual Financial Report**

**of the**

**Township of Little Egg Harbor Board of Education**

**Little Egg Harbor, New Jersey**

**For the Fiscal Year Ended June 30, 2018**



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# **Introductory Section**





# LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT

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Administrative Offices

307 Frog Pond Road • Little Egg Harbor, NJ 08087

January 25, 2019

Honorable President and  
Members of the Board of Education  
Little Egg Harbor Township School District  
Ocean County, New Jersey

Dear Board Members:

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

The comprehensive annual financial report is presented in four sections: Introductory, Financial, Statistical and Single Audit. The introductory section includes this transmittal letter, the district's organizational chart and a list of principal officials. The financial section includes the management's discussion and analysis, basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the US. Office of Management and Budget Circular Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations, and the New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments.

Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws, regulations, findings and recommendations, are included in the single audit section of this report.

## **REPORTING ENTITY AND ITS SERVICES:**

Little Egg Harbor Township School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All funds and account groups of the District are included in this report.

The District provides a full range of educational services appropriate to grade levels Pre-School through 6. These include regular, as well as special education for handicapped youngsters. The District completed the 2017/2018 fiscal year with an enrollment of 1617 students, which is 11students less than the previous year's enrollment. The following details the changes in the student enrollment of the District over the last fifteen years.

**REPORTING ENTITY AND ITS SERVICES: (continued)**

**Average Daily Enrollment**

FISCAL -YEAR ENDED	AVERAGE DAILY ENROLLMENT	AVERAGE DAILY ATTENDANCE	% CHANGE IN	
			AVERAGE DAILY ENROLLMENT	ATTENDANCE %
2003	1729.8	1619.9	-1.00%	93.6
2004	1742.8	1628.5	0.75%	93.4
2005	1683.8	1567.8	-3.39%	93.1
2007	1693.1	1578.5	0.05%	93.2
2008	1671.1	1573.1	-0.99%	94.1
2009	1799.0	1678.0	1.06%	93.3
2010	1829.2	1702.9	1.02%	93.1
2011	1859.4	1725.5	1.02%	92.8
2012	1792.5	1663.1	-3.64%	92.8
2013	1750.8	1619.7	-2.70%	92.5
2014	1668.9	1571.4	-4.67%	93.8
2015	1613.9	1514.4	-3.63%	93.8
2016	1579.9	1493.3	-1.39%	94.5
2017	1577.9	1464.5	-1.94%	93.2
2018	1606.4	1504.1	2.74%	94%

**ECONOMIC CONDITION AND OUTLOOK:**

The Township of Little Egg Harbor encompasses 49.5 square miles and is continuing to experience moderate growth.

Three schools serve the district. The George J. Mitchell School, located on County Road 539, houses children in grades K through 6. The Frog Pond Elementary School, located on Frog Pond Road, houses children in grades K through 6. The Robert C. Wood, Sr. Early Childhood Center, also located on County Road 539, houses Pre-School students.

**INTERNAL ACCOUNTING CONTROLS:**

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

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

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

## **BUDGETARY CONTROLS:**

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budgets by the voters of the municipality. Annual appropriated budgets are adopted for the General Fund, the Special Revenue Fund and the Debt Service Fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2018.

## **ACCOUNTING SYSTEM AND REPORTS:**

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

## **CASH MANAGEMENT:**

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

## **RISK MANAGEMENT:**

The Board carries various forms of insurance, including but not limited to general liability, automotive liability and comprehensive/collision, equipment maintenance, hazard and theft insurance on property and contents, and fidelity bonds.

## **OTHER INFORMATION:**

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ford, Scott and Associates, L.C.C., CPAs was selected by the Board of Education to perform the 2017-2018 audit.

In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the US. Office of Management and Budget Circular Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations, and the New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments. The auditor's report on the basic financial statements 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:**

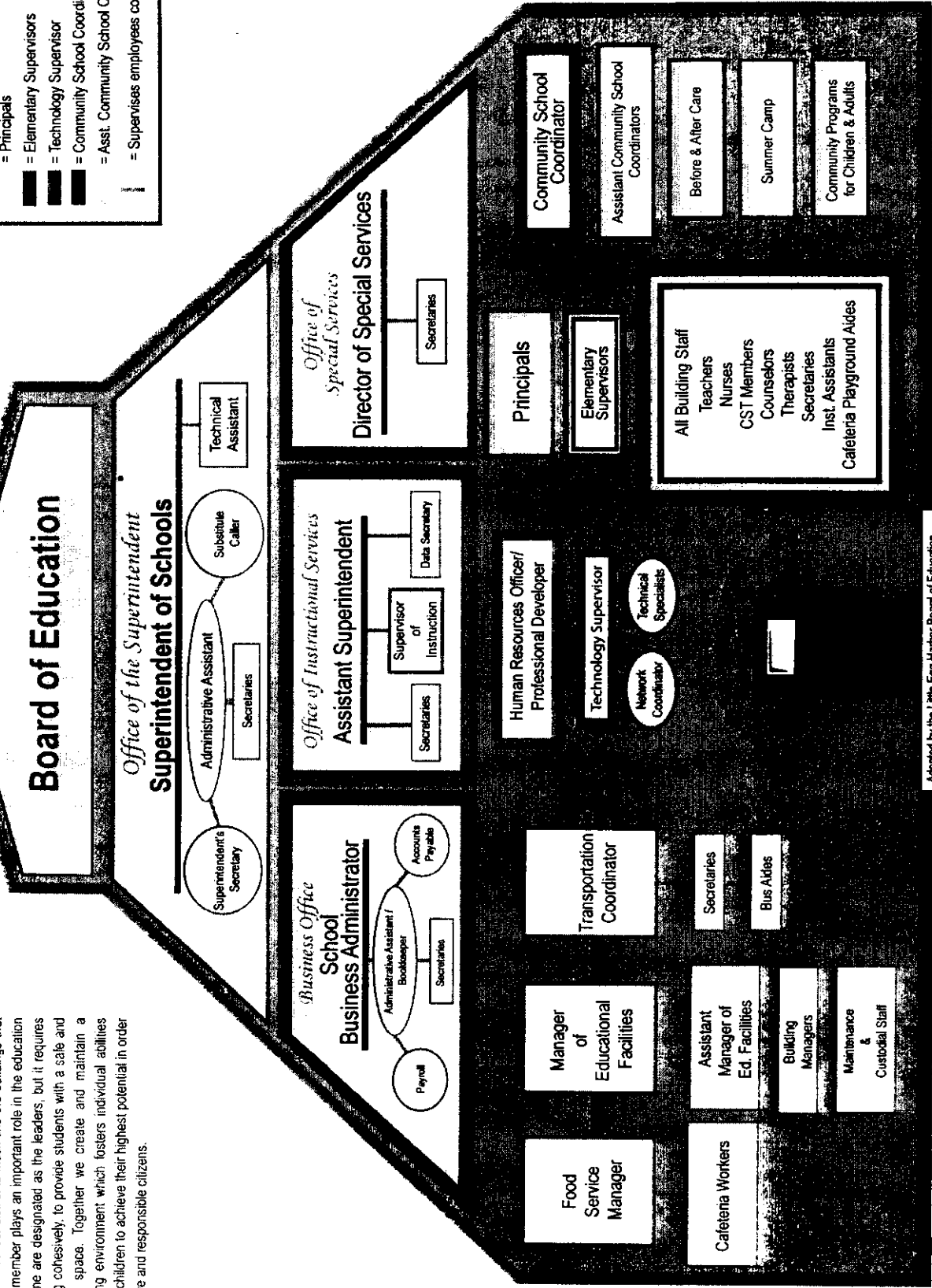
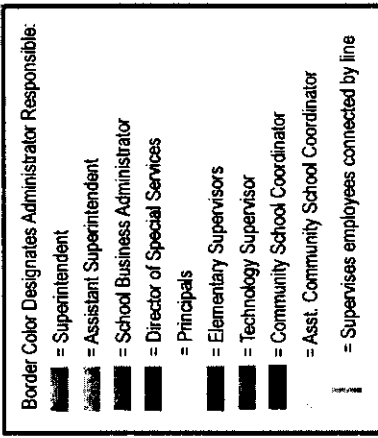
We would like to express our appreciation to the members of the Little Egg Harbor Township School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

*Melissa Ann McCoolley*  
Melissa Ann McCoolley  
Superintendent of Schools

*Nicholas Brown*  
Nicholas Brown  
Business Administrator/  
Board Secretary

# Little Egg Harbor Township School District Organizational Chart

A school building requires all of its components, from the bricks and mortar of a firm foundation, to solid beams for support, and a secure roof to protect all within; all to provide a safe and functional learning place. The staff of our school district is much like the buildings that house them. Every member plays an important role in the education of our children. Some are designated as the leaders, but it requires all the staff, working cohesively, to provide students with a safe and functional learning space. Together we create and maintain a collaborative learning environment which fosters individual abilities and encourages all children to achieve their highest potential in order to prepare productive and responsible citizens.



Adopted by the Little Egg Harbor Board of Education  
February 25, 2009, revised January 15, 2010

**LITTLE EGG HARBOR TOWNSHIP BOARD OF EDUCATION  
COUNTY OF OCEAN, NEW JERSEY**

**ROSTER OF OFFICIALS  
JUNE 30, 2018**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Robert A. Moncrief Jr.	2019
John Bellone – Vice President	2020
Donald Gross, Ed. D	2019
James Becker	2018
Deborah Giannuzzi	2021
Matthew Maleski	2018
Jonathon Zimmerman	2021
Martha “June” Palan	2021
August Daleo	2019
<b><u>Other Officials</u></b>	
Melissa McCooley, Superintendent	
Nicholas Brown, Business Administrator/Board Secretary	
Patricia Christopher, CPA, Treasurer	

**TOWNSHIP OF LITTLE EGG HARBOR BOARD OF EDUCATION  
CONSULTANTS AND ADVISORS**

**ARCHITECT**

Spiezle Architectural Group  
120 Sanhican Drive  
Trenton, NJ 08618

**INDEPENDENT AUDITOR**

Ford, Scott & Associates, L.L.C.  
Certified Public Accountants  
1535 Haven Avenue  
Ocean City, New Jersey 08226-0538

**ATTORNEY**

Amy L. Houck  
Cooper, Levenson, P.A.  
1125 Atlantic Avenue  
Atlantic City, New Jersey 08401

**OFFICIAL DEPOSITORY**

Ocean First  
425 Route 9 South  
Little Egg Harbor, NJ 08087

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## **Financial Section**





# FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

1535 HAVEN AVENUE • OCEAN CITY, NJ • 08226

PHONE 609.399.6333 • FAX 609.399.3710

www.ford-scott.com

## **Independent Auditor's Report**

Honorable President and  
Members of the Board of Education  
Little Egg Harbor Township School District  
County of Ocean, New Jersey

### **Report on the Financial Statements**

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

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and 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 entity'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 entity'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 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 Little Egg Harbor Township School District, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Required Supplementary Information identified 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 Little Egg Harbor Township School District's basic financial statements. The combining and individual non-major fund financial statements and schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the schedule of state financial assistance as required by NJ OMB 15-08 and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by the Uniform Guidance and the schedule of state financial assistance as required by NJ OMB 15-08 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by the Uniform Guidance, and the schedule of state financial assistance as required by NJ OMB 15-08 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subject 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 it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2019 on our consideration of the Little Egg Harbor Township School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Little Egg Harbor Township School District's internal control over financial reporting and compliance.

*Ford, Scott & Associates, L.L.C.*  
FORD, SCOTT & ASSOCIATES, L.L.C.  
CERTIFIED PUBLIC ACCOUNTANTS

*Michael S. Garcia*

Michael S. Garcia  
Certified Public Accountant  
Licensed Public School Accountant  
No. 2080

January 25, 2019

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## **Required Supplementary Information – Part I**





**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED**

The discussion and analysis of Little Egg Harbor Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2018. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

**Financial Highlights**

Key financial highlights for 2018 are as follows:

- In total, net position increased by \$531,390.02, which represents a 232% increase from 2017.
- General revenues accounted for \$22,963,029.89 in revenue or 57 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$17,479,765.82 or 43 percent of total revenues of \$40,442,795.71.
- Total assets of governmental activities increased by \$168,425.35, as cash and cash equivalents increased by \$1,583,456.81, Cash held by Fiscal Agents decreased by \$305,181.01, receivables decreased by \$29,971.13, and capital assets (net) decreased by \$1,173,300.65.
- The School District had \$41,320,347.16 in expenses; only \$18,888,707.30 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$22,963,029.89 were adequate to provide for these programs.
- Among governmental funds, the General Fund had \$25,847,490.71 in revenues, \$25,090,568.99 in expenditures and \$61,475.32 in transfers. The General Fund's fund balance increased \$695,446.40 over 2017.

**Using this Comprehensive Annual Financial Report (CAFR)**

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

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

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**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED (CONTINUED)**

**Reporting the School District as a Whole**

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2018?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

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

Fund Financial Statements

Fund financial reports provide detailed information about the School District's funds. The School District uses many funds to account for a multitude of financial transaction. The School District's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund.

Governmental Funds

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

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED (CONTINUED)**

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements.

**The School District as a Whole**

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Net position may serve over time as a useful indicator of a government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Table 1 provides a summary of the School District's net position for 2018 and 2017.

**Table 1  
Net Position**

	2018	2017
Assets		
Current and Other Assets	\$ 3,054,946.97	1,728,787.51
Capital Assets	32,046,579.68	33,217,018.57
Total Assets	35,101,526.65	34,945,806.08
Deferred Outflows of Resources		
Loss on Refunding of Long Term Debt	1,542,408.31	1,595,330.87
Deferred Outflows Related to Pensions	2,974,088.00	3,779,769.00
	4,516,496.31	5,375,099.87
Liabilities		
Long-Term Liabilities	39,938,051.88	39,474,467.33
Other Liabilities	1,094,049.12	617,476.69
Total Liabilities	41,032,101.00	40,091,944.02
Net Position		
Invested in Capital Assets, Net of Debt	10,876,611.77	10,880,864.62
Restricted	2,513,089.20	1,553,611.45
Unrestricted	(12,629,349.01)	(12,205,514.14)
Total Net Position	\$ 760,351.96	228,961.93

The District's combined net position was \$760,351.96 on June 30, 2018. This was a increase of \$531,390.03 or 232 percent from the prior year.

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED (CONTINUED)**

Table 2 shows changes in net position for fiscal year 2018 and 2017.

**Table 2  
Changes in Net Position**

	2018	2017
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 940,384.82	901,825.44
Operating Grants and Contributions	17,893,172.48	15,391,528.01
Capital Grants	55,150.00	2,600.00
General Revenues:		
Property Taxes	13,152,813.00	12,789,659.00
Grants and Entitlements	9,847,353.10	10,040,072.43
Other	66,968.69	161,095.87
Total Revenues	41,955,842.09	39,286,780.75
<b>Program Expenses</b>		
Instruction	22,847,718.44	22,281,296.15
Support Services:		
Tuition	55,361.70	104,353.39
Pupils and Instructional Staff	9,397,288.49	9,210,372.27
General Administration and School Administration	2,944,285.58	2,653,664.78
Plant Operations and Maintenance of Facilities	2,350,859.87	2,326,997.22
Pupil Transportation	1,521,393.85	1,449,538.16
Interest on Debt	811,763.84	977,091.61
Food Service	877,485.30	842,040.75
Community School	356,325.35	403,622.82
Regional Professional Development Academy	157,864.74	137,953.34
Total Expenses	41,320,347.16	40,386,930.49
Adjustment to Fixed Assets	103,622.35	
Loss on Disposal of Fixed Assets	482.55	
Increase (Decrease) in Net Position	\$ 531,390.03	(1,100,149.74)

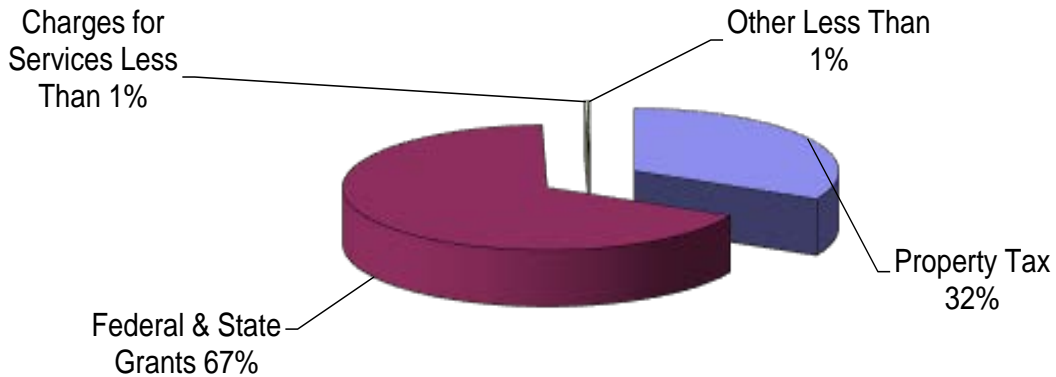
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**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED (CONTINUED)**

**Governmental Activities**

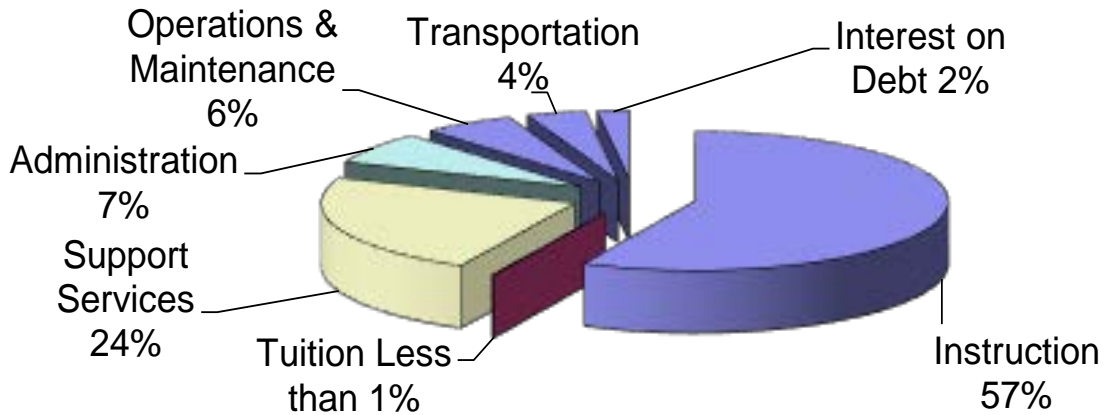
The District's total governmental revenues were \$40,546,503.33 for the year ended June 30, 2018. Property taxes made up 32 percent of revenues for governmental activities for the Little Egg Harbor Township District for fiscal year 2018. Federal, state, and local grants accounted for another 67 percent of revenue. Local Revenue and charges make up less than 1 percent of the revenue.

**Sources of Revenue for School Year 2017-2018**



The total cost of all governmental programs and services was \$40,032,776.67. Instruction comprises 57 percent of District expenses.

**Expenses for School Year 2017-2018**



**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED (CONTINUED)**

**Business-Type Activities**

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

- Food service expenses exceed revenues by \$4,495.44, Regional Professional Development Academy revenues exceeded expenses by \$22,314.26 and the Community School program expenses exceeded revenues by \$552.73.
- Charges for services represent \$310,836.96 of revenue. This represents amounts paid by patrons for daily food service. Charges for Regional Professional Development Academy represent \$180,179.00 of revenue. This represents amounts paid by patrons for the Academy. Charges for community school program represent \$355,772.62 of revenue. This represents amounts paid by patrons for community school.
- Federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast, and donated commodities was \$562,152.90.

**Governmental Activities**

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

**Table 3**

	Total Cost of Services 2018	Net Cost of Services 2018	Total Cost of Services 2017	Net Cost of Services 2017
Instruction	\$ 22,847,718.44	12,503,156.91	\$ 22,281,296.15	\$ 13,438,148.77
Support Services:				
Pupils and Instructional Staff	9,397,288.49	3,565,090.14	9,210,372.27	3,755,289.35
Tuition	55,361.70	55,361.70	104,353.39	104,353.39
General Administration and School Administration	2,944,285.58	2,599,858.73	2,653,664.78	2,653,664.78
Operation and Maintenance of Facilities	2,350,859.87	2,030,274.78	2,326,997.22	2,326,997.22
Pupil Transportation	1,521,393.85	1,521,393.85	1,449,538.16	1,449,538.16
Interest and Fiscal Charges	811,763.84	173,769.84	977,091.61	328,714.61
Other		-	-	-
Total Expenses	<u>\$ 39,928,671.77</u>	<u>22,448,905.95</u>	<u>\$ 39,003,313.58</u>	<u>\$ 24,056,706.28</u>

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

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

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

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

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED (CONTINUED)**

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

Interest on debt involves the transactions associated with the payment of interest and other related charges to debt of the School District.

"Other" includes special schools and unallocated depreciation.

**The School District's Funds**

All governmental funds (i.e., general fund, special revenue fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$32,459,757.33 and expenditures were \$31,658,956.90. The change in fund balance for the year was an increase of \$800,800.43.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2018, and the amount and percentage of increases and decreases in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2017</u>	<u>Percent of Increase (Decrease)</u>
Local Sources	\$ 13,324,449.17	41.05%	\$ 248,248.99	1.90%
State Sources	17,840,833.26	54.96%	(100,117.68)	-0.56%
Federal Sources	1,294,474.90	3.99%	415,698.73	47.30%
Total	<u>\$ 32,459,757.33</u>	100.00%	<u>\$ 563,830.04</u>	1.77%

The increase in local revenues of \$248,248.99 is predominately due to an increase in Revenue sources for the General fund that was \$12,296,858 in the 17-18 School year relating to the Local Tax Levy. State revenues decreased by \$100,117.68, predominately due to a decrease in Special Revenue amount for the Preschool Education Aid. There was also an increase of \$415,698.73 in Federal revenues due to an increase in funds for Head Start in School year 2017-2018.

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**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED (CONTINUED)**

The following schedule represents a summary of general fund, special revenue fund, capital projects fund, and debt service fund expenditures for the fiscal year ended June 30, 2018 and the percentage of increases and decreases in relation to prior year amounts.

<b>Expenditures</b>	<b>Amount</b>	<b>Percent of Total</b>	<b>Increase (Decrease) from 2017</b>	<b>Percent of Increase (Decrease)</b>
Current expense:				
Instruction	\$ 8,738,629.29	27.60%	\$ (517,960.34)	-5.60%
Undistributed expenditures	16,030,144.11	50.63%	529,640.49	3.42%
Capital Outlay	423,933.59	1.34%	(922,200.18)	-68.51%
Special Revenues	4,693,974.91	14.83%	(310,232.75)	-6.20%
Debt Service:				
Principal	925,000.00	2.92%	20,000.00	2.21%
Interest	847,275.00	2.68%	(45,489.31)	-5.10%
Total	<u>\$ 31,658,956.90</u>	100.00%	<u>\$ (1,246,242.09)</u>	-3.79%

Changes in expenditures were the results of varying factors. Instruction decreased due to a decrease in expenses related to salaries and other purchased services. Undistributed expenditures increased due to an increase in employee benefits. Capital outlay decreased due to completion of construction projects were underway in the prior year. Special Revenues decreased due to a decrease in the Salaries and other expenses related to support services charged to the special revenue fund.

**General Fund Budgeting Highlights**

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

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts.

**Capital Assets**

At the end of the fiscal year 2018, the School District had \$32,046,579.68 invested in land, building, furniture and equipment, and vehicles. Table 4 shows fiscal year 2018 balances compared to 2017.

**Table 4  
Capital Assets (Net of Depreciation) at June 30,**

	<u>2018</u>	<u>2017</u>
Land	\$ 7,076,100.00	\$ 7,076,100.00
Construction in Progress	267,011.99	267,011.99
Sites, Buildings and Building Improvements	23,708,578.77	24,931,382.33
Machinery and Equipment	994,888.92	942,524.25
Total	<u>\$ 32,046,579.68</u>	<u>\$ 33,217,018.57</u>

Overall, capital assets decreased \$1,170,438.89 from fiscal year 2017 to fiscal year 2018. Most of this decrease is attributable to older assets becoming fully depreciated during this audit year as well as assets that were retired that were not fully depreciated.



**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED (CONTINUED)**

**Debt Administration**

At June 30, 2018, the School District had \$24,714,033.84 of outstanding debt. Of this amount, \$1,916,192.29 is for compensated absences; \$628,548.52 for various capital leases; \$2,094,293.03 is for the balance on the premium from the Bond Sale, and \$20,075,000.000 of serial bonds for school construction.

**Table 5  
Outstanding Bonded Debt at June 30,**

	2018	2017
2009 General Obligation Bonds	\$ 260,000.00	\$ 515,000.00
2007 General Obligation Bonds	-	-
2015 Refunding Bonds	14,375,000.00	15,045,000.00
2016 Refunding Bonds	5,440,000.00	5,440,000.00
Premium on Bond Sale	2,094,293.03	2,156,986.18
Compensated Abscences	1,916,192.29	1,928,446.30
Capital Leases	628,548.52	1,018,166.23
Total	\$ <u>24,714,033.84</u>	\$ <u>26,103,598.71</u>

At June 30, 2018, the School District's was within its legal debt margin. For more detailed information, please refer to the Notes to the Financial Statements.

**For the Future**

The Little Egg Harbor Township School District is in good financial condition presently. The School District is proud of its community support of the public schools.

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

**Contacting the School District's Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Mr. Nicholas Brown, Business Administrator/Board Secretary at (609) 296-1719, extension 1013 or Melissa Ann McCooley, Superintendent of Schools at (609) 296-1710, extension 1010.

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# **Basic Financial Statements**



## DISTRICT – WIDE FINANCIAL STATEMENTS

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



**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Statement of Net Position**  
**As of June 30, 2018**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 2,136,008.65	\$ 181,497.98	\$ 2,317,506.63
Cash Held by Fiscal Agents		-	-
SREC Investment	1,908.00		1,908.00
Receivables, Net	654,636.39	62,882.69	717,519.08
Internal Balances	91,513.33	(91,513.33)	-
Due from Fiduciary Funds			-
Inventory	-	18,013.26	18,013.26
Capital Assets, Net			
Land	7,076,100.00	-	7,076,100.00
Capital Assets being Depreciated, net	24,889,886.51	80,593.17	24,970,479.68
Total Assets	<u>34,850,052.88</u>	<u>251,473.77</u>	<u>35,101,526.65</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Loss on Refunding of Long-Term Debt	1,542,408.31	-	1,542,408.31
Deferred Outflows Related to Pensions	2,974,088.00	-	2,974,088.00
Total Deferred Outflow of Resources	<u>4,516,496.31</u>	<u>-</u>	<u>4,516,496.31</u>
<b>LIABILITIES</b>			
Accounts Payable	297,861.97	773.25	298,635.22
Deferred Revenue	332,238.69	86,044.13	418,282.82
Accrued Interest Payable	377,131.08	-	377,131.08
Noncurrent Liabilities			
De Due Within One Year	1,277,889.51	-	1,277,889.51
Due Beyond One Year	23,436,144.33	42,380.04	23,478,524.37
Net Pension Liability	10,832,778.00	-	10,832,778.00
Total Liabilities	<u>36,554,043.58</u>	<u>129,197.42</u>	<u>36,683,241.00</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows Related to Pensions	<u>2,174,430.00</u>		<u>2,174,430.00</u>
<b>Net Position</b>			
Invested in Capital Assets, Net of Related Debt	10,796,018.60	80,593.17	10,876,611.77
Restricted for:			
Other Purposes	2,513,089.20	-	2,513,089.20
Unrestricted	(12,671,032.19)	41,683.18	(12,629,349.01)
Total Net Position	<u>\$ 638,075.61</u>	<u>\$ 122,276.35</u>	<u>\$ 760,351.96</u>

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

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Statement of Activities**  
**For the Year Ended June 30, 2018**

Function/Programs	Direct Expenses	Allocated Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>								
Instruction:								
Regular	\$ 9,473,264.54	\$ 6,809,894.30	\$ -	\$ 5,616,971.37	\$ -	\$ (10,666,187.47)	\$ -	\$ (10,666,187.47)
Special Education	3,033,195.77	2,180,424.98	93,596.24	4,167,979.62	-	(952,044.89)	-	(952,044.89)
Other Instruction	785,953.22	564,985.63	-	466,014.30	-	(884,924.55)	-	(884,924.55)
Support Services:								
Tuition	55,361.70	-	-	-	-	(55,361.70)	-	(55,361.70)
Student & Instruction Related Serv.	5,467,182.43	3,930,106.06	-	5,777,048.35	55,150.00	(3,565,090.14)	-	(3,565,090.14)
School Administrative Services	958,327.93	414,244.62	-	234,856.54	-	(1,137,716.01)	-	(1,137,716.01)
General and Business Admin. Services	1,378,450.74	193,262.29	-	109,570.31	-	(1,462,142.72)	-	(1,462,142.72)
Plant Operation and Maintenance	1,785,405.52	565,454.35	-	320,585.09	-	(2,030,274.78)	-	(2,030,274.78)
Pupil Transportation	1,521,393.85	-	-	-	-	(1,521,393.85)	-	(1,521,393.85)
Unallocated Depreciation	1,493,129.34	(1,493,129.34)	-	-	-	-	-	-
Unallocated Benefits	13,165,242.89	(13,165,242.89)	-	-	-	-	-	-
Interest on Long-Term Debt	811,763.84	-	-	637,994.00	-	(173,769.84)	-	(173,769.84)
Total Governmental Activities	39,928,671.77	-	93,596.24	17,331,019.58	55,150.00	(22,448,905.95)	-	(22,448,905.95)
<b>Business-Type Activities:</b>								
Food Service	877,485.30	-	310,836.96	562,152.90	-	(4,495.44)	-	(4,495.44)
Regional Professional Development Academy	157,864.74	-	180,179.00	-	-	22,314.26	-	22,314.26
Community School	356,325.35	-	355,772.62	-	-	(552.73)	-	(552.73)
Total Business-Type Activities	1,391,675.39	-	846,788.58	562,152.90	-	17,266.09	-	17,266.09
Total Primary Government	\$ 41,320,347.16	\$ -	\$ 940,384.82	\$ 17,893,172.48	\$ 55,150.00	\$ (22,448,905.95)	\$ 17,266.09	\$ (22,431,639.86)
<b>General Revenues:</b>								
Taxes:								
Property Taxes, Levied for General Purposes, Net						\$ 12,139,004.00	\$ -	\$ 12,139,004.00
Taxes Levied for Debt Service						1,013,809.00	-	1,013,809.00
Federal and State Aid not Restricted						9,847,353.10	-	9,847,353.10
Miscellaneous Income						66,571.41	397.28	66,968.69
Special Items:								
Adjustment to Fixed Assets :						(103,622.35)	-	(103,622.35)
Loss on Disposal of Fixed Assets						(482.55)	-	(482.55)
Total General Revenues, Special Items, Extraordinary Items and Transfers						22,962,632.61	397.28	22,963,029.89
Change in Net Position						513,726.66	17,663.37	531,390.03
Net Assets - Beginning						124,348.95	104,612.98	228,961.93
Net Position - Ending						\$ 638,075.61	\$ 122,276.35	\$ 760,351.96

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



## FUND FINANCIAL STATEMENTS

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



**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2018**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 1,987,985.16	\$ 120,083.37	\$ 27,940.12	\$ -	\$ 2,136,008.65
Receivables from Other Governments	266,718.00	296,976.59	30,774.64		594,469.23
Due from Other Funds	36,295.54		26,750.57	28,467.22	91,513.33
Other Receivables	60,167.16				60,167.16
<b>Total Assets</b>	<b>\$ 2,351,165.86</b>	<b>\$ 417,059.96</b>	<b>\$ 85,465.33</b>	<b>\$ 28,467.22</b>	<b>\$ 2,882,158.37</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable	\$ 213,040.70	\$ 84,821.27			297,861.97
Interfund Payable	-				-
Deferred Revenue		332,238.69			332,238.69
<b>Total Liabilities</b>	<b>213,040.70</b>	<b>417,059.96</b>	<b>-</b>	<b>-</b>	<b>630,100.66</b>
Fund Balances:					
Restricted Fund Balance:					
Excess Surplus:					
Current Year	898,808.73				898,808.73
Designated for Subsequent Year's Expenditures	512,497.05				512,497.05
Capital Projects			85,465.33		85,465.33
Committed Fund Balance:					
Debt Service	-			991.22	991.22
Capital Reserve	608,692.43				608,692.43
Maintenance Reserve	66,500.00				66,500.00
Other Purposes	-				-
Assigned Fund Balance:					
Other Purposes	426,590.99				426,590.99
Designated for Subsequent Year's Expenditures	9,701.95			27,476.00	37,177.95
Unassigned Fund Balance (Deficit)	(384,665.99)	-			(384,665.99)
<b>Total Fund Balances</b>	<b>2,138,125.16</b>	<b>-</b>	<b>85,465.33</b>	<b>28,467.22</b>	<b>2,252,057.71</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,351,165.86</b>	<b>\$ 417,059.96</b>	<b>\$ 85,465.33</b>	<b>\$ 28,467.22</b>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The cost of the assets is \$51,405,056.55 and the accumulated depreciation is \$19,439,070.04.	31,965,986.51
Deferred amount on refunding and premiums on bonds are reported in the governmental fund as expenditures in the year the bonds are issued but are amortized over the life on the bonds on the statement of activities.	(551,884.72)
Interest on long-term debt in the statement of activities is accrued, regardless of when due.	(377,131.08)
Pension Liabilities Net of Deferred Outflows & Inflows	(10,033,120.00)
Non current investment balances	1,908.00
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(22,619,740.81)
Net Position of governmental activities	<b>\$ 638,075.61</b>

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

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2018**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local Sources:					
Local Tax Levy	\$ 12,139,004.00	\$ -	\$ -	\$ 1,013,809.00	\$ 13,152,813.00
Tuition Charges	93,596.24				93,596.24
Miscellaneous	64,258.73	13,376.52	404.68		78,039.93
Total Local Sources	12,296,858.97	13,376.52	404.68	1,013,809.00	13,324,449.17
State Sources	13,494,207.64	3,708,631.62		637,994.00	17,840,833.26
Federal Sources	56,424.10	1,238,050.80		-	1,294,474.90
Total Revenues	<u>25,847,490.71</u>	<u>4,960,058.94</u>	<u>404.68</u>	<u>1,651,803.00</u>	<u>32,459,757.33</u>
<b>EXPENDITURES</b>					
Current:					
Regular Instruction	5,547,061.35	2,369,510.49			7,916,571.84
Special Education Instruction	2,534,766.36				2,534,766.36
Other Special Instruction	656,801.58				656,801.58
Support Services:					
Tuition	55,361.70				55,361.70
Student & Instruction Related Serv.	2,244,324.12	2,324,464.42			4,568,788.54
School Administrative Services	555,403.51				555,403.51
General and Business Admin Services	1,190,469.79				1,190,469.79
Plant Operation and Maintenance	1,625,021.25				1,625,021.25
Pupil Transportation	1,521,393.85				1,521,393.85
Employee Benefits	8,838,169.89				8,838,169.89
Deferred Revenue					
Principal	-			925,000.00	925,000.00
Interest and Other Charges	-			847,275.00	847,275.00
Capital Outlay	321,795.59	55,150.00	46,988.00		423,933.59
Total Expenditures	<u>25,090,568.99</u>	<u>4,749,124.91</u>	<u>46,988.00</u>	<u>1,772,275.00</u>	<u>31,658,956.90</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>756,921.72</u>	<u>210,934.03</u>	<u>(46,583.32)</u>	<u>(120,472.00)</u>	<u>800,800.43</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer in	404.68	61,880.00	-	111,214.26	173,498.94
Excess Cost of Issuance Account Proceeds	-		-	-	-
Transfer out	(61,880.00)		(111,618.94)	-	(173,498.94)
Total Other Financing Sources and Uses	<u>(61,475.32)</u>	<u>61,880.00</u>	<u>(111,618.94)</u>	<u>111,214.26</u>	<u>-</u>
Net Changes in Fund Balance	695,446.40	272,814.03	(158,202.26)	(9,257.74)	800,800.43
Fund Balance - July 1	1,442,678.76	(272,814.03)	243,667.59	37,724.96	1,451,257.28
Fund Balance - June 30	<u>\$ 2,138,125.16</u>	<u>\$ -</u>	<u>\$ 85,465.33</u>	<u>\$ 28,467.22</u>	<u>\$ 2,252,057.71</u>

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

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**of Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2018**

Total Net Change in Fund Balance - Governmental Funds (from B-2)		\$ 800,800.43
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	\$ (1,493,129.34)	
Loss on Disposal of Fixed Assets	(482.55)	
Capital Outlay	320,311.24	(1,173,300.65)
in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.		
District pension contributions - PERS	431,104.00	
Cost of benefits earned net of employee contributions	(909,168.00)	(478,064.00)
Deferred Revenue		
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of Net Position and is not reported in the statement of activities.		
Serial Bonds	925,000.00	
Capital Lease Payments	389,617.71	1,314,617.71
Governmental funds report the effect of gain or loss on the refunding of debt, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of the difference in the treatment of long-term debt related items.		
Amortization of Deferred Amount on Refunding (Loss)		(52,922.56)
In the statement of activities, the cost of issuance on the refunding of bonds is reported as an expense. The amount does not affect the fund financial statements.		
		62,693.15
In the statement of activities, the value of non current investments are reported as revenue. The amount does not affect the fund financial statements.		
		1,908.00
In the statement of activities, certain operating expenses, e.g., compensated absences (vacation and sick pay) 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 a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.		
		12,254.01
In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is a deduction in the reconciliation.		
		25,740.57
Change in Net Position of Governmental Activities		\$ 513,726.66

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

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Proprietary Funds**  
**Statement of Net Position**  
**June 30, 2018**

	Business-Type Activities - Enterprise Fund			Totals
	Food Service	Community School	Regional Professional Development Academy	
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents	\$ 57,241.01	\$ 106,570.22	\$ 17,686.75	\$ 181,497.98
Accounts Receivable	44,439.83	8,492.86	9,950.00	62,882.69
Inventory	18,013.26			18,013.26
Total Current Assets	119,694.10	115,063.08	27,636.75	262,393.93
Noncurrent Assets:				
Furniture, Machinery & Equipment	307,561.31	18,759.55	-	326,320.86
Less: Accumulated Depreciation	(226,968.14)	(18,759.55)	-	(245,727.69)
Total Noncurrent Assets	80,593.17	-	-	80,593.17
Total Assets	\$ 200,287.27	\$ 115,063.08	\$ 27,636.75	\$ 342,987.10
<b>LIABILITIES</b>				
Current Liabilities:				
Interfund Accounts Payable	\$ -	\$ 91,379.84	\$ 133.49	\$ 91,513.33
Accounts Payable		773.25		773.25
Deferred Revenue	6,098.60	79,945.53		86,044.13
Total Current Liabilities	6,098.60	172,098.62	133.49	178,330.71
Noncurrent Liabilities:				
Compensated Absences	42,380.04	-	-	42,380.04
Total Noncurrent Liabilities	42,380.04	-	-	42,380.04
<b>Net Position</b>				
Invested in Capital Assets Net of Related Debt	80,593.17	-	-	80,593.17
Unrestricted	71,215.46	(57,035.54)	27,503.26	41,683.18
Total Net Position	\$ 151,808.63	\$ (57,035.54)	\$ 27,503.26	\$ 122,276.35

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

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Proprietary Funds**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**For the Year Ended June 30, 2018**

	Business-Type Activities - Enterprise Fund			Totals Enterprise
	Food Service	Community School	Regional Professional Development Academy	
Operating Revenues:				
Charges for Services:				
Daily Sales - Reimbursable Programs	\$ 154,454.90	\$ -	\$ -	\$ 154,454.90
Daily Sales - Other	156,382.06	-	-	156,382.06
Workshop Fees	-	-	180,179.00	180,179.00
Fees	-	355,772.62	-	355,772.62
Total Operating Revenue	<u>310,836.96</u>	<u>355,772.62</u>	<u>180,179.00</u>	<u>846,788.58</u>
Operating Expenses:				
Cost of Sales - Program Sales	319,139.03	-	-	319,139.03
Cost of Sales - Non-Program Sales	69,644.26	-	-	69,644.26
Salaries	276,942.45	247,542.12	141,963.78	666,448.35
Employee Benefits	72,573.28	71,262.75	2,418.42	146,254.45
Management Fee	50,566.14	-	-	50,566.14
Purchased Services	6,831.76	20,697.00	-	27,528.76
Rentals	-	-	9,890.00	9,890.00
Supplies	31,980.52	2,949.41	3,133.36	38,063.29
Miscellaneous	42,690.62	13,874.07	459.18	57,023.87
Depreciation	7,117.24	-	-	7,117.24
Total Operating Expenses	<u>877,485.30</u>	<u>356,325.35</u>	<u>157,864.74</u>	<u>1,391,675.39</u>
Operating (Loss)	<u>(566,648.34)</u>	<u>(552.73)</u>	<u>22,314.26</u>	<u>(544,886.81)</u>
Nonoperating Revenues (Expenses):				
State Sources:				
State School Lunch Program	9,079.33	-	-	9,079.33
Federal Sources:				
National School Breakfast Program	143,991.04	-	-	143,991.04
National School Lunch Program	348,356.42	-	-	348,356.42
Food Distribution Program	60,726.11	-	-	60,726.11
Interest and Investment Income	185.32	122.43	89.53	397.28
Total Nonoperating Revenues (Expenses)	<u>562,338.22</u>	<u>122.43</u>	<u>89.53</u>	<u>562,550.18</u>
Profit (Loss) before Contributions & Transfers	<u>(4,310.12)</u>	<u>(430.30)</u>	<u>22,403.79</u>	<u>17,663.37</u>
Changes in Net Position	<u>(4,310.12)</u>	<u>(430.30)</u>	<u>22,403.79</u>	<u>17,663.37</u>
Total Net Position - Beginning	<u>156,118.75</u>	<u>(56,605.24)</u>	<u>5,099.47</u>	<u>104,612.98</u>
Total Net Position - Ending	<u>\$ 151,808.63</u>	<u>\$ (57,035.54)</u>	<u>\$ 27,503.26</u>	<u>\$ 122,276.35</u>

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

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Proprietary Funds**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2018**

	Business-Type Activities - Enterprise Fund			Totals Enterprise
	Food Service	Community School	Regional Professional Development Academy	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from Customers	\$ 310,139.67	\$ 358,373.01	\$ 170,229.00	\$ 838,741.68
Payments to Employees	(270,606.03)	(247,542.12)	(141,963.78)	(660,111.93)
Payments for Employee Benefits	(72,573.28)	(71,262.75)	(2,418.42)	(146,254.45)
Payments to Suppliers	(521,784.74)	(37,343.87)	(13,482.54)	(572,611.15)
Net Cash Provided by (Used for) Operating Activities	<u>(554,824.38)</u>	<u>2,224.27</u>	<u>12,364.26</u>	<u>(540,235.85)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
State Sources	8,889.56			8,889.56
Federal Sources	543,692.00			543,692.00
Operating Subsidies and Transfers to Other Funds		54,368.80	1,052.75	55,421.55
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>552,581.56</u>	<u>54,368.80</u>	<u>1,052.75</u>	<u>608,003.11</u>
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchase of Equipment	(9,979.00)			(9,979.00)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(9,979.00)</u>	<u>-</u>	<u>-</u>	<u>(9,979.00)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Interest and Dividends	185.32	122.43	89.53	397.28
Net Cash Provided by (Used for) Investing Activities	<u>185.32</u>	<u>122.43</u>	<u>89.53</u>	<u>397.28</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(12,036.50)	56,715.50	13,506.54	58,185.54
Balance - Beginning of Year	69,277.51	49,854.72	4,180.21	123,312.44
Balance - End of Year	<u>\$ 57,241.01</u>	<u>\$ 106,570.22</u>	<u>\$ 17,686.75</u>	<u>\$ 181,497.98</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>				
Operating (Loss)	\$ (566,648.34)	\$ (552.73)	\$ 22,314.26	\$ (544,886.81)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation	7,117.24	-	-	7,117.24
Increase (Decrease) in Deferred Revenue	(154.34)	(635.06)		(789.40)
(Increase) Decrease in Accounts Receivable	(542.95)	3,235.45	(9,950.00)	(7,257.50)
Increase (Decrease) in Accounts Payable		176.61		176.61
(Increase) Decrease in Inventories	(932.41)			(932.41)
Increase (Decrease) in Accrued Salaries Benefits	6,336.42			6,336.42
Total Adjustments	<u>11,823.96</u>	<u>2,777.00</u>	<u>(9,950.00)</u>	<u>4,650.96</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (554,824.38)</u>	<u>\$ 2,224.27</u>	<u>\$ 12,364.26</u>	<u>\$ (540,235.85)</u>

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



**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Statement of Net Position**  
**June 30, 2018**

	Unemployment Compensation	Agency Fund
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 58,239.90	\$ 318,145.86
Total Assets	58,239.90	318,145.86
<b>LIABILITIES</b>		
Summer Savings		109,154.75
Payable to Student Groups		50,650.44
Accounts Payable	4,203.21	
Payroll Deductions and Withholdings		158,340.67
Total Liabilities	4,203.21	318,145.86
<b>Net Position</b>		
Held in Trust for Unemployment Claims and Other Purposes	\$ 54,036.69	

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

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Statement of Changes in Fiduciary Net Position**  
**For the Year Ended June 30, 2018**

	Unemployment Compensation
<b>ADDITIONS</b>	
Contributions:	
Plan Member	\$ 18,627.88
Total Contributions	18,627.88
Investment Earnings:	
Interest	142.18
Total Additions	18,770.06
<b>DEDUCTIONS</b>	
Unemployment Claims	50,119.40
Total Deductions	50,119.40
Changes in Net Position	(31,349.34)
Net Position - Beginning of the Year	85,386.03
Deferred Revenue	\$ 54,036.69

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

## **NOTES TO THE FINANCIAL STATEMENTS**



**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018**

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

The Little Egg Harbor Township School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

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

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

**A. Reporting Entity**

The District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. The purpose of the district is to educate students in grades Pre-K-6. The District operates an elementary and intermediate school located in Little Egg Harbor Township.

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

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

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

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**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018**

**B. Basis of Presentation, Measurement Focus and Basis of Accounting**

**Basis of Presentation**

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

*District-Wide Financial Statements:* The statement of net position and the statement of activities display information about the district as a whole. These statements report the financial activities of the overall District, except for fiduciary activities. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by property taxes, intergovernmental revenues, and other non-exchange transactions from business-type activities, generally financed in whole or in part with fees charged to external parties.

The statement of net position presents the financial condition of the governmental and business-type activity of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges and fees paid by the recipients of goods or services offered by the programs; and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing, or draws from the general revenues of the School District.

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

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**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018**

Governmental Funds

The District reports the following governmental funds:

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

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

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

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

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

Proprietary Funds

The District reports the following proprietary fund:

Enterprise Funds - Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business operations – where the intent of the District is that the costs of providing goods or services be financed or recovered primarily through user charges.

The District's Enterprise Funds are comprised of the Food Service Fund, which accounts for all revenues and expenses pertaining to the District's cafeteria operations, the Community School Fund, which accounts for all revenues and expenses pertaining to the District's community school program operations and the Regional Professional Development Academy Fund.

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**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018**

Fiduciary Funds

Trust and Agency Funds - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

The District's fiduciary funds are presented in the fiduciary fund financial statements by type (pension, private purpose and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.), and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

All fund internal activity is eliminated when carried to the Government-wide statements.

Expendable Trust Fund - An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. Expendable Trust Funds include the Unemployment Compensation Insurance Trust.

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

**Measurement Focus and Basis of Accounting**

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

The District-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Net position (total assets less total liabilities) is used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased net position. Depreciation is charged as expense against current operations and accumulated depreciation is reported on the statement of net position.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Revenue from federal, state and other grants designated for payment of specific school district expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as deferred revenues until earned. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.



**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for special revenue funds. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(g). All budget amendments/transfer must be approved by School Board resolution. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Significant transfers approved by the Board of Education during the fiscal year were as follows:

**Instruction**

Regular Programs	189,871.53
Multiple Disabilities	(182,233.95)
Resource Room/Resource Center	(222,829.00)
Preschool Disabilities -Full-Time	(107,068.95)
Basic Skills - Instruction	(58,374.81)

**Undistributed Expenditures**

Other Support Serv. Students	(51,214.50)
Support Services - General Admin.	60,148.54
Supp. Serv. - School Admin.	54,629.20

**Unallocated Benefits** (392,422.06)

**Capital Outlay**

Equipment	130,593.85
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Appropriations, except remaining project appropriations, encumbrances and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures.

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

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

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**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018**

**D. Encumbrance Accounting**

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

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

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

**E. Assets, Liabilities and Equity**

**Cash, Cash Equivalents and Investments**

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

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

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

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

**Inter-fund Transactions**

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

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

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018**

Inventories

Inventories, other than those recorded in the enterprise fund, are recorded as expenditures during the year of purchase. Inventories in the Enterprise Fund are recorded at cost, computed on a first-in, first out method. In the fund based financial statements, commodities received from the U.S. Department of Agriculture are recorded as deferred revenue until consumed.

Capital Assets

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The capitalization threshold used by school districts in the State of New Jersey is \$2,000.00.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method over their estimated useful lives. Useful lives vary from 20 to 50 years for land improvements and buildings, and 5 to 15 years for equipment.

The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

Compensated Absences

The District accounts for compensated absences (e.g., unused sick, vacation leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

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

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave that is expected to become eligible for payment upon termination. The District estimates its accrued compensated absences liability based on the accumulated sick and vacation days at the balance sheet date by those employees who are currently eligible to receive termination payments.

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

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018**

Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received in the Special Revenue Fund before they have been earned are recorded as deferred revenue.

Accrued Liabilities and Long-Term Obligations

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

Net Position

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

Fund Balance

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

- Non-spendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.
- Restricted - The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.
- Committed – The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018**

- Assigned – The assigned fund balance classification includes amounts that are constrained by the School District's intent to be used for specific purposes, but are neither restricted nor committed.
- Unassigned – The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

The details of the fund balances are included in the Governmental Funds Balance Sheet. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

Revenues – Exchange and Nonexchange Transactions

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned. Revenue from grants, entitlement, and donations is recognized in the period in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Operating Revenues and Expenses

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

Allocation of Indirect Expenses

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

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018**

Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Extraordinary and Special Items

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

Management Estimates

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

**F. Recent Accounting Pronouncements Not Yet Effective**

In January 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 80, "Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14". This statement is effective for fiscal periods beginning after December 15, 2016, will not have any effect on the District's financial reporting.

In March 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 81, "Irrevocable Split-Interest Agreements". This statement is effective for fiscal periods beginning after December 15, 2016, will not have any effect on the District's financial reporting.

In March 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 82, "Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73". This statement is effective for fiscal periods beginning after June 15, 2016, will not have any effect on the District's financial reporting, however will affect the disclosure of pension related items.

In November 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 83, "Certain Asset Retirement Obligations". This statement is effective for fiscal periods beginning after June 15, 2018, will not have any effect on the District's financial reporting.

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, "Fiduciary Activities". This statement is effective for fiscal periods beginning after December 15, 2018, will not have any effect on the District's financial reporting.

In March 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 85, "Omnibus 2017". This statement is effective for fiscal periods beginning after June 15, 2017, will not have any effect on the District's financial reporting.

In May 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 86, "Certain Debt Extinguishment Issues". This statement is effective for fiscal periods beginning after June 15, 2017, will not have any effect on the District's financial reporting.

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, "Leases". This statement is effective for fiscal periods beginning after December 15, 2019, will not have any effect on the District's financial reporting.

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018**

**NOTE 2 – CONTINGENT LIABILITIES**

Federal and State Grants

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

**NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS**

**Custodial Credit Risk Related to Deposits** - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act. Of the School District's bank balance of \$2,980,854.05 as of June 30, 2018, \$499,886.67 was uninsured and uncollateralized.

Investments

Pursuant to state statutes, the District may invest in the following:

- Direct obligations of, or obligations as to which the principal and interest is guaranteed by, the United States of America
- Government money market mutual funds
- Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress
- Bonds or obligations of the local unit or other obligations of school districts within the local unit
- Local government investment pools
- State of New Jersey Cash Management Fund
- Agreements for the repurchase of fully collateralized securities

At June 30, 2018, the District had no investments.

**Custodial Credit Risk** – For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District does not have a policy for custodial credit risk.

**Credit Risk** – The District does not have an investment policy regarding the management of credit risk. GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or investments guaranteed by the U.S. government.

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018**

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The District does not have a policy to limit interest rate risk. All of the District’s investments have a maturity of less than one year.

**NOTE 4 – RECEIVABLES**

Receivables at June 30, 2018 consisted of accounts (tuition), interfund, intergovernmental, and property taxes. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial Statements	Government Wide Financial Statements
State and Federal Aid	\$ 594,469.23	633,454.12
Other	60,167.16	84,064.96
Interfunds	91,513.33	-
Gross Receivables	746,149.72	717,519.08
Less: Allowance for Uncollectibles		
Total Receivables, Net	\$ 746,149.72	\$ 717,519.08

**NOTE 5 – INTERFUND TRANSFERS AND BALANCES**

Transfers between funds are used to (1) move investment income earned in the Capital Projects Fund that is required to be expended in the Debt Service Fund; (2) repay expenses paid by another fund; and (3) make a Board contribution to the Unemployment Compensation Trust Fund.

The following interfund balances remained on the fund financial statements at June 30, 2018:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 36,295.54	
Special Revenue Fund		
Capital Projects Fund	26,750.57	
Debt Service Fund	28,467.22	
Proprietary Fund	-	91,513.33
Total	\$ 91,513.33	\$ 91,513.33

The general fund receivable is comprised from the Proprietary Fund for \$36,295.54, the capital project fund receivable is comprised from the Proprietary Fund for \$26,750.57 and the debt service fund receivable is comprised from the Proprietary Fund for \$28,467.22. The inter-fund payable due from the Proprietary Fund to the General Fund in the amount of \$36,295.54 are for expenses paid by the General Fund during the fiscal year.

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**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018**

**NOTE 6 – INVENTORY**

Inventory in the Food Service Enterprise Fund at June 30, 2018 consisted of the following:

Food	\$ 12,975.74
Supplies	<u>5,037.52</u>
	<u>\$ 18,013.26</u>

The value of Federal donated commodities is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements. The value of commodities included in the food inventory on June 30, 2018 is \$4,622.54.

**NOTE 7 – CAPITAL ASSETS**

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

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 7,076,100.00	\$ -	\$ -	\$ 7,076,100.00
Construction in Progress	267,011.99	-	-	267,011.99
Total capital assets not being depreciated	<u>7,343,111.99</u>	<u>-</u>	<u>-</u>	<u>7,343,111.99</u>
Capital assets being depreciated:				
Buildings and Building improvements	41,483,106.56	99,999.41		41,583,105.97
Machinery & Equipment	2,300,052.92	220,311.83	41,526.16	2,478,838.59
Total capital assets being depreciated at historical cost	<u>43,783,159.48</u>	<u>320,311.24</u>	<u>41,526.16</u>	<u>44,061,944.56</u>
Less accumulated depreciation for:				
Buildings and improvements	(16,551,724.23)	(1,322,802.97)		(17,874,527.20)
Equipment	(1,435,260.08)	(170,326.37)	(41,043.61)	(1,564,542.84)
Subtotal accumulated depreciation	<u>(17,986,984.31)</u>	<u>(1,493,129.34)</u>	<u>(41,043.61)</u>	<u>(19,439,070.04)</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>25,796,175.17</u>	<u>(1,172,818.10)</u>	<u>482.55</u>	<u>24,622,874.52</u>
Governmental activity capital assets, net	<u>\$ 33,139,287.16</u>	<u>\$ (1,172,818.10)</u>	<u>\$ 482.55</u>	<u>\$ 31,965,986.51</u>
<b>Business-type activities:</b>				
Capital assets being depreciated:				
Equipment	\$ 297,582.31	\$ 9,979.00	-	\$ 307,561.31
Less accumulated depreciation	(219,850.90)	(7,117.24)	-	(226,968.14)
Enterprise Fund capital assets, net	<u>\$ 77,731.41</u>	<u>\$ 2,861.76</u>	<u>\$ -</u>	<u>\$ 80,593.17</u>

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
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\* Depreciation expense was charged to governmental functions as follows:

	Depreciation Allocated
Instruction:	
Regular	\$ 620,567.81
Special Education	198,696.41
Other Instruction	51,485.66
Support Services:	
Student and Instruction Related Services	358,140.26
School Administrative Services	93,319.08
General and Administrative Services	43,537.22
Plant Operations and Maintenance	127,382.90
Total	\$ 1,493,129.34

**NOTE 8 – LONG-TERM OBLIGATIONS**

Changes in long-term liabilities for the year ended June 30, 2018 are as follows:

	Balance July 1, 2017	Issues Additions or Refunded	Payments or Expenditures	Balance June 30, 2018	Amounts Due Within One Year
Compensated Absences	\$ 1,928,446.30	\$ -	12,254.01	\$ 1,916,192.29	\$ -
Capital Leases	1,018,166.23	-	389,617.71	628,548.52	322,889.51
Premium on Bond Sale	2,156,986.18	-	749,197.55	1,407,788.63	-
Bonds Payable	21,000,000.00		925,000.00	20,075,000.00	955,000.00
	\$ 26,103,598.71	\$ -	\$ 2,076,069.27	\$ 24,027,529.44	\$ 1,277,889.51

Compensated absences and capital leases will be liquidated in the General Fund.

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**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018**

Bonds Payable

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

At June 30, 2018 bonds payable consisted of the following issues:

\$7,995,000 School Bonds dated August 1, 2009, due in annual installments through August 1, 2033, bearing interest at varying rates of 4.00% to 4.55% per annum. The balance remaining as of June 30, 2018 is \$260,000.

\$15,245,000 Refunding School Bonds dated March 31, 2015, due in annual installments through January 15, 2033, bearing interest at rates varying from 2.00% to 5.00%. The balance remaining as of June 30, 2018 is \$14,375,000.

\$5,440,000 Refunding School Bonds dated July 19, 2016, due in annual installments through August 1, 2033, bearing interest at rates varying from 3.00% to 4.00%. The balance remaining as of June 30, 2018 is \$5,440,000.

Debt service requirements on serial bonds payable at June 30, 2018 are as follows:

Bonds Payable

Fiscal Year Ending June 30,	Principal	Interest	Total
2019	955,000.00	810,175.00	1,765,175.00
2020	990,000.00	773,200.00	1,763,200.00
2021	1,025,000.00	736,100.00	1,761,100.00
2022	1,075,000.00	696,175.00	1,771,175.00
2023	1,115,000.00	652,975.00	1,767,975.00
2024-2028	6,485,000.00	2,413,125.00	8,898,125.00
2029-2033	7,955,000.00	955,987.50	8,910,987.50
2034	475,000.00	9,500.00	484,500.00
	<u>\$ 20,075,000.00</u>	<u>\$ 7,047,237.50</u>	<u>\$ 27,122,237.50</u>

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**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018**

Capital Leases

The District is leasing computer and technology equipment totaling \$429,959.46, Curriculum Equipment totaling \$400,000.00 was retired during the audit year, Copy Machines totaling \$212,394, and Security Equipment at Frog Pond Elementary School totaling \$750,000.00. The following is a schedule of the future minimum lease payments under these capital leases and the net minimum lease payments at June 30, 2018:

Fiscal Year Ending June 30,	Total
2019	335,847.26
2020	156,945.11
2021	156,945.11
Total minimum lease payments	649,737.48
Less amount representing interest	21,188.96
Present value of lease payments	\$ 628,548.52

**NOTE 9 – PENSION PLANS**

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

Teachers' Pension and Annuity Fund (TPAF)

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

Public Employees' Retirement System (PERS)

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

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018**

Defined Contribution Retirement Program (DCRP)

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

The contribution requirements of plan members are determined by state statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system; however statute also requires the return to the normal rate when such surplus pension assets no longer exist. In addition to the employee contributions, the School District's contribution amounts for each pay period are required to be transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period. The School District has 34 employees enrolled in the Defined Contribution Retirement Program (DCRP) during fiscal year ended June 30, 2018.

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 7.20% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 24.26% and the PERS rate is 14.82% of covered payroll. The School District's contributions to TPAF for the years ending June 30, 2018, 2017 and 2016 are listed below, and paid by the State of New Jersey on behalf of the board, equal to the required contributions for each year. The School District's contributions to PERS for the years ending June 30, 2018, 2017, and 2016 are also listed below, equal to the required contributions for each year.

Three Year Trend Information for PERS					
Year Funding		Annual Pension Cost (APC)	Percentage of APC Contributed		Net Pension Obligation
6/30/2018	\$	437,994.23	100%	\$	-
6/30/2017		403,115.00	100%		-
6/30/2016		381,308.00	100%		-

During the fiscal year ended June 30, 2018, the State of New Jersey contributed \$2,848,773.00 to the TPAF for post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66, the State of New Jersey reimbursed the District \$854,505.64 during the year ended June 30, 2018 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the financial statements, and the combining and individual fund statements and schedules as a revenue and expenditure in accordance with GASB Statement No. 27.

Three Year Trend Information for TPAF (Paid on behalf of the District)					
Year Funding		Annual Pension Cost (APC)	Percentage of APC Contributed		Net Pension Obligation
6/30/2018	\$	2,848,773.00	100%		-
6/30/2017	\$	2,517,476.00	100%		-
6/30/2016		2,078,903.00	100%		-

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT  
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Significant Legislation

Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Teacher's Pension and Annuity Fund (TPAF) operate and to the benefit provisions of those systems.

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

- New members of the PERS and TPAF hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of  $\frac{1}{4}$  of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS system is increased from age 63 to 65 for Tier 5 members.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, and employer contributions to the retirement systems.

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60th from 1/55th, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for social security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined a 1/7th of the required amount, beginning in fiscal years 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT  
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Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

**NOTE 10 – Public Employees Retirement System**

At June 30, 2018, the District reported a liability of \$10,832,778 for its proportionate share of the net pension liability. 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 that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the District's proportion was 0.0465357474%, which was an increase of 0.0015117232% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2017, the District recognized pension expense of \$909,168.00. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 255,075.00	
Changes of assumptions	2,182,431.00	2,174,430.00
Net difference between projected and actual earnings on pension plan investments	73,764	
Changes in proportion and differences between District contributions and proportionate share of contributions	462,818.00	
District contributions subsequent to the measurement date		
	\$ 2,974,088.00	\$ 2,174,430.00
Total		

\$431,104.00 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (June 30, 2017) will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,		
2019	\$	(636,187.00)
2020	\$	(924,285.00)
2021	\$	(549,022.00)
2022	\$	734,010.00
2023	\$	575,826.00
Total	\$	(799,658.00)

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT  
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**Actuarial Assumptions**

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

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%

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 rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 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 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 inflations. Best estimates of arithmetic real 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:



**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT  
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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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%	6.50%
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%

*Discount Rate*

The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. This single blended discount rate was based on the 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 municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% 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 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 District's proportionate share of the net pension liability to changes in the discount rate.*

The following presents the collective net pension liability of the participated employers as of June 30, 2017, calculated using the discount rate as disclosed above as well as what the collective net pension 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:

	1% Decrease (4.00%)	Current Discount Rate (5.00%)	1% Increase (6.00%)
District's proportionate share of the net pension liability	\$ 12,996,719	10,832,778	9,032,282.85

*Pension plan fiduciary net position.*

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT  
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**NOTE 11 - TEACHERS' PENSION AND ANNUITY FUND (TPAF)**

At June 30, 2018, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$	-
State's proportionate share of the net position liability associated with the District		82,231,908.00
Total	\$	82,231,908.00

The net pension liability was measured as of June 30, 2017 and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2017, the District's proportion was 0.00%, which was no change from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of \$5,696,610 and revenue of \$5,696,610 for support provided by the State. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to TPAF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 537,999.00	140,722.00
Changes of assumptions	16,316,533.00	14,251,213
Net difference between projected and actual earnings on pension plan investments	\$ 416,513	
Changes in proportion and differences between District contributions and proportionate share of contributions	\$ 3,604,570	
District contributions subsequent to the measurement date		
Total	\$ 20,875,615.00	14,391,935.00

\$1,369,537 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date (June 30, 2017) will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2019	\$ 772,317.00
2020	\$ 1,226,427.00
2021	\$ 1,025,465.00
2022	\$ 574,958.00
2023	\$ 651,839.00
Thereafter	\$ (1,788,408.00)
Total	\$ 2,462,598.00

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT  
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*Actuarial assumptions.* The total pension liability in the June 30, 2017 actuarial valuation 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, applied to all period included 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 disable mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60 year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 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, 2017 are summarized in the following table:

<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 market equity	6.50%	11.64%
Buyouts venture capital	8.25%	13.08%

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
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*Discount rate.* The discount rate used to measure the total pension liability was 4.25% as of June 30, 2017. This single blended discount rate was based on the 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 municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The 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 District's proportionate share of the net pension liability to changes in the discount rate.*

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 4.25% as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.25%) or 1-percentage point higher (5.25%) than the current rate:

	1% Decrease (3.25%)	Current Discount Rate (4.25%)	1% Increase (5.25%)
District's proportionate share of the net pension liability	\$ -	-	-

*Pension plan fiduciary net position.*

Detailed information about the pension plan's fiduciary net position is available in the separately issued TPAF financial report.

**NOTE 12 – OTHER POST-RETIREMENT BENEFITS**

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

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 53, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

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

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT  
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*Employees covered by benefit terms:*

At June 30, 2018, the following employees were covered by the benefit terms:

TPAF participant retirees:

As of June 30, 2017, there were 112,966 retirees receiving post-retirement medical benefits, and the State contributed \$1.39 billion on their behalf.

PERS participant retirees:

The State paid \$238.9 million toward Chapter 126 benefits for 20,913 eligible retired members in Fiscal Year 2017.

*Total OPEB Liability*

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

*Actuarial assumptions and other imputes:*

The total OPEB liability in the June 30, 2017 actuarial valuation reported by the State in the State's most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

**Discount Rate:** The Bond Buyer General Obligation 20-Bond Municipal Bond Index is used for the determination of the discount rate. The discount rate used for the fiscal year ending June 30, 2017 is 3.58%.

**Health Care Trend:** For pre-Medicare PPO medical benefits, the initial amount is 5.9% and decreases to 5.0% long term trend rate after 9 years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5%. For HMO medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long-term trend rate after 9 years. For prescription drug benefits, the initial trend rate is 10/5% decreasing to a 5.0% long-term trend rate after 8years. For Medicare Part-B reimbursement, the trend rate is 5.0%.

**Salary Scale:** The salary scale assumptions will be consistent with the salary scale assumptions used in the pension plans and the calculation of the retiree health contributions for current and future retirees who are subject to Chapter 78. The PERS and TPAF pension actuarial reports are used for the fiscal year ending June 30, 2018.

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Bond Index. Mortality rates were based on the following:

**Pre-retirement Healthy Mortality:** RP-2014 headcount-weighted healthy employee male/female mortality table with fully generational mortality improvement projections from the central year using scale MP-2017.  
**Post-retirement Healthy Mortality:** RP-2014 headcount-weighted healthy annuitant male/female mortality table with fully generational improvement projections from the central year using scale MP-2017.

**Disabled Mortality:** RP-2014 headcount-weighted disabled male/female mortality table with fully generational improvement projections from the central year using scale MP-2017

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT  
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*Changes in the Total OPEB liability reported by the State of New Jersey:*

Balance at 6/30/16	\$ 57,831,784,184.00
Changes for the year:	
Service cost	2,391,878,884.00
Interest	1,699,441,736.00
Changes in assumptions or other inputs	(7,086,599,129.00)
Contributions: Member	45,748,749.00
Benefit payments	<u>(1,242,412,566.00)</u>
Net changes	<u>(4,191,942,326.00)</u>
Balance at 6/30/17	<u>\$ 53,639,841,858.00</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.85% in 2016 to 3.58% in 2017.

*Sensitivity of the total OPEB liability to changes in the discount rate:*

The following presents the total OPEB liability of the State for school board retirees, as well as what the state's total OPEB liability for school boards would be if it were calculated using a discount rate that 1 percentage point lower or 1 percentage point higher than the current discount rate:

	<u>1% Decrease (2.58%)</u>	<u>Discount Rate (3.58%)</u>	<u>1% Increase (4.58%)</u>
Total OPEB Liability (School Retirees)	63,674,362,200.00	53,639,841,858.00	45,680,364,953.00

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.*

The following presents the total OPEB liability of the State, as well as what the State's total OPB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability (School Retirees)	44,113,584,560.00	53,639,841,858.00	66,290,599,457.00

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

For the year ended June 30, 2018, the board of education recognized OPEB expense of \$4,874,856.00 determined by the State as the total OPEB liability for benefits provided through a defined OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75 and in which there is a special funding situation.

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT  
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In accordance with GASB 75, the board of education's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2017, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employees' OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	
Changes of assumptions		6,343,769,032.00
Net difference between projected and actual earnings on pension plan investments		
Changes in proportion and differences between District contributions and proportionate share of contributions		
Contributions subsequent to the measurement date	1,190,373,242.00	
 Total	\$ 1,190,373,242.00	6,343,769,032.00

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

Year ended June 30,			
2019	\$	(742,830,097.00)	
2020		(742,830,097.00)	
2021		(742,830,097.00)	
2022		(742,830,097.00)	
2023		(742,830,097.00)	
Thereafter		(2,629,618,547.00)	
Total	\$	(6,343,769,032.00)	

(Contributions made after June 30, 2017 are reported as deferred outflow of resources but are not amortized in the expense.)

Detailed information about the plan's fiduciary net position is available in the separately issued OPEB financial report.

**NOTE 13 – COMPENSATED ABSENCES**

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

The liability for vested compensated absences for the governmental fund types is recorded in current and long-term liabilities. The current portion of the compensated absences balance of the governmental funds is not considered material to the applicable funds total liabilities, and therefore is not shown separately from the long-term liability of compensated absences.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2018, there was a \$42,380.04 liability for compensated absences in the Food Service Enterprise Fund.

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 14 – DEFERRED COMPENSATION**

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

- AIG Retirement
- Aspire
- AXA Equitable Life
- Lincoln Investment Planning, Inc.
- NY Life
- Siracusa Benefits

**NOTE 15 – CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the Little Egg Harbor Township Board of Education by the inclusion of \$120,000 in the original 1999-2000 annual capital outlay budget, which was certified for taxes, for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are committed to capital projects in the district’s approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A.19:60-2. Pursuant to N.J.A.C.6:23A-5.1(d) 7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its LRFP.

The activity of the capital reserve for the July 1, 2017 to June 30, 2018 fiscal year is as follows:

Beginning Balance, July 1, 2017	\$	308,492.43
June 18, 2018 Board Resolution		300,000.00
Interest Earnings		200.00
Ending Balance, June 30, 2018	\$	608,692.43

**NOTE 16 – MAINTENANCE RESERVE ACCOUNT**

A maintenance reserve account was established by the Little Egg Harbor Township Board of Education for the accumulation of funds for use as required maintenance expenditures in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The activity of the Maintenance reserve for the July 1, 2017 to June 30, 2018 fiscal year is as follows:

Beginning balance, July 1, 2017	\$	66,200.00
Deposits:		
Interest		300.00
Ending balance, June 30, 2018	\$	66,500.00



**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018**

**NOTE 17 – EMERGENCY RESERVE ACCOUNT**

An emergency reserve account was established by the Little Egg Harbor Township Board of Education for the accumulation of funds for the purpose of financing unanticipated general fund expenditures required for a thorough and efficient education in accordance with N.J.S.A. 18A:7F-41c(1). The emergency reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The activity of the emergency reserve for the July 1, 2017 to June 30, 2018 fiscal year is as follows:

Beginning balance, July 1, 2017	\$	38,693.00
Decrease :		
2017-2018 Budget		(38,693.00)
		_____
Ending balance, June 30, 2018	\$	-

**NOTE 18 – RISK MANAGEMENT**

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

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability and surety bonds.

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

Fiscal Year	Interest on Investments	Contributions	Amount Reimbursed	Ending Balance
2017-2018	\$ 142.18	\$ 18,627.88	\$ 50,119.40	\$ 54,036.69
2016-2017	128.78	40,247.69	51,074.97	85,386.03
2015-2016	167.36	29,572.65	68,285.27	96,084.53

Federal and State Grants

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

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018**

**NOTE 19 – DEFICIT UNRESTRICTED NET POSITION**

The School District had a deficit in unrestricted net position of (\$16,428,797.19) as of June 30, 2018. This deficit was attributable to the Net Pension Liability, OPEB Liability, the liability for compensated absences as well as the June State Aid Payment as noted above.

**NOTE 20 – FUND BALANCES**

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

**General Fund –**

For Excess Surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2018 is \$1,411,305.78. Additionally, \$512,497.05 of excess fund balance generated during 2017-2018 has been restricted and designated for utilization in the 2018-2019 budget.

Committed Fund Balance

As stated in note 1, Committed - The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

**General Fund –**

For Capital Reserve Account - As of June 30, 2018, the balance in the capital reserve account is \$608,692.43. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

For Maintenance Reserve Account - As of June 30, 2018, the balance in the maintenance reserve account is \$66,500.00. These funds are restricted for future maintenance expenditures for the districts buildings and grounds.

**General Fund -**

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

General Fund - As of June 30, 2018, the general fund balance unassigned classification contained a deficit in the amount of \$384,665.99. As discussed in Note 1, this is a direct result of the delay in the June payments of state aid until the following fiscal year, is not considered a violation of New Jersey statute and regulation nor in need of corrective action.

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2018**

Assigned - At June 30, 2018, \$436,292.94 was assigned for other purposes as of year-end. This represents encumbrances resulting from issuing purchase orders as a result of normal purchasing activities approved by the District.

**NOTE 21 – CALCULATION OF EXCESS SURPLUS**

In accordance with N.J.S.A. 18A:7F-7, the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount of budgeted fund balance in their subsequent years' budget. The excess fund balance generated for the year ended June 30, 2018 is \$898,808.73.

**NOTE 22 – DEFICIT FUND BALANCES**

The District does not have a deficit fund balance in any of its Funds. However, they did have a deficit relating to the two final state aid payment in the amount of (\$384,665.99) in the General Fund as of June 30, 2018 as reported in the fund statements (modified accrual basis). P.L. 2003, c. 97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last payment as revenue, for budget purposes only, in the current school budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e. if one government recognizes an asset; the other government recognizes a liability.

**NOTE 23 – SUBSEQUENT EVENTS**

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2018 through January 25, 2019 the date that the financial statements were issued for possible disclosure and recognition in the financial statements, and no items have come to attention of the District that would require disclosure.

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## **Required Supplementary Information – Part II**



# **Budgetary Comparison Schedules**





**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2018**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 12,139,004.00	\$ -	\$ 12,139,004.00	\$ 12,139,004.00	-
Tuition	-	-	-	93,596.24	93,596.24
Interest Earned on Maintenance Reserve	300.00	-	300.00	300.00	-
Interest Earned on Capital Reserve	200.00	-	200.00	271.44	71.44
SRECS	20,000.00	-	20,000.00	1,908.00	(18,092.00)
Miscellaneous	57,700.00	-	57,700.00	61,779.29	4,079.29
Total Local Sources	<u>12,217,204.00</u>	<u>-</u>	<u>12,217,204.00</u>	<u>12,296,858.97</u>	<u>79,654.97</u>
State Sources:					
Extraordinary Aid	140,000.00	-	140,000.00	255,698.00	115,698.00
Categorical Special Education Aid	844,602.00	-	844,602.00	844,602.00	-
Equalization Aid	5,995,899.00	-	5,995,899.00	5,995,899.00	-
Categorical Security Aid	337,297.00	-	337,297.00	337,297.00	-
Adjustment Aid	1,427,520.00	(193,807.00)	1,233,713.00	1,233,713.00	-
Categorical Transportation Aid	1,038,502.00	-	1,038,502.00	1,038,502.00	-
PARCC Readiness Aid	13,560.00	-	13,560.00	13,560.00	-
Per Pupil Growth Aid	13,560.00	-	13,560.00	13,560.00	-
Under Adequacy Aid	6,727.00	-	6,727.00	6,727.00	-
Professional Learning Community Aid	12,680.00	-	12,680.00	12,680.00	-
Additional Non Public Transportation Aid	-	-	-	11,020.00	11,020.00
TPAF Pension (On-Behalf - Non-Budgeted)	-	-	-	-	-
Pension Contribution	-	-	-	1,729,568.00	1,729,568.00
Post Retirement Medical	-	-	-	1,117,091.00	1,117,091.00
Long Term Disability	-	-	-	2,114.00	2,114.00
TPAF Social Security (Reimbursed- Non-Budgeted)	-	-	-	854,505.64	854,505.64
Total State Sources	<u>9,830,347.00</u>	<u>(193,807.00)</u>	<u>9,636,540.00</u>	<u>13,466,536.64</u>	<u>3,829,996.64</u>
Federal Sources:					
Medicaid Reimbursement	40,623.00	-	40,623.00	50,422.13	9,799.13
ARRA/SEMI	-	-	-	6,001.97	6,001.97
Total Federal Sources	<u>40,623.00</u>	<u>-</u>	<u>40,623.00</u>	<u>56,424.10</u>	<u>15,801.10</u>
Total Revenues	<u>22,088,174.00</u>	<u>(193,807.00)</u>	<u>21,894,367.00</u>	<u>25,819,819.71</u>	<u>3,925,452.71</u>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
<b>REGULAR PROGRAMS - INSTRUCTION</b>					
Kindergarten - Salaries of					
Teachers	768,178.00	(35,788.90)	732,389.10	726,186.40	6,202.70
Grades 1 - 5 Salaries of Teachers	3,580,857.00	22,766.86	3,603,623.86	3,556,658.22	46,965.64
Grades 6 - 8 Salaries of Teachers	768,706.00	55,447.60	824,153.60	823,181.85	971.75
Regular Programs - Home Instruction					
Salaries of Teachers	7,000.00	1,550.00	8,550.00	8,522.50	27.50
Other Purchased Services (400-500 series)	500.00	(500.00)	-	-	-
Purchased Professional - Educational Services	27,620.00	1,175.00	28,795.00	1,594.00	27,201.00
Other Purchased Services (400-500 series)	203,736.00	26,240.00	229,976.00	218,071.40	11,904.60
General Supplies	273,267.20	117,385.97	390,653.17	207,679.48	182,973.69
Textbooks	2,000.00	-	2,000.00	2,000.00	-
Other Objects	4,850.00	1,595.00	6,445.00	3,167.50	3,277.50
TOTAL REGULAR PROGRAMS - INSTRUCTION	<u>5,636,714.20</u>	<u>189,871.53</u>	<u>5,826,585.73</u>	<u>5,547,061.35</u>	<u>279,524.38</u>
Multiple Disabilities					
Salaries of Teachers	882,879.00	(115,279.10)	767,599.90	761,811.29	5,788.61
Other Salaries for Instruction	342,331.00	(50,899.85)	291,431.15	274,454.39	16,976.76
Purchased Professional - Educational Services	9,000.00	-	9,000.00	800.00	8,200.00
General Supplies	30,263.98	(16,055.00)	14,208.98	9,543.09	4,665.89
Textbooks	40.00	-	40.00	40.00	-
Other Objects	3,000.00	-	3,000.00	2,928.00	72.00
Total Multiple Disabilities	<u>1,267,513.98</u>	<u>(182,233.95)</u>	<u>1,085,280.03</u>	<u>1,049,576.77</u>	<u>35,703.26</u>
Resource Room/Resource Center					
Salaries of Teachers	1,356,445.00	(174,453.95)	1,181,991.05	1,174,960.87	7,030.18
Other Salaries for Instruction	53,220.00	(39,750.05)	13,469.95	12,156.73	1,313.22
General Supplies	15,860.00	(8,625.00)	7,235.00	7,235.00	-
Textbooks	200.00	-	200.00	200.00	-
Total Resource Room/Resource Center	<u>1,425,725.00</u>	<u>(222,829.00)</u>	<u>1,202,896.00</u>	<u>1,194,552.60</u>	<u>8,343.40</u>

See Accompanying Auditor's Report

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2018**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Preschool Disabilities - Full-Time					
Salaries of Teachers	-	191,192.00	191,192.00	190,089.00	1,103.00
Other Salaries for Instruction	-	105,847.00	105,847.00	100,231.37	5,615.63
General Supplies	-	955.00	955.00	316.62	638.38
Total Preschool Disabilities - Full-Time	-	297,994.00	297,994.00	290,636.99	7,357.01
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<b>2,693,238.98</b>	<b>(107,068.95)</b>	<b>2,586,170.03</b>	<b>2,534,766.36</b>	<b>51,403.67</b>
Basic Skills - Instruction					
Salaries of Teachers	549,455.00	(57,959.81)	491,495.19	491,133.00	362.19
General Supplies	4,716.00	(415.00)	4,301.00	4,301.00	-
Textbooks	120.00	-	120.00	120.00	-
Total Basic Skills - Instruction	554,291.00	(58,374.81)	495,916.19	495,554.00	362.19
Bilingual Education - Instruction					
Salaries of Teachers	30,459.00	6,608.67	37,067.67	35,375.40	1,692.27
General Supplies	786.00	(102.50)	683.50	683.50	-
Textbooks	20.00	-	20.00	20.00	-
Total Bilingual Education - Instruction	31,265.00	6,506.17	37,771.17	36,078.90	1,692.27
Summer School - Support Service					
Salaries of Teachers	57,500.00	(10,547.50)	46,952.50	46,952.50	-
Other Salaries for Instruction	40,500.00	21,080.85	61,580.85	61,580.85	-
Total Summer School - Instruction	98,000.00	10,533.35	108,533.35	108,533.35	-
School-Spon. Cocurricular Activities - Instruction					
Salaries	12,600.00	4,052.33	16,652.33	16,635.33	17.00
Total School-Spon. Cocurricular Activities - Inst.	12,600.00	4,052.33	16,652.33	16,635.33	17.00
<b>TOTAL INSTRUCTION</b>	<b>9,026,109.18</b>	<b>45,519.62</b>	<b>9,071,628.80</b>	<b>8,738,629.29</b>	<b>332,999.51</b>
UNDISTRIBUTED EXPENDITURES					
Undistributed Expenditures - Instruction					
Tuition to Other LEA's within the State					
Regular	15,000.00	-	15,000.00	-	15,000.00
Tuition to Private Schools for the Disabled - Within State	120,049.00	(13,077.00)	106,972.00	55,361.70	51,610.30
Total Undistributed Expenditures - Instruction	135,049.00	(13,077.00)	121,972.00	55,361.70	66,610.30
Undistributed Expend. - Attend. & Social Worker					
Salaries	16,534.00	-	16,534.00	11,479.17	5,054.83
Purchased Professional & Technical Service	25,388.00	3,299.30	28,687.30	28,687.30	-
Total Undist. Expend. - Attend. & Social Worker	41,922.00	3,299.30	45,221.30	40,166.47	5,054.83
Undistributed Expend. - Health Services					
Salaries	196,449.00	(23,280.81)	173,168.19	171,885.32	1,282.87
Purchased Professional and Technical Services	1,300.00	(497.00)	803.00	486.02	316.98
Supplies & Materials	3,500.00	1,597.11	5,097.11	3,951.62	1,145.49
Total Undistributed Expend. - Health Services	201,249.00	(22,180.70)	179,068.30	176,322.96	2,745.34
Undist. Expend. - Speech, OT, PT & Related Services					
Salaries	539,244.00	(22,144.00)	517,100.00	506,956.72	10,143.28
Purchased Professional - Education Services	71,000.00	(14,481.26)	56,518.74	41,686.79	14,831.95
Supplies & Materials	5,500.00	-	5,500.00	3,950.01	1,549.99
Total Undist. Expend. - Other Support Services	615,744.00	(36,625.26)	579,118.74	552,593.52	26,525.22
Undist. Expend. - Other Support Serv. Students - Extraordinary Services					
Salaries	72,096.00	(51,214.50)	20,881.50	4,269.24	16,612.26
Total Undist. Expend. - Other Support Services	72,096.00	(51,214.50)	20,881.50	4,269.24	16,612.26

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2018**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Guidance					
Salaries - Other Professional Staff	73,949.00	-	73,949.00	73,949.00	-
Other Purchased Professional and Tech. Services	20,100.00	-	20,100.00	20,000.00	100.00
Supplies & Materials	2,135.00	(278.34)	1,856.66	1,241.37	615.29
<b>Total Undist. Expend. - Guidance</b>	<b>96,184.00</b>	<b>(278.34)</b>	<b>95,905.66</b>	<b>95,190.37</b>	<b>715.29</b>
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	496,244.00	4,839.52	501,083.52	496,205.46	4,878.06
Purchased Professional Educational Services	11,000.00	(2,999.30)	8,000.70	7,905.00	95.70
Other Purchased Professional and Tech. Services	10,000.00	-	10,000.00	-	10,000.00
Travel	-	7,169.26	7,169.26	7,052.11	117.15
Lease/Copier	6,000.00	117.19	6,117.19	6,072.49	44.70
Supplies & Materials	20,802.32	(4,907.19)	15,895.13	8,566.90	7,328.23
Other Objects	820.00	616.00	1,436.00	1,041.00	395.00
<b>Total Undist. Expend. - Child Study Teams</b>	<b>544,866.32</b>	<b>4,835.48</b>	<b>549,701.80</b>	<b>526,842.96</b>	<b>22,858.84</b>
Undist. Expend. - Improvement of Inst. Services					
Salaries of Supervisors of Instruction	530,087.00	(6,783.52)	523,303.48	523,303.48	-
Salaries of Other Professional Staff	21,000.00	(14,770.00)	6,230.00	5,897.50	332.50
Salaries of Secretarial and Clerical Assistants	168,910.00	(600.00)	168,310.00	161,744.65	6,565.35
Unused Vacation Payment to Term/Retired Staff	6,100.00	-	6,100.00	3,355.03	2,744.97
Other Purchased Services (400-500 series)	4,000.00	-	4,000.00	1,389.79	2,610.21
Supplies & Materials	4,000.00	(1,898.00)	2,102.00	218.40	1,883.60
Other Objects	825.00	1,898.00	2,723.00	2,718.00	5.00
<b>Total Undist. Expend. - Improvement of Inst. Serv.</b>	<b>734,922.00</b>	<b>(22,153.52)</b>	<b>712,768.48</b>	<b>698,626.85</b>	<b>14,141.63</b>
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	83,414.00	2,600.00	86,014.00	78,734.49	7,279.51
Purchased Professional and Technical Services	17,695.00	209.00	17,904.00	17,740.97	163.03
Other Purchased Services (400-500 series)	3,200.00	(46.24)	3,153.76	3,107.52	46.24
Supplies & Materials	1,900.00	(338.66)	1,561.34	574.33	987.01
<b>Total Undistributed Expenditures - Educational Media Services - School Library</b>	<b>106,209.00</b>	<b>2,424.10</b>	<b>108,633.10</b>	<b>100,157.31</b>	<b>8,475.79</b>
Undist. Expend. - Instructional Staff Training Serv.					
Purchased Professional - Education Services	40,800.00	(4,086.35)	36,713.65	36,713.65	-
Other Purchased Services (400-500 series)	2,200.00	10,483.34	12,683.34	12,040.79	642.55
Supplies & Materials	1,400.00	-	1,400.00	1,400.00	-
<b>Total Undistributed Expenditures - Instructional Staff Training Services</b>	<b>44,400.00</b>	<b>6,396.99</b>	<b>50,796.99</b>	<b>50,154.44</b>	<b>642.55</b>
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	264,863.00	4,532.66	269,395.66	269,394.31	1.35
Legal Services	41,000.00	57,915.30	98,915.30	94,814.26	4,101.04
Audit Fees	28,000.00	-	28,000.00	28,000.00	-
Architect / Engineering Fees	10,000.00	5,450.00	15,450.00	9,712.50	5,737.50
Other Purchased Professional Services	10,035.00	(598.04)	9,436.96	9,436.96	-
Purchased Technical Services	6,000.00	(1,397.86)	4,602.14	1,202.00	3,400.14
Communications/Telephone	121,175.00	(20,770.71)	100,404.29	98,114.74	2,289.55
BOE Other Purchased Services	1,600.00	-	1,600.00	1,432.73	167.27
Other Purchased Services (400-500 series)	92,820.00	(978.91)	91,841.09	90,438.59	1,402.50
BOE In-House Training/Meeting Supplies	1,200.00	(522.68)	677.32	677.32	-
Miscellaneous Expenditures	6,000.00	17,001.00	23,001.00	22,724.12	276.88
General Supplies	8,200.00	418.80	8,618.80	7,566.99	1,051.81
BOE Membership Dues and Fees	11,000.00	(901.02)	10,098.98	10,098.98	-
<b>Total Undistributed Expenditures - Support Services - General Administration</b>	<b>601,893.00</b>	<b>60,148.54</b>	<b>662,041.54</b>	<b>643,613.50</b>	<b>18,428.04</b>
Undist. Expend. - Supp. Serv. - School Admin.					
Salaries of Principals/Assistant Principals	227,539.00	3,111.98	230,650.98	230,650.86	0.12
Salaries of Other Professional Staff	107,835.00	-	107,835.00	107,834.88	0.12
Salaries of Secretarial and Clerical Assistants	178,943.00	13,745.10	192,688.10	182,172.28	10,515.82
Purchased Professional and Technical Services	-	34,544.90	34,544.90	-	33,742.90
Other Purchased Services (400-500 series)	28,315.95	(368.25)	27,947.70	18,365.52	9,582.18
Supplies & Materials	8,569.00	3,542.16	12,111.16	9,161.97	2,949.19
Other Objects	7,825.00	53.31	7,878.31	6,416.00	1,462.31
<b>Total Undistributed Expenditures - Support Services - School Administration</b>	<b>559,026.95</b>	<b>54,629.20</b>	<b>613,656.15</b>	<b>555,403.51</b>	<b>58,252.64</b>

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2018**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Central Services					
Salaries	293,240.00	19,938.00	313,178.00	303,887.28	9,290.72
Unused Vacation Payment to Term Retired Staff	6,061.00	(6,061.00)	-	-	-
Purchased Professional Services	29,320.00	-	29,320.00	27,821.00	1,499.00
Purchased Technical Services	5,940.00	(2,912.00)	3,028.00	1,242.22	1,785.78
Travel	2,000.00	-	2,000.00	1,872.72	127.28
Supplies and Materials	10,329.93	3,912.00	14,241.93	12,877.23	1,364.70
Interest on Lease Purchase Agreements	10,752.00	-	10,752.00	10,751.85	0.15
Miscellaneous Expenditures	2,500.00	2,000.00	4,500.00	3,584.40	915.60
<b>Total Undistributed Expenditures - Central Services</b>	<b>360,142.93</b>	<b>16,877.00</b>	<b>377,019.93</b>	<b>362,036.70</b>	<b>14,983.23</b>
Undist. Expend. - Admin. Info. Tech.					
Salaries	147,317.00	(3,624.43)	143,692.57	136,725.48	6,967.09
Purchased Professional Services	17,766.50	24,109.02	41,875.52	41,875.52	-
Purchased Technical Services	6,759.00	4,493.00	11,252.00	2,652.00	8,600.00
Other Purchased Services (400-500 series)	3,000.00	580.00	3,580.00	3,566.59	13.41
<b>Total Undistributed Expenditures - Admin. Info Technology</b>	<b>174,842.50</b>	<b>25,557.59</b>	<b>200,400.09</b>	<b>184,819.59</b>	<b>15,580.50</b>
Undist. Expend. - Required Maint. School Fac.					
Salaries	223,267.00	(1,732.00)	221,535.00	192,298.00	29,237.00
Cleaning, Repair and Maintenance Service	92,500.00	28,133.50	120,633.50	117,150.43	3,483.07
General Supplies	30,900.00	5,115.00	36,015.00	27,455.04	8,559.96
<b>Total Undistributed Expenditures - Required Maintenance for School Facilities</b>	<b>346,667.00</b>	<b>31,516.50</b>	<b>378,183.50</b>	<b>336,903.47</b>	<b>41,280.03</b>
Undist. Expend. - Custodial Services					
Salaries	598,487.00	(37,787.97)	560,699.03	546,688.02	14,011.01
Salaries of Non-Instructional Aide	52,536.00	(3.04)	52,532.96	51,953.14	579.82
Unused Vacation Payments to Terminated/Retired Staff	10,110.00	(608.00)	9,502.00	4,147.09	5,354.91
Purchased Professional and Technical Services	5,008.00	812.00	5,820.00	5,820.00	-
Environmental	-	31,992.00	31,992.00	30,186.73	1,805.27
Cleaning, Repair and Maintenance Service	17,000.00	(6,947.00)	10,053.00	62.64	9,990.36
Other Purchased Property Services	23,275.00	-	23,275.00	18,584.00	4,691.00
Insurance	56,774.00	782.00	57,556.00	57,556.00	-
Miscellaneous Purchased Services/Travel	2,500.00	100.00	2,600.00	371.96	2,228.04
General Supplies	62,792.00	36,751.00	99,543.00	72,878.55	26,664.45
Energy (Electricity)	322,603.00	(32,500.00)	290,103.00	277,240.37	12,862.63
Other Objects	1,500.00	-	1,500.00	560.00	940.00
Energy ( Natural Gas)	63,000.00	7,500.00	70,500.00	56,131.92	14,368.08
Energy (Oil)	2,000.00	-	2,000.00	-	2,000.00
<b>Total Undistributed Expenditures - Other Operations and Maintenance of Plant</b>	<b>1,217,585.00</b>	<b>90.99</b>	<b>1,217,675.99</b>	<b>1,122,180.42</b>	<b>95,495.57</b>
Undist. Expend. - Care & Upkeep of Grounds					
Salaries	22,138.00	-	22,138.00	22,127.30	10.70
Cleaning, Repair and Maintenance Service	20,600.00	14,773.24	35,373.24	359.23	35,014.01
General Supplies	23,000.00	(12,480.00)	10,520.00	8,791.48	1,728.52
<b>Total Undist. Expend. - Care &amp; Upkeep of Grounds</b>	<b>65,738.00</b>	<b>2,293.24</b>	<b>68,031.24</b>	<b>31,278.01</b>	<b>36,753.23</b>
Undist. Expend. - Security					
Purchased Professional and Technical Services	136,285.00	(26,056.79)	110,228.21	110,228.21	-
Cleaning, Repair and Maintenance Service	22,500.00	1,500.00	24,000.00	20,352.70	3,647.30
General Supplies	6,000.00	-	6,000.00	4,078.44	1,921.56
<b>Total Undist. Expend. - Security</b>	<b>164,785.00</b>	<b>(24,556.79)</b>	<b>140,228.21</b>	<b>134,659.35</b>	<b>5,568.86</b>
<b>Total Undistributed Expenditures Operations and Maintenance of Plant</b>	<b>1,794,775.00</b>	<b>9,343.94</b>	<b>1,804,118.94</b>	<b>1,625,021.25</b>	<b>179,097.69</b>

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2018**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undist. Expend. - Student Transportation Serv.					
Sal.- Pup. Trans. (Bet. Home & School) - Reg.	91,008.00	(16,089.23)	74,918.77	73,482.48	1,436.29
Unused Vacation Payments to Terminated/Retired Staff	-	608.00	608.00	607.84	0.16
Cleaning, Repair, & Maint. Services	1,200.00	(15.00)	1,185.00	622.50	562.50
Contracted Services - (Other than Home & Sch)	30,200.00	(13,500.00)	16,700.00	13,637.22	3,062.78
Contr. Serv. - (Bet. Home & School) Joint Agrm.	945,829.00	(22,500.00)	923,329.00	922,279.02	1,049.98
Contr. Serv. - (Special Ed. Students) - Vendors	164,420.00	31,000.00	195,420.00	178,434.46	16,985.54
Contr. Serv. - (Spc Ed. Students) - Joint Agrmt	302,356.00	1,000.00	303,356.00	303,245.23	110.77
Contr. Serv. - Aid in Lieu Payments Non-Public Schools	23,000.00	4,000.00	27,000.00	24,705.35	2,294.65
Misc. Purchased Service - Transportation	3,408.00	15.00	3,423.00	3,320.63	102.37
Supplies & Materials	1,500.00	-	1,500.00	528.62	971.38
Other Objects	600.00	-	600.00	530.50	69.50
Total Undistributed Expenditures - Student Transportation Services	<u>1,563,521.00</u>	<u>(15,481.23)</u>	<u>1,548,039.77</u>	<u>1,521,393.85</u>	<u>26,645.92</u>
Unallocated Benefits					
Group Insurance	55,486.00	-	55,486.00	39,928.97	15,557.03
Social Security Contribution	240,054.00	(9,300.00)	230,754.00	219,415.21	11,338.79
Other Retirement Contributions - PERS	404,355.00	-	404,355.00	387,854.66	16,500.34
Workmen's Compensation	227,371.00	(6,966.00)	220,405.00	204,950.00	15,455.00
Health Benefits	4,665,937.00	(505,029.35)	4,160,907.65	3,859,897.80	301,009.85
Tuition Reimbursement	89,000.00	-	89,000.00	61,367.42	27,632.58
Other Employee Benefits	158,430.00	151,674.00	310,104.00	209,017.84	101,086.16
Unsuad Vacation Payment to Term /Retired Staff	186,905.00	(22,800.71)	164,104.29	152,459.35	11,644.94
Total Unallocated Benefits	<u>6,027,538.00</u>	<u>(392,422.06)</u>	<u>5,635,115.94</u>	<u>5,134,891.25</u>	<u>500,224.69</u>
On-Behalf Contributions					
On-Behalf TPAF Pension Contribution (non-bud)					
Pension Contribution	-	-	-	1,729,568.00	(1,729,568.00)
Post Retirement Medical	-	-	-	1,117,091.00	(1,117,091.00)
Long Term Disability	-	-	-	2,114.00	(2,114.00)
Reimbursed TPAF Social Security Cont.(non-bud)	-	-	-	854,505.64	(854,505.64)
Total On-Behalf Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,703,278.64</u>	<u>(3,703,278.64)</u>
Total Personal Services - Employee Benefits	<u>6,027,538.00</u>	<u>(392,422.06)</u>	<u>5,635,115.94</u>	<u>8,838,169.89</u>	<u>(3,203,053.95)</u>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<u>13,674,380.70</u>	<u>(369,920.47)</u>	<u>13,304,460.23</u>	<u>16,030,144.11</u>	<u>(2,725,683.88)</u>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<u>22,700,489.88</u>	<u>(324,400.85)</u>	<u>22,376,089.03</u>	<u>24,768,773.40</u>	<u>(2,392,684.37)</u>
CAPITAL OUTLAY					
Interest Deposit to Maintenance Reserve	300.00	-	300.00	-	300.00
Total Deposit to Capital Reserve	<u>300.00</u>	<u>-</u>	<u>300.00</u>	<u>-</u>	<u>300.00</u>
Equipment					
Instructional					
Grades 1-5	27,300.00	-	27,300.00	27,300.00	-
Undistributed - Operations	-	7,454.31	7,454.31	7,454.31	-
Equipment George Mitchell	-	19,698.50	19,698.50	2,490.00	17,208.50
Technology	7,900.02	12,060.00	19,960.02	15,560.02	4,400.00
Child Study Team	-	16,240.00	16,240.00	16,240.00	-
Required Maintenance for School Facilities	152,957.00	69,741.04	222,698.04	66,555.00	156,143.04
Security	38,693.00	5,400.00	44,093.00	30,589.00	13,504.00
Total Equipment	<u>226,850.02</u>	<u>130,593.85</u>	<u>357,443.87</u>	<u>166,188.33</u>	<u>191,255.54</u>
Facilities Acquisition and Construction Services					
Construction Services - Buildings	8,985.00	-	8,985.00	8,985.00	-
Lease Purchase Agreements - Principal	146,194.00	-	146,194.00	146,193.26	0.74
SDA Debt Service Assessment	429.00	-	429.00	429.00	-
Total Facilities Acquisition and Construction Services	<u>155,608.00</u>	<u>-</u>	<u>155,608.00</u>	<u>155,607.26</u>	<u>0.74</u>
<b>TOTAL CAPITAL OUTLAY</b>	<u>382,758.02</u>	<u>130,593.85</u>	<u>513,351.87</u>	<u>321,795.59</u>	<u>191,556.28</u>
<b>TOTAL EXPENDITURES</b>	<u>23,083,247.90</u>	<u>(193,807.00)</u>	<u>22,889,440.90</u>	<u>25,090,568.99</u>	<u>(2,201,128.09)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(995,073.90)</u>	<u>-</u>	<u>(995,073.90)</u>	<u>729,250.72</u>	<u>1,724,324.62</u>

See Accompanying Auditor's Report

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2018**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Other Financing Sources:					
Operating Transfers In:					
Interest Earned on Capital Project Fund	-	-	-	404.68	404.68
Operating Transfers Out:					
Local Contribution - Transfer to Special Revenue	(61,880.00)	-	(61,880.00)	(61,880.00)	-
Interest Deposit to Capital Reserve	(200.00)	-	(200.00)	-	200.00
Total Other Financing Sources:	<u>(62,080.00)</u>	<u>-</u>	<u>(62,080.00)</u>	<u>(61,475.32)</u>	<u>604.68</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(1,057,153.90)	-	(1,057,153.90)	667,775.40	1,724,929.30
Fund Balance July 1	2,410,717.16	-	2,410,717.16	2,410,717.16	-
Fund Balance June 30	<u>\$ 1,353,563.26</u>	<u>\$ -</u>	<u>\$ 1,353,563.26</u>	<u>\$ 3,078,492.56</u>	<u>\$ 1,724,929.30</u>
Recapitulation:					
Reserve for Encumbrances	\$ (117,917.90)	\$ -	\$ (117,917.90)	\$ (117,917.90)	\$ -
Emergency Reserve	(38,693.00)	-	(38,693.00)	-	38,693.00
Budgeted Fund Balance	<u>(900,543.00)</u>	<u>-</u>	<u>(900,543.00)</u>	<u>785,693.30</u>	<u>1,686,236.30</u>
	<u>\$ (1,057,153.90)</u>	<u>\$ -</u>	<u>\$ (1,057,153.90)</u>	<u>\$ 667,775.40</u>	<u>\$ 1,724,929.30</u>
Recapitulation:					
Restricted Fund Balance:					
Excess Surplus:					
Current Year				\$ 898,808.73	
Designated for Subsequent Year's Expenditures				512,497.05	
Committed Fund Balance:					
Capital Reserve				608,692.43	
Maintenance Reserve				66,500.00	
Assigned Fund Balance:					
Reserve for Encumbrances				426,590.99	
Designated for Subsequent Year's Expenditures				9,701.95	
Unassigned Fund Balance				555,701.41	
				<u>3,078,492.56</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP Basis				(940,367.40)	
				<u>\$ 2,138,125.16</u>	

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2018**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources	\$ -	\$ 58,446.08	\$ 58,446.08	\$ 13,376.52	\$ (45,069.56)
State Sources	3,972,696.00	117,922.52	4,090,618.52	3,435,817.59	(654,800.93)
Federal Sources	856,675.00	454,751.29	1,311,426.29	1,261,580.83	(49,845.46)
<b>Total Revenues</b>	<b>4,829,371.00</b>	<b>631,119.89</b>	<b>5,460,490.89</b>	<b>4,710,774.94</b>	<b>(749,715.95)</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	1,599,463.00	97,141.85	1,696,604.85	1,671,091.43	25,513.42
Other Salaries for Instruction	547,897.00	9,841.32	557,738.32	523,126.24	34,612.08
Other Purchased Services	9,780.00	53,181.00	62,961.00	57,368.50	5,592.50
General Supplies	15,870.00	134,663.13	150,533.13	117,924.32	32,608.81
Other Objects	3,260.00		3,260.00	-	3,260.00
<b>Total Instruction</b>	<b>2,176,270.00</b>	<b>294,827.30</b>	<b>2,471,097.30</b>	<b>2,369,510.49</b>	<b>101,586.81</b>
Support Services:					
Salaries of Supervisors of Instruction	110,205.00		110,205.00	110,204.88	0.12
Salaries of Program Directors	16,800.00	13,400.00	30,200.00	30,200.00	-
Salaries of Other Professional Staff	201,168.00	-	201,168.00	116,752.97	84,415.03
Salaries of Sec. and Clerical Assistants	200,277.00	21,500.01	221,777.01	193,588.39	28,188.62
Other Salaries	125,803.00	24,713.27	150,516.27	101,812.79	48,703.48
Salaries of Community Parent Involvement Specialists	132,368.00		132,368.00	78,629.98	53,738.02
Personal Services - Employee Benefits	1,527,761.00	156,397.63	1,684,158.63	1,339,888.18	344,270.45
Purchased Professional & Technical Services	29,750.00	11,226.05	40,976.05	26,347.35	14,628.70
Other Objects	63,924.00	1,197.13	65,121.13	64,009.00	1,112.13
Contr. Transportation Service (Betw. Home & Sch.)	202,912.00		202,912.00	199,532.09	3,379.91
Travel	2,500.00	-	2,500.00	1,523.75	976.25
Contr. Transportation Service (Field Trip)	9,900.00		9,900.00	5,668.08	4,231.92
Purchased Professional - Educational Services	19,822.00		19,822.00	476.69	19,345.31

See Accompanying Auditor's Report

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2018**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Cleaning, Repairs & Maintenance	10,000.00	625.00	10,625.00	5,526.00	5,099.00
Other Purchased Services	13,030.00	8,384.57	21,414.57	20,452.45	962.12
Supplies & Materials	48,761.00	43,698.93	92,459.93	53,381.85	39,078.08
Total Support Services	2,714,981.00	281,142.59	2,996,123.59	2,347,994.45	648,129.14
Non Instructional Equipment			-	-	-
Facilities Acquisitions and Construction Services:					
Noninstructional Equipment	\$ -	\$ 55,150.00	\$ 55,150.00	\$ 55,150.00	\$ -
Total Facilities Acquisitions and Const. Services:	-	55,150.00	55,150.00	55,150.00	-
Transfer to Charter Schools			-	-	-
Total Outflows	4,891,251.00	631,119.89	5,522,370.89	4,772,654.94	749,715.95
Other Financing Sources (Uses)					
Local Contribution - Transfer to Special Revenue	61,880.00		61,880.00	61,880.00	-
	61,880.00	-	61,880.00	61,880.00	-
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ 0.00	\$ 0.00	\$ -	\$ -



## **Notes to the Required Supplementary Information**



**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Budget-to-GAAP Reconciliation**  
**Note to RSI**  
**For the Year Ended June 30, 2018**

Note A - Explanation of Differences Between Budgetary Inflows and Outflows GAAP Revenue and Expenditures

	General Fund	Special Revenue Fund
Sources / inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1] \$ 29,577,584.71	[C-2] \$ 4,710,774.94
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized		(23,530.03)
The Final State Aid payment for the Year Ended June 30, 2017 that was delayed until July 2017 was recorded as budgetary revenue for the Year Ended June 30, 2017 but is not recognized under GAAP until the Year Ended June 30, 2018.	968,038.40	391,081.60
The Final State Aid payment for the Year Ended June 30, 2018 that was delayed until July 2018 was recorded as budgetary revenue for the Year Ended June 30, 2018 but is not recognized under GAAP until the Year Ended June 30, 2019.	(940,367.40)	(397,269.60)
Unexpended Preschool Education Aid		279,002.03
Total revenues as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2] <u>\$ 29,605,255.71</u>	[B-2] <u>\$ 4,960,058.94</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 28,848,333.99	[C-2] \$ 4,772,654.94
Difference - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		(23,530.03)
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds.	[B-2] <u>\$ 28,848,333.99</u>	[B-2] <u>\$ 4,749,124.91</u>

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## **Required Supplementary Information – Part III**



**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Public Employee Retirement System**  
**Last Five Fiscal Years**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability (asset)	0.0465357474%	0.0450240242%	0.0443519710%	0.0442278480%	0.0428957879%
District's proportionate of the net pension liability (asset)	\$ 10,832,778.00	\$ 13,334,825.00	\$ 9,956,129.00	\$ 8,280,663.00	\$ 8,198,237.00
District's covered payroll	\$ 3,023,561.00	\$ 3,076,351.00	\$ 3,020,673.00	\$ 3,004,166.00	\$ 2,883,875.00
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	358.28%	433.46%	329.60%	275.64%	284.28%
Plan fiduciary net position as a percentage of the total pension liability	48.10%	40.14%	47.93%	52.08%	48.72%

Source: GASB 68 report on Public Employees' Retirement System; District records

Note: This schedule is required by GASB 68 to be show information for a 10 year period.  
However, information is only currently available for four years.  
Additional years will be presented as they become available.

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Schedule of District Contributions**  
**Public Employee Retirement System**  
**Last Five Fiscal Years**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 431,104.00	399,987.00	381,308.00	364,608.00	323,211.00
Contributions in relation to the contractually required contribution	<u>431,104.00</u>	<u>399,987.00</u>	<u>381,308.00</u>	<u>364,608.00</u>	<u>323,211.00</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
District's covered-employee payroll	\$ 3,023,561.00	\$ 3,076,351.00	\$ 3,020,673.00	\$ 3,004,166.00	\$ 2,883,875.00
Contributions as a percentage of covered-employee payroll	14.26%	13.00%	12.62%	12.14%	11.21%

Source: GASB 68 report on Public Employees' Retirement System; District records

Note: This schedule is required by GASB 68 to be show information for a 10 year period.  
However, information is only currently available for four years.  
Additional years will be presented as they become available.



**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Teachers' Pension and Annuity Fund**  
**Last Five Fiscal Years**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability (asset)	0.00%	0.00%	0.00%	0.00%	0.00%
District's proportionate of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	<u>82,231,908.00</u>	<u>93,239,330.00</u>	<u>73,665,868.00</u>	<u>61,561,147.00</u>	<u>59,294,706.00</u>
Total	<u>\$ 82,231,908.00</u>	<u>\$ 93,239,330.00</u>	<u>\$ 73,665,868.00</u>	<u>\$ 61,561,147.00</u>	<u>\$ 59,294,706.00</u>
District's covered payroll	\$ 12,129,985.00	\$ 11,789,658.00	\$ 12,138,226.00	\$ 14,268,060.00	\$ 11,546,216.00
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee 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%	33.64%	33.76%

Source: GASB 68 report on Public Employees' Retirement System; District records

Note: This schedule is required by GASB 68 to be show information for a 10 year period. However, information is only currently available for four years. Additional years will be presented as they become available.

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net OPEB Liability**  
**Public Employee Retirement System and Teachers' Pension and Annuity Fund**  
**Last Two Fiscal Years**

	<u>2017</u>	<u>2016</u>
District's proportion of the net OPEB liability (asset)	0.00%	0.00%
District's proportionate of the net OPEB liability (asset)	\$ -	-
State's proportionate share of the net OPEB liability (asset) associated with the District	<u>\$ 77,937,817.00</u>	<u>84,135,636.00</u>
Total	<u>\$ 77,937,817.00</u>	<u>84,135,636.00</u>
District's covered payroll	15,153,546.00	14,866,009.00
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%

Source: GASB 75 report on State of New Jersey State Health Benefits Program; District records

Note: This schedule is required by GASB 75 to be show information for a 10 year period. However, information is only currently available for two years. Additional years will be presented as they become available.

## **Other Supplementary Information**



## **SPECIAL REVENUE FUND DETAIL STATEMENTS**

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



**LITTLEEGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Year Ended June 30, 2018**

	Title I	IDEA Part B	IDEA Preschool	Title II	Title III	Head Start	Title IV	PTA Art Grant	Energy Education Grant
<b>REVENUES:</b>									
Local Sources	\$ 332,154.00	\$ 386,265.29	\$ 27,857.60	\$ 47,204.00	\$ 12,120.00	\$ 445,979.94	\$ 10,000.00	\$ 505.33	\$ 223.74
State Sources									
Federal Sources									
<b>Total Revenues</b>	<b>332,154.00</b>	<b>386,265.29</b>	<b>27,857.60</b>	<b>47,204.00</b>	<b>12,120.00</b>	<b>445,979.94</b>	<b>10,000.00</b>	<b>505.33</b>	<b>223.74</b>
<b>EXPENDITURES:</b>									
Instruction:									
Salaries of Teachers	251,495.00					77,443.43			
Other Salaries for Instruction		139,846.02	25,878.00			8,969.30			
Other Purchased Services		50,981.00							
General Supplies		11,762.49			10,009.05	75,929.00	5,460.00	505.33	
<b>Total Instruction</b>	<b>251,495.00</b>	<b>202,589.51</b>	<b>25,878.00</b>	<b>-</b>	<b>10,009.05</b>	<b>162,341.73</b>	<b>5,460.00</b>	<b>505.33</b>	<b>-</b>
Support Services:									
Salaries of Supervisors of Instruction				14,700.00		15,500.00			
Salaries of Program Directors						5,500.00			
Salaries of Other Professional Staff						65,620.29			
Salaries of Sec. and Clerical Assistants		146,768.01							
Other Salaries						111,067.76			
Salaries of Community Parent Involvement Specialists						2,049.80			
Personal Services - Employee Benefits	80,659.00	21,957.78	1,979.60	1,125.00		2,197.66			
Purchased Professional & Technical Services				24,297.55					
Other Purchased Services		10,000.00		5,920.10	2,110.95				223.74
Purchased Professional - Educational Services									
Cleaning, Repairs & Maintenance									
Travel									
Other Objects						85.00			
Contr. Transportation Service (Betw. Home & Sch.)							4,540.00		
Contr. Transportation Service (Field Trips)									
Supplies & Materials		4,949.99		1,161.35		26,467.70			
<b>Total Support Services</b>	<b>80,659.00</b>	<b>183,675.78</b>	<b>1,979.60</b>	<b>47,204.00</b>	<b>2,110.95</b>	<b>228,488.21</b>	<b>4,540.00</b>	<b>-</b>	<b>223.74</b>
Facilities Acquisitions and Construction Services:									
Noninstructional Equipment						55,150.00			
<b>Total Facilities Acquisitions and Const. Services:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>55,150.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Outflows</b>	<b>332,154.00</b>	<b>386,265.29</b>	<b>27,857.60</b>	<b>47,204.00</b>	<b>12,120.00</b>	<b>445,979.94</b>	<b>10,000.00</b>	<b>505.33</b>	<b>223.74</b>
Other Financing Sources (Uses)									
Local Contribution - Transfer to Special Revenue									
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 0.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Year Ended June 30, 2018**

	Teacher's Night	Summer Reading	Durham Donation	Rocking Recorders	AtlantiCare Yoga	Sustainable New Jersey	Color Run	STEAM Donation	PBA Donation
<b>REVENUES:</b>									
Local Sources	\$ 1,225.82	\$ 2,592.22	\$ 561.24	\$ 1,252.40	\$ 787.00	\$ 2,494.00	\$ 2,200.00	\$ 512.79	\$ 310.53
State Sources									
Federal Sources									
<b>Total Revenues</b>	<b>1,225.82</b>	<b>2,592.22</b>	<b>561.24</b>	<b>1,252.40</b>	<b>787.00</b>	<b>2,494.00</b>	<b>2,200.00</b>	<b>512.79</b>	<b>310.53</b>
<b>EXPENDITURES:</b>									
Instruction:									
Salaries of Teachers		2,408.00			525.00				
Other Salaries for Instruction									
Other Purchased Services			561.24	1,252.40	221.84	2,494.00	2,200.00	512.79	310.53
General Supplies	1,225.82								
Total Instruction	1,225.82	2,408.00	561.24	1,252.40	746.84	2,494.00	2,200.00	512.79	310.53
Support Services:									
Salaries of Supervisors of Instruction									
Salaries of Program Directors									
Salaries of Other Professional Staff									
Salaries of Sec. and Clerical Assistants									
Other Salaries									
Salaries of Community Parent Involvement Specialists									
Personal Services - Employee Benefits		184.22			40.16				
Purchased Professional & Technical Services									
Other Purchased Services									
Purchased Professional - Educational Services									
Cleaning, Repairs & Maintenance									
Travel									
Other Objects									
Contr. Transportation Service (Betw. Home & Sch.)									
Contr. Transportation Service (Field Trips)									
Supplies & Materials									
Total Support Services		184.22			40.16				
Facilities Acquisitions and Construction Services:									
Noninstructional Equipment									
Total Facilities Acquisitions and Const. Services:									
Total Outflows	1,225.82	2,592.22	561.24	1,252.40	787.00	2,494.00	2,200.00	512.79	310.53
Other Financing Sources (Uses)									
Local Contribution - Transfer to Special Revenue									
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures - Budgetary Basis**  
**For the Year Ended June 30, 2018**

	PTO PE Donation	Fence Advertising	Preschool Education Aid	Totals 2017
<b>REVENUES:</b>				
Local Sources	\$ 254.45	\$ 457.00	3,435,817.59	\$ 3,435,817.52
State Sources				1,261,580.83
Federal Sources				4,710,774.94
<b>Total Revenues</b>	<b>254.45</b>	<b>457.00</b>	<b>3,435,817.59</b>	<b>4,710,774.94</b>
<b>EXPENDITURES:</b>				
Instruction:				
Salaries of Teachers			1,339,220.00	1,671,091.43
Other Salaries for Instruction			348,432.92	523,126.24
Other Purchased Services			4,187.50	57,368.50
General Supplies	254.45		7,425.38	117,924.32
Total Instruction	254.45	-	1,699,265.80	2,369,510.49
Support Services:				
Salaries of Supervisors of Instruction			110,204.88	110,204.88
Salaries of Program Directors			-	30,200.00
Salaries of Other Professional Staff			116,752.97	116,752.97
Salaries of Sec. and Clerical Assistants			41,320.38	193,588.39
Other Salaries			36,192.50	101,812.79
Salaries of Community Parent Involvement Specialists			78,629.98	78,629.98
Personal Services - Employee Benefits			1,122,874.66	1,339,888.18
Purchased Professional & Technical Services				26,347.35
Other Purchased Services				20,452.45
Purchased Professional - Educational Services			476.69	476.69
Cleaning, Repairs & Maintenance			5,526.00	5,526.00
Travel			1,523.75	1,523.75
Other Objects			63,924.00	64,009.00
Contr. Transportation Service (Betw. Home & Sch.)			199,532.09	199,532.09
Contr. Transportation Service (Field Trips)			5,668.08	5,668.08
Supplies & Materials		457.00	15,805.81	53,381.85
Total Support Services	-	457.00	1,798,431.79	2,347,994.45
Facilities Acquisitions and Construction Services:				
Noninstructional Equipment			-	55,150.00
Total Facilities Acquisitions and Const. Services:			-	55,150.00
Total Outflows	254.45	457.00	3,497,697.59	4,772,654.94
Other Financing Sources (Uses)				
Local Contribution - Transfer to Special Revenue	-	-	61,880.00	61,880.00
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Schedule of Preschool Education Aid**  
**Budgetary Basis**  
**For the Year Ended June 30, 2018**

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
<b>EXPENDITURES:</b>			
Instruction:			
Salaries of Teachers	\$ 1,351,579.00	\$ 1,339,220.00	\$ 12,359.00
Other Salaries for Instruction	383,045.00	348,432.92	34,612.08
Other Purchased Services (400-500 Series)	9,780.00	4,187.50	5,592.50
General Supplies	12,620.00	7,425.38	5,194.62
Other Objects	3,260.00	-	3,260.00
<b>Total Instruction</b>	<u>1,760,284.00</u>	<u>1,699,265.80</u>	<u>61,018.20</u>
Support Services:			
Salaries of Supervisors of Instruction	110,205.00	110,204.88	0.12
Salaries of Other Professional Staff	201,168.00	116,752.97	84,415.03
Salaries of Secr. & Clerical Assistants	53,509.00	41,320.38	12,188.62
Other Salaries	60,444.00	36,192.50	24,251.50
Salaries of Community Parent Involvement Specialists	140,593.52	78,629.98	61,963.54
Personal Services - Employee Benefits	1,461,276.00	1,122,874.66	338,401.34
Purchased Professional - Educational Services	31,972.00	476.69	31,495.31
Cleaning, Repairs & Maintenance	10,625.00	5,526.00	5,099.00
Contr. Transportation Service (Between Home & School)	202,912.00	199,532.09	3,379.91
Contr. Transportation Service (Field Trips)	9,900.00	5,668.08	4,231.92
Travel	2,500.00	1,523.75	976.25
Other Objects	63,924.00	63,924.00	-
Supplies and Materials	43,186.00	15,805.81	27,380.19
<b>Total Support Services</b>	<u>2,392,214.52</u>	<u>1,798,431.79</u>	<u>593,782.73</u>
<b>Total Expenditures</b>	<u>\$ 4,152,498.52</u>	<u>\$ 3,497,697.59</u>	<u>\$ 654,800.93</u>

**CALCULATION OF BUDGET & CARRYOVER**

Total revised 2017-18 Preschool Education Aid Allocation	\$ 3,972,696.00
Add: Actual Carryover (June 30, 2017)	117,922.52
Add: Budgeted Transfer from the General Fund 2017-18	61,880.00
Add: Tuition Received from Individuals 2017-18	-
Total Preschool Education Aid Funds Available	<u>4,152,498.52</u>
Less: 2017-18 Budgeted Preschool Education Aid (Prior year budget carryover)	<u>(4,152,498.52)</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2018	-
Add: June 30, 2018 Unexpended Preschool Education Aid	654,800.93
2017-18 Carryover - Preschool Education Aid/Preschool	<u>\$ 654,800.93</u>
2017-18 Preschool Education Aid Carryover Budgeted for Preschool Programs 2018-19	<u>\$ 117,923.00</u>

## **CAPITAL PROJECTS FUND DETAIL STATEMENTS**

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



**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budgetary Basis**  
**For the Year Ended June 30, 2018**

	Totals
<b>Revenues and Other Financing Sources:</b>	
None	\$ -
Total Revenues	-
<b>Expenditures and Other Financing Uses:</b>	
Transfer to Debt Service	111,214.26
Total Expenditures	111,214.26
Excess (Deficiency) of Revenues Over (Under) Expenditures	(111,214.26)
Fund Balance - Beginning	196,679.59
Fund Balance - Ending	\$ 85,465.33

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenue, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**2008 Improvements and Renovations to Intermediate School and George J. Mitchell School**  
**From Inception and for the Year Ended June 30, 2018**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$	\$	\$ -	\$
Bond Proceeds	7,995,000.00		7,995,000.00	7,995,000.00
Transfer From Capital Reserve	470.00		470.00	470.00
Total Revenues	<u>7,995,470.00</u>	<u>-</u>	<u>7,995,470.00</u>	<u>7,995,470.00</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	638,406.88		638,406.88	638,406.88
Construction Services	6,968,778.51		6,968,778.51	6,968,778.51
Miscellaneous	210,301.73		210,301.73	210,301.73
Transfer to Debt Service	85,375.00	92,607.88	177,982.88	177,982.88
Total Expenditures	<u>7,902,862.12</u>	<u>92,607.88</u>	<u>7,995,470.00</u>	<u>7,995,470.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ <u>92,607.88</u>	\$ <u>(92,607.88)</u>	\$ <u>-</u>	\$ <u>0.00</u>

**Additional Project Information:**

Project Number	Not Applicable
Grant Date	Not Applicable
Bond Authorization Date	4/15/2008
Bonds Authorized	7,995,000.00
Bonds Issued	7,995,000.00
Original Authorized Costs	7,995,470.00
Revised Authorized Cost	7,817,487.12
Percentage Increase over Original Authorized Cost	-2.23%
Percentage Completion	100.00%
Original Target Completion Date	2010
Revised Target Completion Date	2014

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenue, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**Improvements and Renovations to Intermediate School and George J. Mitchell School**  
**From Inception and for the Year Ended June 30, 2018**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SCC Grant	\$ -	\$ -	\$ -	\$ -
Bond Proceeds	17,764,000.00		17,764,000.00	17,764,000.00
Transfer From Capital Reserve	750.00		750.00	750.00
Total Revenues	<u>17,764,750.00</u>	<u>-</u>	<u>17,764,750.00</u>	<u>17,764,750.00</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	670,361.47		670,361.47	670,361.47
Construction Services	16,682,891.95		16,682,891.95	16,682,891.95
Miscellaneous	392,890.20		392,890.20	392,890.20
Transfer to Debt Service		18,606.38	18,606.38	18,606.38
Total Expenditures	<u>17,746,143.62</u>	<u>18,606.38</u>	<u>17,764,750.00</u>	<u>17,764,750.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 18,606.38</u>	<u>\$ (18,606.38)</u>	<u>\$ -</u>	<u>\$ -</u>

**Additional Project Information:**

Project Number	Not Applicable
Grant Date	Not Applicable
Bond Authorization Date	12/12/2006
Bonds Authorized	\$ 17,764,000
Bonds Issued	17,764,000
Original Authorized Costs	17,764,375
Revised Authorized Cost	17,764,750
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	2009
Revised Target Completion Date	2014

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenue, Expenditures, Project Balance, and Project Status - Budgetary Basis**  
**Security Cameras, Recording Equipment, Replacement of CMU Veneer Wall System - Frog Pond Elementary School**  
**From Inception and for the Year Ended June 30, 2018**

	<b>Prior Periods</b>	<b>Current Year</b>	<b>Totals</b>	<b>Revised Authorized Cost</b>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 500,000.00	\$ -	\$ 500,000.00	\$ 500,000.00
Lease Proceeds	750,000.00		750,000.00	750,000.00
Bond Proceeds			-	
Transfer From Capital Reserve			-	
Total Revenues	1,250,000.00	-	1,250,000.00	1,250,000.00
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	150,815.32		150,815.32	153,618.39
Construction Services	1,013,719.35		1,013,719.35	1,096,381.61
Total Expenditures	1,164,534.67	-	1,164,534.67	1,250,000.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 85,465.33	\$ -	\$ 85,465.33	\$ -
<b>Additional Project Information:</b>				
Project Number	2690-030-14-1001-G04			
Original Authorized Costs	1,250,000			
Revised Authorized Cost	1,250,000			
Percentage Increase over Original Authorized Cost	100.00%			
Percentage Completion	93.16%			
Original Target Completion Date	2017			
Revised Target Completion Date	2017			



## **FIDUCIARY FUNDS DETAIL STATEMENTS**

Fiduciary Funds are used to account for funds received by the school district for a specific purpose.

**Unemployment Compensation Fund** - This Trust Fund is an expendable trust fund and limits expenses set aside for this purpose in current and prior budgets and contributions from employee withholding in prior years.

**Agency Fund** - Agency funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments and/or other funds.

**Student Activity Fund** - This agency fund is used to account for student funds held at the schools.

**Payroll Fund** - This agency fund is used to account for the payroll transactions of the school district.



**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Combining Statement of Fiduciary Net Assets**  
**June 30, 2018**

	Unemployment Compensation Trust	Agency Funds	Totals
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 58,239.90	\$ 318,145.86	\$ 376,385.76
Total Assets	<u>58,239.90</u>	<u>318,145.86</u>	<u>376,385.76</u>
<b>LIABILITIES</b>			
Summer Savings		109,154.75	109,154.75
Payable to Student Groups		50,650.44	50,650.44
Accounts Payable	4,203.21		4,203.21
Payroll Deductions & Withholdings		158,340.67	158,340.67
Total Liabilities	<u>4,203.21</u>	<u>318,145.86</u>	<u>322,349.07</u>
<b>NET ASSETS</b>			
Held in Trust for Unemployment Claims and Other Purposes	\$ <u>54,036.69</u>		54,036.69
Total Net Assets			<u>54,036.69</u>
Total Liabilities and Net Assets			\$ <u>376,385.76</u>

See Accompanying Auditor's Report

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Combining Statement of Changes in Fiduciary Net Assets**  
**For the Year Ended June 30, 2018**

	Unemployment Compensation Trust	Totals
	<u>Trust</u>	<u>Totals</u>
ADDITIONS		
Contributions:		
Plan Member	\$ 18,627.88	\$ 18,627.88
Total Contributions	<u>18,627.88</u>	<u>18,627.88</u>
Investments Earnings:		
Interest	142.18	142.18
Net Investment Earnings	<u>142.18</u>	<u>142.18</u>
Total Additions	<u>18,770.06</u>	<u>18,770.06</u>
Deductions		
Unemployment Claims	50,119.40	50,119.40
Total Deductions	<u>50,119.40</u>	<u>50,119.40</u>
Change in Net Assets	(31,349.34)	(31,349.34)
Net Assets - Beginning of the Year	<u>85,386.03</u>	<u>85,386.03</u>
Net Assets - End of the Year	<u>\$ 54,036.69</u>	<u>\$ 54,036.69</u>

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Student Activity Agency Fund**  
**Schedule of Receipts and Disbursements**  
**As of June 30, 2018**

	<u>Balance</u> <u>June 30, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>
Intermediate School and George J. Mitchell Elementary	\$ 57,178.53	\$ 74,020.59	\$ 80,548.68	\$ 50,650.44
Total Assets	\$ <u>57,178.53</u>	\$ <u>74,020.59</u>	\$ <u>80,548.68</u>	\$ <u>50,650.44</u>

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Payroll Agency Fund**  
**Schedule of Receipts and Disbursements**  
**As of June 30, 2018**

	<u>Balance</u> <u>June 30, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 114,450.16	\$ 21,853,382.86	\$ 21,700,337.60	\$ 267,495.42
Total Assets	<u>114,450.16</u>	<u>21,853,382.86</u>	<u>21,700,337.60</u>	<u>267,495.42</u>
 <b>LIABILITIES:</b>				
Summer Savings	\$ 111,342.44	\$ 109,154.75	\$ 111,342.44	\$ 109,154.75
Payroll Deductions & Withholding	3,103.76	7,625,802.48	7,470,572.41	158,333.83
Net Pay	3.96	14,118,425.63	14,118,422.75	6.84
Total Liabilities	<u>114,450.16</u>	<u>21,853,382.86</u>	<u>21,700,337.60</u>	<u>267,495.42</u>

## **LONG-TERM DEBT SCHEDULES**

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





**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Schedule of General Serial Bonds**  
**As of June 30, 2018**

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding			Interest Rate	Balance June 30, 2017	Decreased	Balance June 30, 2018
			Date	June 30, 2018	Amount				
Alterations and Renovations to the George J. Mitchell School and the Intermediate School	8/1/2008	\$ 7,995,000	8/1/2018	260,000.00	4.000%	515,000.00	255,000.00	260,000.00	
	Refunding School Bonds	7/19/2016	\$ 5,440,000	8/1/2019	265,000.00	3.000%	5,440,000.00	-	5,440,000.00
		8/1/2020	275,000.00	3.000%					
		8/1/2021	290,000.00	4.000%					
		8/1/2022	300,000.00	4.000%					
		8/1/2023	315,000.00	4.000%					
		8/1/2024	330,000.00	4.000%					
		8/1/2025	340,000.00	4.000%					
		8/1/2026	360,000.00	4.000%					
		8/1/2027	375,000.00	4.000%					
8/1/2028		390,000.00	4.000%						
8/1/2029	405,000.00	4.000%							
8/1/2030	420,000.00	4.000%							
8/1/2031	440,000.00	4.000%							
8/1/2032	460,000.00	4.000%							
8/1/2033	475,000.00	4.000%							

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Schedule of General Serial Bonds**  
**As of June 30, 2018**

Improvement Description	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding			Interest Rate	Balance June 30, 2017	Decreased	Balance June 30, 2018
			Date	Amount	June 30, 2018				
Refunding School Bonds	3/31/2015	\$ 15,245,000	1/15/2019	695,000.00	695,000.00	4.000%	\$ 15,045,000.00	\$	14,375,000.00
			1/15/2020	725,000.00	725,000.00	4.000%			
			1/15/2021	750,000.00	750,000.00	4.000%			
			1/15/2022	785,000.00	785,000.00	4.000%			
			1/15/2023	815,000.00	815,000.00	5.000%			
			1/15/2024	860,000.00	860,000.00	5.000%			
			1/15/2025	900,000.00	900,000.00	5.000%			
			1/15/2026	950,000.00	950,000.00	5.000%			
			1/15/2027	1,000,000.00	1,000,000.00	5.000%			
			1/15/2028	1,055,000.00	1,055,000.00	3.000%			
			1/15/2029	1,080,000.00	1,080,000.00	4.000%			
			1/15/2030	1,125,000.00	1,125,000.00	4.000%			
			1/15/2031	1,170,000.00	1,170,000.00	4.000%			
		1/15/2032	1,215,000.00	1,215,000.00	3.250%				
		1/15/2033	1,250,000.00	1,250,000.00	3.375%				
							\$ 21,000,000.00	\$ 925,000.00	\$ 20,118,281.00

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Schedule of Obligations Under Capital Lease**  
**As of June 30, 2018**

Description	Amount of Original Issue	Balance		Issued Current Year	Retired Current Year	Balance June 30, 2018
		June 30, 2017	June 30, 2018			
Curriculum Equipment	\$ 400,000.00	\$ 70,052.95	\$ -	-	\$ 70,052.95	\$ -
Copy Machine (CST) - Frog Pond	14,809.80	5,923.92	-	-	2,961.96	2,961.96
Copy Machine (CST) - George Mitchell	14,809.80	5,923.92	-	-	2,961.96	2,961.96
XEROX (Stewart) Copy Machine District	182,774.40	79,880.14	-	-	40,673.85	39,206.29
Facod /Security Equipment	750,000.00	600,662.39	-	-	146,193.26	454,469.13
Technology Equipment - District	429,959.46	255,722.91	-	-	126,773.73	128,949.18
		<u>\$ 1,018,166.23</u>	<u>\$ -</u>	<u>-</u>	<u>\$ 389,617.71</u>	<u>\$ 628,548.52</u>

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**For the Year Ended June 30, 2018**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 1,013,809.00	\$ -	\$ 1,013,809.00	\$ 1,013,809.00	\$ -
	<u>1,013,809.00</u>	<u>-</u>	<u>1,013,809.00</u>	<u>1,013,809.00</u>	<u>-</u>
Total - Local Sources	1,013,809.00	-	1,013,809.00	1,013,809.00	-
State Sources:					
Debt Service Aid Type II	637,994.00	-	637,994.00	637,994.00	-
	<u>637,994.00</u>	<u>-</u>	<u>637,994.00</u>	<u>637,994.00</u>	<u>-</u>
Total - State Sources	637,994.00	-	637,994.00	637,994.00	-
Total Revenues	<u>1,651,803.00</u>	<u>-</u>	<u>1,651,803.00</u>	<u>1,651,803.00</u>	<u>-</u>
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	847,275.00	-	847,275.00	847,275.00	-
Redemption of Principal	925,000.00	-	925,000.00	925,000.00	-
	<u>1,772,275.00</u>	<u>-</u>	<u>1,772,275.00</u>	<u>1,772,275.00</u>	<u>-</u>
Total Regular Debt Service	1,772,275.00	-	1,772,275.00	1,772,275.00	-
Total Expenditures	<u>1,772,275.00</u>	<u>-</u>	<u>1,772,275.00</u>	<u>1,772,275.00</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(120,472.00)</u>	<u>-</u>	<u>(120,472.00)</u>	<u>(120,472.00)</u>	<u>-</u>
Other Financing Sources (Uses):					
Operating Transfers In:					
Capital Project:					
Project Balance	110,223.00	-	110,223.00	111,214.26	991.26
	<u>110,223.00</u>	<u>-</u>	<u>110,223.00</u>	<u>111,214.26</u>	<u>991.26</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(10,249.00)	-	(10,249.00)	(9,257.74)	991.26
Fund Balance, July 1	37,724.96	-	37,724.96	37,724.96	-
Fund Balance, June 30	<u>\$ 27,475.96</u>	<u>\$ -</u>	<u>\$ 27,475.96</u>	<u>\$ 28,467.22</u>	<u>\$ 991.26</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	<u>\$ (10,249.00)</u>	<u>\$ -</u>	<u>\$ (10,249.00)</u>	<u>\$ (9,257.74)</u>	<u>\$ 991.26</u>

See Accompanying Auditor's Report

## **Statistical Section**



Little Egg Harbor Township School District  
 Net Assets by Component,  
 For the Fiscal Year Ended June 30, 2018  
*(accrual basis of accounting)*

Exhibit J-1

	2009	2010	2011	2012	2013	2014*	2015	2016	2017	2018
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 11,637,370.85	\$ 12,724,219.95	\$ 12,651,709.94	\$ 13,018,506.51	\$ 14,722,116.95	\$ 14,245,037.38	\$ 14,160,831.75	\$ 10,941,517.64	\$ 10,803,133.21	\$ 10,796,018.60
Restricted	3,105,406.30	1,702,004.89	1,522,202.46	800,009.47	1,050,015.35	1,026,714.22	1,118,905.13	1,514,575.54	1,553,611.45	2,513,089.20
Unrestricted	107,327.73	(1,464,341.17)	(1,495,523.83)	(154,465.77)	(2,370,605.62)	(10,193,515.77)	(10,707,160.43)	(11,265,605.62)	(12,232,395.71)	(12,671,032.19)
<b>Total governmental activities net assets</b>	<b>\$ 14,850,104.88</b>	<b>\$ 12,961,883.67</b>	<b>\$ 12,678,388.57</b>	<b>\$ 13,664,050.21</b>	<b>\$ 13,401,526.68</b>	<b>\$ 5,078,235.83</b>	<b>\$ 4,572,576.45</b>	<b>\$ 1,190,487.56</b>	<b>\$ 124,348.95</b>	<b>\$ 638,075.61</b>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ 11,546.73	\$ 55,443.48	\$ 61,098.62	\$ 69,097.62	\$ 76,341.34	\$ 74,175.88	\$ 68,872.42	\$ 65,969.75	\$ 77,731.41	\$ 80,593.17
Unrestricted	6,791.21	(15,606.43)	41,644.26	185,326.85	164,930.89	137,620.11	110,782.62	72,654.36	26,881.57	41,683.18
<b>Total business-type activities net assets</b>	<b>\$ 18,337.94</b>	<b>\$ 39,837.05</b>	<b>\$ 102,742.88</b>	<b>\$ 254,424.47</b>	<b>\$ 241,272.23</b>	<b>\$ 211,795.99</b>	<b>\$ 179,655.04</b>	<b>\$ 138,624.11</b>	<b>\$ 104,612.98</b>	<b>\$ 122,276.35</b>
<b>District-wide</b>										
Invested in capital assets, net of related debt	\$ 11,648,917.58	\$ 12,779,663.43	\$ 12,712,808.56	\$ 13,087,604.13	\$ 14,798,458.29	\$ 14,319,213.26	\$ 14,229,704.17	\$ 11,007,487.39	\$ 10,880,864.62	\$ 10,876,611.77
Restricted	3,105,406.30	1,702,004.89	1,522,202.46	800,009.47	1,050,015.35	1,026,714.22	1,118,905.13	1,514,575.54	1,553,611.45	2,513,089.20
Unrestricted	114,118.94	(1,479,947.60)	(1,453,879.57)	30,861.08	(2,205,674.73)	(10,055,895.66)	(10,596,377.81)	(11,192,951.26)	(12,205,514.14)	(12,629,349.01)
<b>Total district net assets</b>	<b>\$ 14,868,442.82</b>	<b>\$ 13,001,720.72</b>	<b>\$ 12,781,131.45</b>	<b>\$ 13,918,474.68</b>	<b>\$ 13,642,798.91</b>	<b>\$ 5,290,031.82</b>	<b>\$ 4,752,231.49</b>	<b>\$ 1,329,111.67</b>	<b>\$ 228,961.93</b>	<b>\$ 760,351.96</b>

\* - Restated Unrestricted in 2014 for the effects of GASB 68

Source: CAFR Schedule A-1

See Accompanying Auditor's Report

**Little Egg Harbor Township School District**  
**Changes in Net Assets,**  
**For the Fiscal Year Ended June 30, 2018**  
*(accrual basis of accounting)*

**Exhibit J-2**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Expenses</b>										
Governmental activities:										
Instruction:										
Regular	\$ 10,110,801.06	\$ 11,434,291.28	\$ 11,179,521.49	\$ 11,198,279.41	\$ 11,523,957.47	\$ 11,728,053.50	\$ 12,995,710.07	\$ 15,187,532.16	\$ 15,788,017.92	\$ 16,283,158.84
Special education	3,507,716.18	3,407,840.62	3,223,862.93	3,580,539.94	3,978,999.01	3,978,999.01	4,719,890.53	5,046,850.28	4,982,863.75	5,213,620.75
Other instruction	612,349.40	554,340.89	627,537.96	673,780.02	726,434.97	914,489.47	1,358,684.51	1,440,801.01	1,510,414.48	1,350,938.85
Support Services:										
Tuition	186,536.99	70,722.26	105,716.01	145,163.25	225,877.37	174,188.97	13,398.78	76,190.53	104,353.39	55,361.70
Student & instruction related services	5,211,340.10	6,364,280.88	6,936,084.15	5,900,250.00	6,736,634.20	6,618,014.29	7,771,640.78	9,391,082.76	9,210,372.27	9,397,288.49
School administrative services	1,124,335.71	985,656.23	855,860.27	877,291.47	931,595.33	933,425.57	820,128.14	1,431,295.62	977,287.46	1,372,572.55
General & Business administrative services	1,566,866.48	1,718,592.45	1,572,893.15	1,728,957.32	1,737,887.50	1,784,697.74	1,647,406.06	1,625,325.83	1,676,377.32	1,571,713.03
Plant operations and maintenance	2,114,166.45	2,321,473.16	2,291,944.09	2,238,750.33	2,136,146.38	2,135,662.65	2,079,673.34	3,120,003.51	2,326,997.22	2,350,859.87
Pupil transportation	1,681,854.93	1,429,502.27	1,333,941.16	1,378,758.44	1,468,396.57	1,302,295.04	1,376,090.33	1,390,913.21	1,449,538.16	1,521,393.85
Charter Schools										
Interest on long-term debt	1,592,897.97	1,363,927.63	1,165,764.13	1,150,781.13	1,077,120.50	1,049,216.17	1,161,340.08	764,230.24	977,091.61	811,763.84
Unallocated depreciation	4,044.63									
Unallocated Amortization of Debt Issue Costs										
Total governmental activities expenses	<u>27,712,909.90</u>	<u>29,650,627.67</u>	<u>29,293,125.34</u>	<u>25,292,011.37</u>	<u>30,144,590.23</u>	<u>30,619,042.41</u>	<u>33,943,962.62</u>	<u>39,474,225.15</u>	<u>39,003,313.58</u>	<u>39,928,671.77</u>
Business-type activities:										
Food service	657,528.04	671,772.85	649,803.90	713,091.81	902,435.60	875,440.45	862,820.35	832,555.18	842,040.75	877,485.30
Other	194,906.20	285,026.65	369,734.48	305,927.50	385,242.83	300,526.58	624,251.94	653,666.69	541,576.16	514,190.09
Total business-type activities expenses	<u>852,434.24</u>	<u>956,799.50</u>	<u>1,019,538.38</u>	<u>1,019,019.31</u>	<u>1,287,678.43</u>	<u>1,225,967.03</u>	<u>1,487,072.29</u>	<u>1,486,221.87</u>	<u>1,383,616.91</u>	<u>1,391,675.39</u>
Total district expenses	<u>\$ 28,565,344.14</u>	<u>\$ 30,607,427.17</u>	<u>\$ 30,312,663.72</u>	<u>\$ 26,311,030.68</u>	<u>\$ 31,432,268.66</u>	<u>\$ 31,845,009.44</u>	<u>\$ 35,431,034.91</u>	<u>\$ 40,960,447.02</u>	<u>\$ 40,386,930.49</u>	<u>\$ 41,320,347.16</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services	\$ 6,964,407.11	\$ 5,044,494.84	\$ 5,696,681.17	\$ 5,947,296.97	\$ 5,517,315.21	\$ 5,810,687.95	\$ 11,000,661.69	\$ 12,685,955.42	\$ 14,852,983.18	\$ 17,331,019.58
Operating grants and contributions						16,470.52		501,070.00	2,600.00	55,150.00
Capital grants and contributions										
Total governmental activities program revenues	<u>6,964,407.11</u>	<u>5,044,494.84</u>	<u>5,696,681.17</u>	<u>5,981,650.90</u>	<u>5,624,048.99</u>	<u>5,827,158.47</u>	<u>11,000,661.69</u>	<u>13,187,025.42</u>	<u>14,946,607.30</u>	<u>17,479,765.82</u>
Business-type activities:										
Charges for services:										
Food service	260,678.57	262,226.49	282,673.93	291,683.79	311,712.43	324,801.38	334,179.68	312,751.21	324,328.33	310,836.96
Other	218,134.04	245,191.36	350,420.54	386,846.04	394,210.23	334,677.40	584,017.35	603,055.49	486,472.99	536,951.62
Operating grants and contributions	350,498.33	420,908.03	448,373.88	492,171.07	568,438.68	536,669.38	536,459.27	529,124.50	538,544.83	562,152.90
Capital grants and contributions										
Total business-type activities program revenue	<u>829,310.94</u>	<u>928,325.88</u>	<u>1,081,468.35</u>	<u>1,170,700.90</u>	<u>1,274,361.34</u>	<u>1,196,148.16</u>	<u>1,454,656.30</u>	<u>1,444,931.20</u>	<u>1,349,346.15</u>	<u>1,408,941.48</u>
Total district program revenue	<u>\$ 7,793,718.05</u>	<u>\$ 5,972,820.72</u>	<u>\$ 6,778,149.52</u>	<u>\$ 7,152,351.80</u>	<u>\$ 6,898,410.33</u>	<u>\$ 7,023,306.63</u>	<u>\$ 12,455,317.99</u>	<u>\$ 14,631,956.62</u>	<u>\$ 16,295,953.45</u>	<u>\$ 18,888,707.30</u>
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (20,748,502.79)	\$ (24,606,132.83)	\$ (23,596,444.17)	\$ (19,310,360.47)	\$ (24,520,541.24)	\$ (24,791,883.94)	\$ (22,943,300.93)	\$ (26,287,199.73)	\$ (24,056,706.28)	\$ (22,448,905.95)
Business-type activities	(23,123.30)	(28,473.62)	61,929.97	151,681.59	(13,317.09)	(29,818.87)	(32,415.99)	(41,290.67)	(34,270.76)	17,266.09
Total district-wide net expense	<u>\$ (20,771,626.09)</u>	<u>\$ (24,634,606.45)</u>	<u>\$ (23,534,514.20)</u>	<u>\$ (19,158,678.88)</u>	<u>\$ (24,533,858.33)</u>	<u>\$ (24,821,702.81)</u>	<u>\$ (22,975,716.92)</u>	<u>\$ (26,328,490.40)</u>	<u>\$ (24,090,977.04)</u>	<u>\$ (22,431,639.86)</u>



Little Egg Harbor Township School District  
**Changes in Net Assets,**  
**For the Fiscal Year Ended June 30, 2018**  
*(accrual basis of accounting)*

**Exhibit J-2**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 9,741,177.00	\$ 10,080,824.00	\$ 10,184,057.00	\$ 10,387,738.00	\$ 10,595,493.00	\$ 10,553,274.00	\$ 11,023,550.00	\$ 11,556,075.00	\$ 11,729,416.00	\$ 12,139,004.00
Taxes levied for debt service	731,417.00	1,116,991.00	1,349,781.00	1,324,548.00	1,223,879.00	1,219,288.00	1,210,683.00	1,198,936.00	1,060,243.00	1,013,809.00
Unrestricted grants and contributions	11,255,748.97	11,378,942.02	11,412,025.16	11,817,912.32	12,430,828.34	12,405,343.08	10,032,008.34	9,876,442.03	10,040,072.43	9,847,353.10
Investment earnings	61,720.00	3,106.01								
Miscellaneous income	163,965.90	138,048.59	367,085.91	104,676.01	92,919.45	166,056.64	171,675.25	273,917.55	167,694.84	66,968.69
Transfers and Adjustments	49,130.27		23,312,949.07	23,634,874.33	24,343,119.79	24,343,961.72	22,437,916.59	22,905,370.58	(6,598.97)	(104,104.90)
Total governmental activities	22,003,159.14	22,717,911.62	23,312,949.07	23,634,874.33	24,343,119.79	24,343,961.72	22,437,916.59	22,905,370.58	22,990,827.30	22,963,029.89
Business-type activities:										
Investment earnings	983.64	459.42	-	-	-	-	-	-	-	-
Transfers	-	49,513.31	975.86	-	-	-	-	-	-	-
Total business-type activities	983.64	49,972.73	975.86	-	-	-	-	-	-	-
Total district-wide	\$ 22,004,142.78	\$ 22,767,884.35	\$ 23,313,924.93	\$ 23,634,874.33	\$ 24,343,119.79	\$ 24,343,961.72	\$ 22,437,916.59	\$ 22,905,370.58	\$ 22,990,827.30	\$ 22,963,029.89
Changes in Net Assets										
Governmental activities	\$ 1,254,656.35	\$ (1,888,221.21)	\$ (283,495.10)	\$ 4,324,513.86	\$ (177,421.45)	\$ (447,922.22)	\$ (505,384.34)	\$ (3,381,829.15)	\$ (1,065,878.98)	\$ 514,123.94
Business-type activities	(22,139.66)	21,499.11	62,905.83	151,681.59	(13,317.09)	(29,818.87)	(32,415.99)	(41,290.67)	(34,270.76)	17,266.09
Total district	\$ 1,232,516.69	\$ (1,866,722.10)	\$ (220,589.27)	\$ 4,476,195.45	\$ (190,738.54)	\$ (477,741.09)	\$ (537,800.33)	\$ (3,423,119.82)	\$ (1,100,149.74)	\$ 531,390.03

Source: CAFR Schedule A-2

See Accompanying Auditor's Report

Little Egg Harbor Township School District  
 Fund Balances, Governmental Funds,  
 For the Fiscal Year Ended June 30, 2018  
 (modified accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>General Fund</b>										
Restricted	\$ -	\$ -	\$ 272,218.86	\$ 799,553.47	\$ 1,050,015.35	\$ 866,628.79	\$ 883,080.66	\$ 1,301,890.11	\$ 1,413,040.05	\$ 1,411,305.78
Committed	-	-	-	193,985.43	194,385.43	160,085.43	111,985.43	212,685.43	413,385.43	675,192.43
Assigned	-	-	373,890.20	2,218,625.26	20,002.94	-	123,839.04	240,812.87	117,917.90	436,292.94
Unassigned	-	-	(282,864.05)	(539,508.00)	(499,915.37)	(252,917.23)	(534,755.79)	(533,077.87)	(501,664.62)	(384,665.99)
Reserved	1,636,628.70	813,718.72	-	-	-	-	-	-	-	-
Unreserved	(203,283.33)	(565,023.80)	-	-	-	-	-	-	-	-
<b>Total general fund</b>	<b>\$ 1,433,345.37</b>	<b>\$ 248,694.92</b>	<b>\$ 363,245.01</b>	<b>\$ 2,672,656.16</b>	<b>\$ 764,488.35</b>	<b>\$ 773,796.99</b>	<b>\$ 584,149.34</b>	<b>\$ 1,222,310.54</b>	<b>\$ 1,442,678.76</b>	<b>\$ 2,138,125.16</b>
<b>All Other Governmental Funds</b>										
Restricted	-	-	\$ 1,590,294.10	\$ 928,263.22	\$ 686,679.92	\$ 300,522.41	\$ 195,384.76	\$ 351,041.78	\$ 196,679.59	\$ 85,465.33
Committed	-	-	153,135.50	333,119.00	28,375.50	57,856.00	51,081.95	1,029,495.27	84,712.96	991.22
Assigned	-	-	254.00	-	-	-	-	-	-	27,476.00
Unassigned	-	-	-	-	-	-	-	(148,716.26)	(272,814.03)	-
Reserved	\$ 850,548.06	\$ 20,862.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue fund	(263,246.10)	(340,400.00)	-	-	-	-	-	-	-	-
Capital projects fund	2,930,411.04	2,442,695.91	-	-	-	-	-	-	-	-
Debt service fund	25,607.87	861.55	-	-	-	-	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 3,543,320.87</b>	<b>\$ 2,124,019.46</b>	<b>\$ 1,743,683.60</b>	<b>\$ 1,261,382.22</b>	<b>\$ 715,055.42</b>	<b>\$ 358,378.41</b>	<b>\$ 246,466.71</b>	<b>\$ 1,231,820.79</b>	<b>\$ 8,578.52</b>	<b>\$ 113,932.55</b>

\* - FY 2011 was the first year of reporting under GASB 54 - Fund Balance Classifications

Little Egg Harbor Township School District  
 Changes in Fund Balances, Governmental Funds,  
 For the Fiscal Year Ended June 30, 2018

Exhibit J-4

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Revenues</b>										
Tax Levy	\$ 10,472,594.00	\$ 11,197,815.00	\$ 11,533,838.00	\$ 11,712,286.00	\$ 11,819,372.00	\$ 11,772,662.00	\$ 12,234,233.00	\$ 12,755,011.00	\$ 12,789,659.00	\$ 13,152,813.00
Tuition Charges	61,720.00	61,630.26	59,036.46	34,353.93	23,783.46	125.00	32,487.85	-	91,024.12	93,596.24
Bond /Lease Proceeds	7,995,000.00	-	-	1,800,000.00	-	-	-	-	-	-
Interest earnings	163,965.90	3,106.01	312,943.48	113,596.34	100,233.28	180,347.75	4,857.25	5,818.39	5,818.39	5,818.39
Miscellaneous	55,007.96	81,980.00	16,063,979.74	16,483,316.47	17,213,269.31	16,991,913.43	17,567,697.78	18,233,521.23	17,940,950.94	17,840,833.26
State sources	14,444,324.28	14,096,276.16	1,039,633.56	810,345.88	810,345.88	1,225,829.38	764,861.28	943,250.26	878,776.17	1,294,474.90
Federal sources	769,954.11	2,319,599.15	29,009,630.24	30,143,551.74	29,967,003.93	30,170,777.56	30,755,858.24	32,950,297.26	31,895,927.29	32,459,757.33
Total revenue	33,962,566.25	27,762,406.58	29,009,630.24	30,143,551.74	29,967,003.93	30,170,777.56	30,755,858.24	32,950,297.26	31,895,927.29	32,459,757.33
<b>Expenditures</b>										
Instruction:										
Regular instruction	7,549,175.30	8,089,263.36	7,874,453.00	7,869,019.44	8,086,579.42	8,124,013.82	8,254,543.72	7,952,635.00	8,201,969.80	7,916,571.84
Special education instruction	2,019,949.56	2,410,600.87	2,270,773.13	2,355,079.68	2,512,532.95	2,840,563.01	2,847,852.42	2,642,678.07	2,986,627.54	2,534,766.36
Other special education instruction	423,381.59	392,123.57	442,015.18	475,254.83	509,753.25	652,844.47	662,324.20	754,446.45	784,669.36	656,801.58
Support Services:										
Tuition	186,536.99	70,722.26	105,716.01	145,163.25	218,049.37	174,188.97	13,388.78	76,190.53	104,353.39	55,361.70
Student & instruction related services	3,914,729.85	4,490,620.68	4,885,526.28	4,311,983.47	4,965,999.00	4,975,336.88	5,171,373.92	5,177,309.70	4,784,843.52	4,566,788.54
General & Business administrative services	736,814.96	1,212,634.54	1,107,889.38	1,219,630.54	1,219,608.56	1,274,075.74	1,239,137.58	1,221,602.97	1,021,705.99	1,190,469.79
School administrative services	1,227,745.95	695,476.57	602,837.20	618,802.86	653,718.14	666,361.57	616,879.84	577,942.56	595,629.90	555,403.51
Plant operations and maintenance	1,659,237.37	1,932,490.27	1,652,924.54	1,579,116.13	1,534,229.19	1,572,582.76	1,564,278.20	1,583,727.93	1,581,286.13	1,625,021.25
Pupil transportation	1,653,307.81	1,429,502.27	1,333,941.16	1,378,758.44	1,488,396.57	1,302,295.04	1,376,090.33	1,390,913.21	1,449,538.16	1,521,393.85
Unallocated employee benefits	5,894,857.57	6,261,297.08	6,630,600.81	6,450,623.16	6,799,726.48	6,618,023.00	7,202,313.14	7,809,773.50	8,648,677.12	8,838,169.89
Charter Schools	17,732,146.29	1,397,603.85	315,429.86	1,154,301.16	2,547,395.11	424,553.17	226,337.96	278,007.23	1,346,133.77	423,933.59
Capital outlay:										
Principal	540,000.00	604,000.00	870,000.00	890,000.00	800,000.00	830,000.00	855,000.00	1,075,000.00	905,000.00	925,000.00
Interest and other charges	1,461,387.97	1,381,023.00	1,163,307.50	1,141,782.50	1,097,782.50	1,063,307.50	1,027,887.50	786,555.83	892,764.31	847,275.00
Total Expenditures	44,999,271.23	30,366,358.32	29,275,416.05	29,589,415.46	32,421,486.54	30,518,146.93	31,057,477.59	31,326,781.98	32,905,198.99	31,659,956.90
Excess (Deficiency) of revenues over (under) expenditures	(11,036,704.98)	(2,603,951.74)	(285,785.81)	554,136.28	(2,454,484.61)	(347,368.37)	(301,559.35)	1,623,515.28	(1,009,271.70)	800,800.43
<b>Other Financing Sources (Uses)</b>										
Transfers	-	-	-	-	-	-	-	-	-	-
Capital Lease Revenue	-	-	-	-	-	-	-	-	-	-
Excess Cost of Issuance Account Proceeds	-	-	-	-	-	-	-	-	6,397.65	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	6,397.65	-
Net change in fund balances	\$ (11,036,704.98)	\$ (2,603,951.74)	\$ (285,785.81)	\$ 554,136.28	\$ (2,454,484.61)	\$ (347,368.37)	\$ (301,559.35)	\$ 1,623,515.28	\$ (1,002,874.05)	\$ 800,800.43
Debt service as a percentage of noncapital expenditures	7.34%	6.85%	7.09%	7.15%	6.35%	6.29% #	6.11%	6.00%	5.70%	5.67%

Source: CAFR, Schedule B-2

See Accompanying Auditor's Report

**Little Egg Harbor Township School District**  
**General Fund Other Local Revenue by Source,**  
**For the Fiscal Year Ended June 30, 2018**  
 Unaudited

**Exhibit J-5**

<u>Fiscal Year Ended June 30,</u>	<u>Interest on Investments</u>	<u>Tuition Revenue</u>	<u>Miscellaneous</u>	<u>Totals</u>
2009	20,642.13	61,720.00	49,130.27	131,492.40
2010	20,487.47	61,630.26	55,930.86	138,048.59
2011	17,095.94	59,035.46	295,847.54	371,978.94
2012	40.04	34,353.93	104,088.55	138,482.52
2013	2,642.08	23,783.46	89,936.82	116,362.36
2014	4,059.65	125.00	161,408.86	165,593.51
2015	4,258.71	32,487.85	134,055.11	170,801.67
2016	5,818.39	-	247,582.42	253,400.81
2017	3,544.08	91,024.12	85,349.34	179,917.54
2018	6,608.50	93,596.24	57,650.23	157,854.97

Source: District Records

See Accompanying Auditor's Report

Little Egg Harbor Township School District  
 Assessed Value and Actual Value of Taxable Property,  
 For the Fiscal Year Ended June 30, 2018

Year	Vacant Land	Residential	Farm Regular	Q Farm	Commercial	Industrial	Apartment	Total Assessed Value	Utilities a	Net Valuation Taxable	Total District School Tax Rate b	Estimated County Equalized Value
2009	147,903,300.00	2,805,870,789.00	2,637,500.00	79,732.00	168,048,700.00	566,100.00	3,060,000.00	3,128,166,121.00	6,570,969.00	3,134,737,090.00	0.357	3,066,000,647.00
2010	136,785,500.00	2,655,632,189.00	2,558,600.00	79,939.00	162,071,049.00	566,100.00	3,060,000.00	2,960,753,377.00	6,779,754.00	2,967,533,131.00	0.389	2,856,003,259.00
2011	124,822,000.00	2,666,799,789.00	2,843,400.00	80,631.00	151,717,049.00	566,100.00	3,060,000.00	2,949,888,969.00	5,955,862.00	2,955,844,831.00	0.396	2,866,592,618.00
2012	116,303,400.00	2,636,568,189.00	2,819,400.00	78,896.00	149,605,749.00	566,100.00	3,060,000.00	2,909,001,734.00	5,851,082.00	2,914,852,816.00	0.406	2,718,812,880.00
2013	111,911,000.00	2,531,443,939.00	2,819,400.00	78,896.00	144,064,463.00	566,100.00	3,060,000.00	2,793,943,798.00	5,251,712.00	2,799,195,510.00	0.420	2,446,432,508.00
2014	152,049,100.00	2,425,444,439.00	1,953,200.00	79,058.00	159,319,263.00	566,100.00	3,060,000.00	2,742,471,160.00	4,242,303.00	2,746,713,463.00	0.446	2,342,388,469.00
2015-r	112,347,900.00	1,941,283,983.00	1,705,400.00	35,392.00	147,741,815.00	558,100.00	2,883,700.00	2,206,556,290.00	-	2,206,556,290.00	0.577	2,267,936,874.00
2016	111,378,200.00	1,972,732,883.00	1,705,400.00	1,753,892.00	149,458,515.00	542,900.00	2,883,700.00	2,240,455,490.00	-	2,240,455,490.00	0.571	2,310,306,017.00
2017	97,071,900.00	2,012,228,183.00	1,747,800.00	75,986.00	172,922,115.00	542,900.00	2,883,700.00	2,287,472,584.00	-	2,287,472,584.00	0.575	2,330,113,664.00
2018	85,781,700.00	2,051,978,233.00	1,711,400.00	78,769.00	174,529,129.00	542,900.00	2,883,700.00	2,317,505,831.00	-	2,317,505,831.00	0.585	2,391,400,094.00

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

**R** Revaluation

**r** Reassessment

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

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

R = Revaluation

Source: County Abstract of Ratables & Municipal Tax Assessor

Exhibit J-7

Little Egg Harbor Township School District  
 Direct and Overlapping Property Tax Rates,  
 For the Fiscal Year Ended June 30, 2018  
 (rate per \$100 of assessed value)

Fiscal Year Ended June 30,	Little Egg Harbor Township School District			Overlapping Rates						Total Direct and Overlapping Tax Rate
	Basic Rate	Obligation Debt Service b	Total Direct	County General	County Library	County Health	County Open Space	Pinelands Regional School	Municipal Local Purpose	
2009	0.334	0.023	0.357	0.249	0.029	0.012	0.012	0.397	0.461	1.517
2010	0.351	0.038	0.389	0.259	0.030	0.012	0.011	0.450	0.490	1.641
2011	0.351	0.046	0.396	0.272	0.032	0.012	0.012	0.439	0.517	1.680
2012	0.361	0.045	0.406	0.273	0.031	0.012	0.011	0.473	0.532	1.738
2013	0.376	0.044	0.420	0.280	0.033	0.012	0.011	0.500	0.548	1.804
2014	0.402	0.044	0.446	0.286	0.031	0.012	0.011	0.516	0.560	1.862
2015-r	0.523	0.054	0.577	0.354	0.039	0.014	0.013	0.656	0.696	2.349
2016	0.524	0.047	0.571	0.365	0.039	0.014	0.012	0.657	0.661	2.319
2017	0.531	0.044	0.575	0.357	0.039	0.014	0.013	0.645	0.657	2.300
2018	0.541	0.044	0.585	0.353	0.039	0.014	0.013	0.658	0.673	2.335

(A): The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.  
 (B): Rates for debt service are based on each year's requirements.

r: Reassessment  
 R: Revaluation

\*\*\*: This Rate includes the Municipal Open Space Tax for years 2002 forward.

Source: District Records and Municipal Tax Collector

Little Egg Harbor Township School District  
 Principal Property Tax Payers,  
 For the Fiscal Year Ended June 30, 2018

Exhibit J-8

Taxpayer	2018				2008			
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value		
Sea Oaks Golf Club, LLC	9,154,600.00	1	0.40%	16,611,800.00	1	0.52%		
AT & T	8,294,900.00	2	0.36%	10,000,000.00	4	0.32%		
LEH Realty LLC	6,768,000.00	3	0.29%					
Mystic Partners	4,854,400.00	4	0.21%	13,104,000.00	3	0.41%		
Armstrong Tuckerton, LLC % Fameco Mgmt	3,280,800.00	5	0.14%	7,678,800.00	5	0.24%		
Walmart Real Estate Business Trust (Vacant Land)	3,132,500.00	6	0.14%					
Choudhry Brothers Properties Llc	\$ 3,074,100.00	7	0.13%					
Winding Run Estates By Kara, Lic	2,417,800.00	8	0.10%					
Cranberry Creek Fahmie Lic	2,397,000.00	9	0.10%					
Phoenix Pinelands Corp	2,171,000.00	10	0.09%					
Healthtech Properties				14,856,400.00	2	0.47%		
Andwin Realty Investors, LLC				4,585,400.00	6	0.14%		
Mystic Investor Association c/o GB Ltd.				3,694,400.00	7	0.12%		
LS James Properties, LLC				3,074,100.00	8	0.10%		
Jarat, Inc.				3,000,000.00	9	0.09%		
Individual Property Owner				2,935,000.00	10	0.09%		
Totals	\$ 45,545,100.00		1.97%	\$ 79,539,900.00		2.51%		
				District Assessed Value			\$ 3,173,021,725	

Source: District CAFR & Municipal Tax Assessor  
 District Total Taxable Value

See Accompanying Auditor's Report

**Little Egg Harbor Township School District  
Property Tax Levies and Collections,  
For the Fiscal Year Ended June 30, 2018**

**Exhibit J-9**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2009	10,472,594.00	10,472,594.00	100%	-
2010	11,197,815.00	11,197,815.00	100%	-
2011	11,533,838.00	11,533,838.00	100%	-
2012	11,712,286.00	11,712,286.00	100%	-
2013	11,819,372.00	11,819,372.00	100%	-
2014	11,772,562.00	11,772,562.00	100%	-
2015	12,234,233.00	12,234,233.00	100%	-
2016	12,755,011.00	12,755,011.00	100%	-
2017	12,789,659.00	12,789,659.00	100%	-
2018	13,152,813.00	13,152,813.00	100%	-

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

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



**Little Egg Harbor Township School District  
Ratios of Outstanding Debt by Type,  
For the Fiscal Year Ended June 30, 2018**

**Exhibit J-10**

Fiscal Year Ended June 30,	Governmental Activities		Total District	Percentage of Personal Income <sup>a</sup>	*** (A) per Capita
	General Obligation Bonds	Capital Leases			
2009	28,134,000.00	138,272.00	28,272,272.00	0.14%	40,510
2010	27,530,000.00	57,742.25	27,587,742.25	0.14%	40,611
2011	26,660,000.00	6,440.86	26,666,440.86	0.15%	41,986
2012	25,770,000.00	1,584,626.29	27,354,626.29	0.16%	43,200
2013	24,970,000.00	1,194,113.98	26,164,113.98	0.16%	43,200
2014	24,140,000.00	1,190,889.39	25,330,889.39	0.17%	43,200
2015	23,235,000.00	602,001.50	23,837,001.50	0.17%	43,214
2016	22,160,000.00	1,285,684.67	23,445,684.67	0.15%	36,262
2017	21,000,000.00	1,018,166.23	22,018,166.23	0.20%	46,109
2018	20,075,000.00	628,548.52	20,703,548.52	0.22%	47,413

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

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

**\*\*\*:** This data is only available for the entire County of Ocean.

**Source:** District CAFR Schedules I-1, I-2

**Little Egg Harbor Township School District  
Ratios of Net General Bonded Debt Outstanding,  
For the Fiscal Year Ended June 30, 2018**

**Exhibit J-11**

Fiscal Year Ended June 30,	Governmental Activities		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	* Per Capita
	General Obligation Bonds	Deductions			
2009	28,134,000.00	-	28,134,000.00	0.89%	40,510
2010	27,530,000.00	-	28,134,000.00	0.90%	40,611
2011	26,660,000.00	-	26,660,000.00	0.90%	41,986
2012	25,770,000.00	-	25,770,000.00	0.87%	43,200
2013	24,970,000.00	-	24,970,000.00	0.86%	43,200
2014	24,140,000.00	-	24,140,000.00	0.86%	43,200
2015	23,235,000.00	-	23,235,000.00	0.85%	43,214
2016	22,160,000.00	-	22,160,000.00	1.00%	36,262
2017	21,000,000.00	-	21,000,000.00	0.94%	46,109
2018	20,075,000.00	-	20,075,000.00	0.88%	47,413

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

- a See Exhibit NJ J-7 for property tax data.
- b Population data can be found in Exhibit NJ J-14.

\* = This data is only available for the entire County of Ocean.

Little Egg Harbor Township School District  
 Direct and Overlapping Governmental Activities Debt,  
 For the Fiscal Year Ended June 30, 2018

Exhibit J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt Repaid with Property Taxes</b>			
Local Municipality	\$ 21,939,183.31	100.00%	\$ 21,939,183.31
<b>Other Debt</b>			
Pinelands Regional School District	4,125,000.00	74.09%	3,056,180.79
County of Ocean	468,706,375.80	2.39%	<u>11,185,834.76</u>
Subtotal, Overlapping Debt			\$ 36,181,198.86
<b>School District Direct Debt</b>	20,075,000.00	100.00%	<u>20,075,000.00</u>
<b>Total Direct and Overlapping Debt</b>			<u><u>\$ 56,256,198.86</u></u>

Sources: Township of Little Egg Harbor Finance Officer and Ocean County Finance Office

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

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

Little Egg Harbor Township School District  
 Legal Debt Margin Information,  
 For the Fiscal Year Ended June 30, 2018  
 As of June 30

Exhibit J-13

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	\$ 74,367,841.00	\$ 76,200,676.00	\$ 74,782,409.00	\$ 71,901,761.00	\$ 67,999,020.00	\$ 63,924,708.00	\$ 60,683,287.34	\$ 58,466,123.72	\$ 57,680,972.25	\$ 57,425,756.36
Total net debt applicable to limit	28,134,000.00	28,134,000.00	26,660,000.00	25,770,000.00	24,970,000.00	24,140,000.00	23,235,000.00	22,160,000.00	21,000,000.00	20,075,000.00
Legal debt margin	\$ 46,233,841.00	\$ 48,066,676.00	\$ 48,122,409.00	\$ 46,131,761.00	\$ 43,029,020.00	\$ 39,784,708.00	\$ 37,448,287.34	\$ 36,306,123.72	\$ 36,680,972.25	\$ 37,350,756.36
Total net debt applicable to the limit as a percentage of debt limit	37.83%	36.92%	35.65%	35.84%	36.72%	37.76%	38.29%	37.90%	36.41%	34.96%

	2017	2018
Equalized valuation basis	\$ 2,330,113,664.00	\$ 2,297,030,254.33
Debt limit (2.50% of average)	57,425,756.36	57,425,756.36
Net bonded school debt	20,075,000.00	20,075,000.00
Legal debt margin	\$ 37,350,756.36	\$ 37,350,756.36

Source: Abstract of Ratables and District Records CAFR Schedule J-11

**Little Egg Harbor Township School District  
Demographic and Economic Statistics,  
For the Fiscal Year Ended June 30, 2018**

**Exhibit J-14**

Fiscal Year Ended June 30,	(A) Population	(B) Personal Income (thousands of dollars)	per Capita Personal Income	(C) Unemployment Rate
2009	20,824	843,580.24	40,510.00	10.2%
2010	20,102	816,362.32	40,611.00	10.3%
2011	20,162	846,521.73	41,986.00	10.0%
2012	20,065	866,808.00	43,200.00	10.4%
2013	20,065	866,808.00	43,200.00	7.3%
2014	20,065	866,808.00	43,200.00	6.1%
2015	20,396	881,392.74	43,214.00	8.6%
2016	20,632	748,157.58	36,262.00	7.9%
2017	20,818	959,897.16	46,109.00	6.4%
2018	21,177	1,004,065.10	47,413.00	6.1%

Source:

- (A) This data is only available for the entire County of Ocean
- (B) Personal income is calculated by multiplying per capita income by the population
- (C) Unemployment data provided by the NJ Dept of Labor and Workforce Development

\* = This data is only available for the entire County of Ocean.

Little Egg Harbor Township School District  
Principal Employers,  
For the Fiscal Year Ended June 30, 2018

Exhibit J-15

Employer	2018		2009	
	Employees	Percentage of Total Employment	Employees	Percentage of Total Employment
Totals	-	0.00%	-	0.00%

*This information is not available.*

Little Egg Harbor Township School District  
 Full-time Equivalent District Employees by Function/Program,  
 For the Fiscal Year Ended June 30, 2018

Exhibit J-16

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Function/Program</b>										
Instruction:										
Regular instruction	127.00	132.00	129.00	127.00	127.00	126.00	125.00	118.52	117.56	113.75
Special education instruction	23.50	25.00	27.00	26.00	27.77	28.00	28.50	32.00	34.00	30.67
Support Services:										
Student & instruction related services	87.50	96.00	96.00		98.93	107.13	108.00	100.85	97.44	101.54
General administrative services	4.00	5.00	4.00	5.00	5.00	5.00	5.00	5.00	4.00	4.00
School administrative services	12.00	14.00	12.00	10.00	8.50	9.00	9.00	9.00	9.00	8.00
Business administrative services	10.00	9.00	9.00	10.00	9.85	9.50	9.50	9.00	8.70	7.05
Plant operations and maintenance	41.00	37.00	18.00	19.00	25.15	22.62	23.52	23.78	23.36	23.98
Pupil transportation	1.00	1.00	1.00	1.00	1.00	1.50	1.50	1.50	1.50	1.30
Food Service	5.00	11.00			21.00	20.68	19.51	19.45	19.45	16.68
<b>Total</b>	<b>311.00</b>	<b>330.00</b>	<b>296.00</b>	<b>198.00</b>	<b>324.20</b>	<b>329.43</b>	<b>329.53</b>	<b>319.10</b>	<b>315.01</b>	<b>306.97</b>

Source: District Personnel Records

Little Egg Harbor Township School District  
 Operating Statistics,  
 For the Fiscal Year Ended June 30, 2018

Fiscal Year Ended June 30,	Enrollment	a Operating Expenditures	Cost per Pupil	% Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADE)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary School	Middle School				
2009	1,675	25,265,736.97	15,084.02	#DIV/0!	189	1:18	1:19	1,799	1,678	#DIV/0!	93%
2010	1,827	26,983,731.47	14,769.42	-2.09%	199	1:19	1:21	1,829	1,702	1.43%	93%
2011	1,858	26,906,678.69	14,481.53	-1.95%	191	1:18	1:21	1,859	1,726	1.41%	93%
2012	1,774	26,403,331.80	14,883.50	2.78%	183	1:18	1:18	1,793	1,663	-3.65%	93%
2013	1,751	27,976,320.93	15,977.34	7.35%	177	1:19	1:19	1,751	1,620	-2.59%	93%
2014	1,671	28,200,285.26	16,876.29	5.63%	177	1:16	1:19	1,669	1,571	-3.02%	94%
2015	1,622	28,948,192.13	17,847.22	5.75%	181	1:14	1:14	1,614	1,514	-3.63%	94%
2016	1,589	29,187,218.92	18,368.29	2.92%	176	1:17	1:13	1,580	1,493	-1.39%	94%
2017	1,578	29,761,300.91	18,860.14	2.68%	173	1:15	1:16	1,578	1,464	-1.94%	93%
2018	1,617	33,220,513.31	20,544.54	8.93%	166	1:17	1:16	1,606	1,504	2.73%	94%

Note : Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-1
- b Teaching staff includes only full-time equivalents of certificated staff.

Source: District records



Little Egg Harbor Township School District  
 School Building Information,  
 For the Fiscal Year Ended June 30, 2018

Exhibit J-18

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>District Buildings</b>										
<b>Elementary</b>										
George J. Mitchell Elementary										
Square Feet	97,030	114,428	114,428	114,428	114,428	114,428	114,428	114,428	114,428	114,428
Capacity (students)	728	835	835	835	835	835	835	835	835	835
Enrollment	808	1,003	979	975	740	908		891	891	891
<b>Elementary</b>										
Frog Pond Elementary School										
Square Feet	101,800	101,800	101,800	101,800	101,800	101,800	101,800	101,800	101,800	101,800
Capacity (students)	705	705	705	705	705	705	705	705	705	705
Enrollment	980	824	849	780	801	760	731	731	731	731
<b>Other</b>										
Administration										
Square Feet	4193	4193	4,193	4,193	4,193	4,193	4,193	4,193	4,193	4,193
Transportation*										
Square Feet	*	*	*	*	*	*	*	*	*	*
Number of Schools at June 30, 2012										
Elementary - 2										
Other -1										

Source: District Records, ASSA

\* indicates the Transportation Office  
 is included inside the Frog Pond Elementary School  
 and the TCUs are included in the Mitchell Elementary School  
 # excludes 30 Headstart Preschool students being taught at OCEAN, Inc., a private provider

Little Egg Harbor Township School District  
 General Fund  
 For the Fiscal Year Ended June 30, 2018  
 Last Ten Fiscal Years  
 (Unaudited)

Undistributed Expenditures - Required Maintenance for School Facilities

School Facilities	Project # (s)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Frog Pond Elementary	N/A	\$ 50,308.00	\$ 116,975.00	\$ 170,450.00	\$ 73,740.00	\$ 59,710.00	\$ 74,848.62	\$ 105,738.25	\$ 125,055.63	\$ 131,351.63	\$ 167,365.22
George Mitchell Elementary School	N/A	43,221.00	150,947.00	78,228.00		65,728.00	45,916.64	96,771.64	114,450.90	120,213.00	153,172.63
Robert C. Wood Early Childhood Center	N/A					1,080.00	3,982.71	4,652.67	5,502.67	5,779.71	7,364.37
<b>Total School Facilities</b>		<u>93,529.00</u>	<u>267,922.00</u>	<u>248,678.00</u>	<u>73,740.00</u>	<u>126,518.00</u>	<u>124,747.97</u>	<u>207,162.56</u>	<u>245,009.20</u>	<u>257,344.34</u>	<u>327,902.22</u>
<b>Other Facilities - Admin Building</b>		<u>3,013.00</u>	<u>6,157.00</u>	<u>8,971.00</u>	<u>6,758.71</u>	<u>33,025.00</u>	<u>4,399.00</u>	<u>5,686.82</u>	<u>6,725.75</u>	<u>7,064.36</u>	<u>9,001.25</u>
<b>Grand Total</b>		<u>\$ 96,542.00</u>	<u>\$ 274,079.00</u>	<u>\$ 257,649.00</u>	<u>\$ 80,498.71</u>	<u>\$ 159,543.00</u>	<u>\$ 129,146.97</u>	<u>\$ 212,849.38</u>	<u>\$ 251,734.95</u>	<u>\$ 264,408.70</u>	<u>\$ 336,903.47</u>

Source: District Records

**Little Egg Harbor Township School District**  
**Insurance Schedule**  
**For the Fiscal Year Ended June 30, 2018**  
*(Unaudited)*

**Exhibit J-20**

Company	Type of Coverage	Amount of Coverage	Deductible
<b>School Alliance Insurance Fund</b>			
	School Package Policy		
	<b>A. Property-Island Marine-Auto Physical Damage-Boiler</b>		
	Limits of Liability	\$ 5,000,000.00	
	Property	100,000.00	2,500.00
	Automobile	100,000.00	1,000.00
	Boiler & Machinery	100,000.00	2,500.00
	<b>B. Comprehensive General Liability and Auto Liability</b>		
	Limits of Liability	100,000.00	
	FDLL		5,000.00
	Medical Pay	10,000.00	
	<b>C. School Leaders Professional Liability</b>		
	Limits of Liability	5,000,000.00	10,000.00
	Defense Cost	100,000.00	10,000.00
	<b>D. Workers Compensation</b>		
	Employer Liability	100,000.00	
	<b>E. Workers compensation Supplemental Indemnity (As required)</b>		
	<b>F. Reinsurance</b>		
	SAIF purchases reinsurance for the following		
	Fidelity Bonds:		
	Position Bond - Board Secretary	250,000.00	

Source: District Records

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## **Single Audit Section**





# FORD - SCOTT

& ASSOCIATES, L.L.C.

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## Independent Auditor's Report

The Honorable President and  
Members of the Board of Education  
Little Egg Harbor Township School District  
County of Ocean, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Little Egg Harbor 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 Little Egg Harbor Township School District's basic financial statements, and have issued our report thereon dated January 25, 2019.

### **Internal Control over Financial Reporting**

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

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

## **Purpose of this Report**

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

*Ford, Scott & Associates, L.L.C.*  
FORD, SCOTT & ASSOCIATES, L.L.C.  
CERTIFIED PUBLIC ACCOUNTANTS

*Michael S. Garcia*

Michael S. Garcia  
Certified Public Accountant  
Licensed Public School Accountant  
No. 2080

January 25, 2019





# FORD - SCOTT

& ASSOCIATES, L.L.C.

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## **Independent Auditor's Report**

Honorable President and  
Members of the Board of Education  
Little Egg Harbor Township School District  
County of Ocean, New Jersey

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

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

### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Little Egg Harbor Township School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Uniform Guidance and New Jersey 15-08 *State Aid/Grant Compliance Supplement*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Little Egg Harbor Township 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 Little Egg Harbor Township School District's compliance.

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

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

## Report on Internal Control Over Compliance

Management of the Little Egg Harbor Township School District's 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 Little Egg Harbor Township School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with Uniform Guidance and NJ OMB 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 Little Egg Harbor Township School District's internal control over compliance.

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

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

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

*Ford, Scott & Associates, L.L.C.*  
FORD, SCOTT & ASSOCIATES, L.L.C.  
CERTIFIED PUBLIC ACCOUNTANTS

*Michael S. Garcia*

Michael S. Garcia  
Certified Public Accountant  
Licensed Public School Accountant  
No. 2080

January 25, 2019

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**Schedule of Expenditures of Federal Awards**  
**For the Fiscal Year Ended June 30, 2018**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Grant Period From To	Program or Award Amount	As of June 30, 2017			Carryover (Walkover) Amount	Cash Received	Pass Through	Budgetary Expenditures		June 30, 2018	
						Account Receivable	Deferred Revenue	Due to Grantor				Direct	Total	(Memo) Passed-Through to Sub-Recipients	(Accounts Receivable)
U.S. Department of Health and Human Services General Fund: Medical Assistance Program (SEMI)/ ARRA - Medical Assistance Program	93.778	1805NJ5MAP	N/A	7/1/2017 6/30/2018	\$ 56,424.10	-	\$ -	-	\$ 56,424.10	-	(56,424.10)	(56,424.10)	-	\$ -	\$ -
Total General Fund					56,424.10	-	-	-	56,424.10	-	(56,424.10)	(56,424.10)	-	-	-
Special Revenue Fund: Head Start	93.600	02CD4002-01-00	N/A	7/1/2017 6/30/2018	500,000.00	-	-	-	313,838.37	(445,979.94)	(445,979.94)	(445,979.94)	-	(186,161.63)	54,020.06
Total Special Revenue Fund					500,000.00	-	-	-	313,838.37	(445,979.94)	(445,979.94)	(445,979.94)	-	(186,161.63)	54,020.06
<b>U.S. Department of Education</b> <b>Passed-Through State</b> <b>Department of Education</b> Special Revenue Fund: Title I, Basic Allocation Title I, Basic Allocation	84.010A 84.010A	S010A160030 S010A150030	NCLB2018 NCLB2017	7/1/2017 6/30/2018 7/1/2016 6/30/2017	332,154.00 327,078.00	- (102,359.00)	- 0.50	- (0.50)	225,545.50 102,358.50	(332,154.00) -	(332,154.00) -	(332,154.00) -	- -	(106,608.50) -	- -
Title II, Part A Title II, Part A	84.367A 84.367A	S367A160029 S367A150029	NCLB2018 NCLB2017	7/1/2017 6/30/2018 7/1/2016 6/30/2017	47,204.00 55,315.00	- (7,196.65)	- 0.04	- (0.04)	44,386.39 7,196.61	(47,204.00) -	(47,204.00) -	(47,204.00) -	- -	(2,817.61) -	- -
Title III Title III	84.365A 84.365A	S365A160030 S365A150030	NCLB2018 NCLB2017	7/1/2017 6/30/2018 7/1/2016 6/30/2017	12,120.00 16,685.00	- (286.00)	- -	286.00 (286.00)	10,550.00 286.00	(12,120.00) -	(12,120.00) -	(12,120.00) -	- -	(1,570.00) -	- -
Title IV	84.424	S424A170031	NCLB2018	7/1/2017 6/30/2018	10,000.00	-	-	-	10,000.00	(10,000.00)	(10,000.00)	(10,000.00)	-	-	-
I.D.E.A. Part B, Basic, Regular I.D.E.A. Part B, Basic, Regular	84.027 84.027	H027A160100 H027A150100	FT18 FT17	7/1/2017 6/30/2018 7/1/2016 6/30/2017	380,957.00 390,808.94	- (54,686.94)	- 5,308.29	5,308.29 (5,308.29)	335,210.35 49,378.65	(386,265.29) -	(386,265.29) -	(386,265.29) -	- -	(51,054.94) -	- -
I.D.E.A. Part B, Preschool I.D.E.A. Part B, Preschool	84.173 84.173	H173A160114 H173A150114	FT18 FT17	7/1/2017 6/30/2018 7/1/2016 6/30/2017	27,861.00 27,975.00	- (2,795.00)	- -	- -	25,074.00 2,795.00	(27,857.60) -	(27,857.60) -	(27,857.60) -	- -	(2,787.00) -	3.40 -
Project Serve	84.184S	S184S140005	N/A	7/1/2015 6/30/2016	51,554.00	(0.37)	-	-	-	-	-	-	(0.37)	-	-
Total Special Revenue Fund					1,261,619.37	(167,323.96)	5,308.83	-	1,126,619.37	(1,261,580.83)	(1,261,580.83)	(1,261,580.83)	-	(351,000.05)	54,023.46
<b>U.S. Department of Agriculture</b> <b>Passed-Through State</b> <b>Department of Education</b> Enterprise Fund: Food Distribution Program	10.555 10.553 10.553	181NJ304N1099 181NJ304N1099 171NJ304N1099	N/A N/A N/A	7/1/2017 6/30/2018 7/1/2017 6/30/2018 7/1/2016 6/30/2017	60,726.11 143,991.04 142,676.45	- -	- -	- -	60,726.11 132,963.35 8,351.87	(60,726.11) (143,991.04) -	(60,726.11) (143,991.04) -	(60,726.11) (143,991.04) -	- -	- (11,027.69) -	- -
National School Lunch Program National School Lunch Program	10.555 10.555	181NJ304N1099 171NJ304N1099	N/A N/A	7/1/2017 6/30/2018 7/1/2016 6/30/2017	348,356.42 333,467.94	- (20,544.94)	- -	- -	321,105.73 20,544.94	(348,356.42) -	(348,356.42) -	(348,356.42) -	- -	(27,250.69) -	- -
Total Enterprise Fund					543,892.00	(28,896.81)	-	-	543,892.00	(553,073.57)	(553,073.57)	(553,073.57)	-	(38,278.38)	-
<b>Total Federal Financial Awards</b>					\$ 1,871,078.50	(196,220.77)	5,308.83	-	\$ 1,726,735.47	(1,814,654.40)	(1,814,654.40)	(1,814,654.40)	-	(389,278.43)	\$ 54,023.46

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

LITTLE EGGS HARBOR TOWNSHIP SCHOOL DISTRICT  
 Schedule of Expenditures  
 for Financial Assistance  
 For the Fiscal Year Ended June 30, 2018

State Grantor/Program Title	Grant or State Project Number	Grant Period From To	Award Amount	As of June 30, 2017			As of June 30, 2018			Memo						
				Accounts Receivable	Deferred Revenue	Due to Grantor	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures		Recruitment Prior Years Balances	Deficit/Adjustment	(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable
<b>State Department of Education</b>																
<b>General Fund:</b>																
Equalization Aid	18-495-034-5120-078	7/1/2017 6/30/2018	\$ 5,995,895.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Equalization Aid	18-495-034-5120-084	7/1/2017 6/30/2018	337,297.00	-	-	-	-	-	-	-	-	-	-	-	-	5,995,895.00
Security Aid	18-495-034-5120-084	7/1/2017 6/30/2018	337,297.00	-	-	-	-	-	-	-	-	-	-	-	-	337,297.00
Adjustment Aid	18-495-034-5120-085	7/1/2017 6/30/2018	1,233,713.00	-	-	-	-	-	-	-	-	-	-	-	-	1,233,713.00
Under Adequacy Aid	18-495-034-5120-083	7/1/2017 6/30/2018	6,727.00	-	-	-	-	-	-	-	-	-	-	-	-	6,727.00
Per Pupil Growth Aid	18-495-034-5120-097	7/1/2017 6/30/2018	13,560.00	-	-	-	-	-	-	-	-	-	-	-	-	13,560.00
PARCC Readiness Aid	18-495-034-5120-098	7/1/2017 6/30/2018	13,560.00	-	-	-	-	-	-	-	-	-	-	-	-	13,560.00
Professional Learning Community Aid	18-495-034-5120-101	7/1/2017 6/30/2018	12,680.00	-	-	-	-	-	-	-	-	-	-	-	-	12,680.00
Subtotal State Aid - Public Transportation Aid	18-495-034-5120-014	7/1/2017 6/30/2018	1,038,502.00	-	-	-	-	-	-	-	-	-	-	-	-	1,038,502.00
On-Behalf Teachers' Pension and Annuity Fund	18-495-034-5094-002	7/1/2017 6/30/2018	1,729,568.00	-	-	-	-	-	-	-	-	-	-	-	-	1,729,568.00
On-Behalf Teachers' Pension and Annuity Fund	18-495-034-5094-001	7/1/2017 6/30/2018	1,117,091.00	-	-	-	-	-	-	-	-	-	-	-	-	1,117,091.00
On-Behalf Teachers' Medical Insurance	18-495-034-5094-004	7/1/2017 6/30/2018	2,114.00	-	-	-	-	-	-	-	-	-	-	-	-	2,114.00
Extraordinary Aid	18-100-034-5120-473	7/1/2016 6/30/2017	283,333.00	(283,333.00)	-	-	-	-	-	-	-	-	-	-	-	283,333.00
Additional non Public Transportation Aid	18-100-034-5120-068	7/1/2017 6/30/2018	11,020.00	(6,612.00)	-	-	-	-	-	-	-	-	-	-	-	11,020.00
Additional non Public Transportation Aid	17-100-034-5120-068	7/1/2016 6/30/2017	6,612.00	-	-	-	-	-	-	-	-	-	-	-	-	6,612.00
Reimbursed TPAF Social Security Contributions	18-495-034-5094-003	7/1/2017 6/30/2018	854,505.64	-	-	-	-	-	-	-	-	-	-	-	-	854,505.64
Reimbursed TPAF Social Security Contributions	17-495-034-5094-003	7/1/2016 6/30/2017	881,450.29	(3,709.75)	-	-	-	-	-	-	-	-	-	-	-	881,450.29
Lead Water Testing for Schools Aid	17-495-034-5120-104	7/1/2017 6/30/2018	5,490.00	(5,490.00)	-	-	-	-	-	-	-	-	-	-	-	5,490.00
Total General Fund			(309,144.75)	-	-	-	-	-	-	-	-	-	-	-	-	14,653,421.93
Special Revenue Fund:																
Preschool Aid	18-495-034-5120-086	7/1/2017 6/30/2018	3,972,696.00	-	-	-	-	-	-	-	-	-	-	-	-	3,972,696.00
Preschool Aid	17-495-034-5120-086	7/1/2016 6/30/2017	3,910,816.00	-	-	-	-	-	-	-	-	-	-	-	-	3,910,816.00
ELL	15-495-034-5120-062	7/1/2014 6/30/2015	108,900.00	-	-	-	-	-	-	-	-	-	-	-	-	108,900.00
Early Childhood Program Aid	15-495-034-5120-025	7/1/2015 6/30/2016	851,768.00	-	-	-	-	-	-	-	-	-	-	-	-	851,768.00
Total Special Revenue Fund			8,833,180.00	-	-	-	-	-	-	-	-	-	-	-	-	8,833,180.00
Debt Service Fund:																
Debt Service Aid Type II	18-495-034-5120-075	7/1/2017 6/30/2018	637,994.00	-	-	-	-	-	-	-	-	-	-	-	-	637,994.00
Total Debt Service Fund			637,994.00	-	-	-	-	-	-	-	-	-	-	-	-	637,994.00
<b>State Department of Agriculture</b>																
Enterprise Fund:																
National School Lunch Program (State Share)	18-100-010-3350-023	7/1/2017 6/30/2018	9,079.32	-	-	-	-	-	-	-	-	-	-	-	-	9,079.32
National School Lunch Program (State Share)	17-100-010-3350-023	7/1/2016 6/30/2017	8,447.24	(516.74)	-	-	-	-	-	-	-	-	-	-	-	8,447.24
Total Enterprise Fund			17,526.56	(516.74)	-	-	-	-	-	-	-	-	-	-	-	17,526.56
<b>Total State Financial Assistance</b>			\$ (309,661.49)	\$ 118,267.57	\$ -	\$ -	\$ 16,843,499.04	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,701,526.13
Less: On-Behalf TPAF Pension System Contributions and Commercial Valuation Stabilization Aid																
(2,848,773.00)																
<b>Total for State Financial Assistance-Major Program Determination</b>																
<b>(14,769,534.55)</b>																

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

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS**  
**AND FINANCIAL ASSISTANCE**  
**JUNE 30, 2018**

**NOTE 1 GENERAL**

The accompanying schedules of financial assistance present the activity of all federal and state financial assistance programs of the Board of Education, Little Egg Harbor Township School District. The Board of Education is defined in Note 1 (A) to the Board's basic financial statements. All federal assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies is included on the schedule of federal financial assistance.

**NOTE 2 BASIS OF ACCOUNTING**

The accompanying schedules of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the enterprise fund, which are presented using the accrual basis of accounting and those in the special revenue fund, which are presented using the budgetary basis of accounting. These bases of accounting are described in Notes 1 (C) and 1 (D) to the Board's basic financial statements. The information included in this schedule is presented in accordance with the requirements of OMB Uniform Guidance and NJ OMB 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10% de minimis indirect cost rate.

**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 last two state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last two 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 net adjustment to reconcile from the budgetary basis to the GAAP basis is \$27,671.00, for the general fund and (\$23,530.03) for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Local Grants</u>	<u>TPAF Pension</u>	<u>Total</u>
General Fund	\$ 56,424.10	\$ 13,494,207.64	\$ -	\$ (2,848,773.00)	\$ 10,701,858.74
Special Revenue Fund	1,238,050.80	3,708,631.62	13,376.52	-	4,960,058.94
Capital Projects Fund	-	-	-	-	-
Debt Service Fund	-	637,994.00	-	-	637,994.00
Food Service Fund	553,073.57	9,079.33	-	-	562,152.90
	<u>\$ 1,847,548.47</u>	<u>\$ 17,849,912.59</u>	<u>\$ 13,376.52</u>	<u>\$ (2,848,773.00)</u>	<u>\$ 16,862,064.58</u>

The On-Behalf Pension Contributions made for the district by the State of New Jersey are recognized as revenue in the basic financial statements, but are not considered in the major program determination.

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS**  
**AND FINANCIAL ASSISTANCE**  
**JUNE 30, 2018**

**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 OTHER**

Revenues and expenditures reported under the U.S.D.A. Commodities Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 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.

**NOTE 6 ADJUSTMENTS**

The District has instances where a grant period overlaps fiscal years and the grant has not closed out at the end of the current fiscal year.

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDING JUNE 30, 2018**

**I. SUMMARY OF AUDITORS RESULTS**

**Financial Statements**

Type of auditor's report issued: Unmodified Opinion issued on the Basic Financial Statements

Internal control over financial reporting:

1) Material weakness identified? None noted

2) Significant deficiencies identified? None noted

Noncompliance material to the Basic Financial Statements noted? None noted

**Federal Awards**

Internal control over major programs:

1) Material weakness identified? None noted

2) Significant deficiencies identified? None noted

Type of auditor's report issued on compliance for major programs: An Unmodified Opinion was issued on compliance for major programs

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? None noted

Identification of major programs:

<b><u>CFDA Numbers</u></b>	<b><u>FAIN#</u></b>	<b><u>Name of Federal Program or Cluster</u></b>
<b><u>Child Nutrition Cluster</u></b>		
10.553	181NJ304N1099	School Breakfast Program
10.555	181NJ304N1099	National School Lunch Program
10.555	181NJ304N1099	Food Distribution Program

Dollar threshold used to distinguish between type A and type B programs: \$750,000.00

Auditee qualified as low-risk auditee? Yes

**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDING JUNE 30, 2018**

**I. SUMMARY OF AUDITORS RESULTS - Continued**

**State Awards**

Dollar threshold used to distinguish between type A and Type B Programs:	\$750,000.00
Auditee qualified as low-risk auditee?	Yes
Type of auditor's report issued on compliance for major programs:	An Unmodified Opinion was issued on compliance for major programs
Internal Control over major programs:	
1) Material weakness identified?	None noted
2) Significant deficiencies identified?	None noted
Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08?	No
Identification of major programs:	

<b><u>GMIS Numbers</u></b>	<b><u>Name of State Program</u></b>
18-495-034-5120-086	Preschool Education Aid



**LITTLE EGG HARBOR TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDING JUNE 30, 2018**

**II. FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS**

In accordance with Government Auditing Standards, our audit disclosed no findings relating to the financial statements that are required to be reported under this section.

**III. FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS**

Federal:

Our audit disclosed no material Findings or Questioned Costs.

State:

Our audit disclosed no material Findings or Questioned Costs.

**STATUS OF PRIOR YEAR FINDINGS**

There were no Prior Year Findings.

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