

**SCHOOL DISTRICT OF LOGAN TOWNSHIP**

**LOGAN BOARD OF EDUCATION**

Logan Township, New Jersey

County of Gloucester

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**OF THE**

**LOGAN TOWNSHIP SCHOOL DISTRICT**

**LOGAN TOWNSHIP, NEW JERSEY**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Prepared by**

**Logan Township School District  
Business Office**



**OUTLINE OF CAFR**

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**INTRODUCTORY SECTION**

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# Logan Township School District

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February 21, 2019

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

Dear Board Members/Citizens:

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

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

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

Introductory Section:

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

Financial Section:

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

Statistical Section:

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

**Single Audit Section:**

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

**REPORTING ENTITY AND ITS SERVICES**

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

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

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2017-2018	835	-0.95%
2016-2017	843	-0.82%
2015-2016	850	0.83%
2014-2015	843	0.48%
2013-2014	839	0.12%
2012-2013	838	-4.66%
2011-2012	879	0.57%
2010-2011	874	-3.21%
2009-2010	903	0.33%
2008-2009	900	2.74%

**ECONOMIC CONDITION AND OUTLOOK**

Three large industrial parks are located in Logan Township. The Logistic Center at Logan comprises 1,100 acres and the Pureland Industrial Complex covers 3,000 acres. The third industrial park, the Commodore Business Center, is located along the Rt. 322 industrial corridor partially in Logan Township and partially in adjacent Woolwich Township. Pureland Industrial Park is the largest industrial park in the state and has been hailed as the top "ultra-successful" business park in the U.S. according to Site Selection magazine. The Logan Township population has increased from 3,078 in 1980 to 5,944 in 2017.

For the 2013-14 school year, a re-valuation of the Township’s property was completed and is reflected below. It is important to note that while the ratables increase, the tax rate drops due to the fact that the amount the municipality must raise is not changing. The new assessments are simply a foundation used to apportion the tax burden among taxpayers. Therefore, while a revaluation usually means an increase in each assessment, it does mean that taxes will increase for each individual taxpayer. Since then, ratables have increased \$769,976,341. The continuing increase in commercial and industrial ratables has softened the effect of taxes increases on residential property over the years.

- 2012 - \$614,301,549
- 2013 - \$1,048,963,089
- 2014 - \$1,045,919,769
- 2015 - \$1,033,308,512
- 2016 - \$1,052,335,560
- 2017 - \$1,064,176,460
- 2018 - \$1,384,277,890

**MAJOR INITIATIVES**

Logan Township is an innovative school district, which places a priority on excellence, equity and student growth. The district is extremely proud of the academic achievement of our students as reflected by the ranking we have achieved when compared with other Gloucester County School Districts using the Spring 2018 P.A.R.C.C. assessments. Logan Township students ranked first in the following grades and subjects: Grade 3 English Language Arts (ELA); Grade 4 ELA; Grade 7 ELA, Grade 8 ELA, Grade 4 Math, Grade 5 Math, Grade 8 Math and Algebra. Technology continues to be used to enhance student learning and student growth. The District has a one-on-one digital device (presently Chromebooks) initiative for all students in grades 2 to 8. In addition to this, there are a variety of devices (including iPads and Chromebooks) available to our students in Kindergarten and First Grade for daily use in the classroom. Hatch Tables are used in our Pre-K classes to have students develop language while using technology. Besides these resources, the district has dedicated 3.7 district staff members to provide support for the various technological needs (both in the classroom and in school and district offices) to maintain a 21<sup>st</sup> century technology-centric environment. Technology Education (S.T.E.M./Science, Technology, Engineering and Mathematics) is provided for all students in grades 3 to 8. A pre-engineering class is offered before school to seventh and eighth grade students, while an afterschool pre-engineering class is offered to seventh graders who meet district criteria. Eighth grade students who meet district criteria have the opportunity to enroll in Algebra I & also Italian 1 or Spanish 1. This year, for the first time, a team of administrators and teachers developed “CHOICE” classes for our eighth grade, which run for a full semester. Examples of CHOICE courses include: Coding, Film Studies, Advanced Art Studio, Pre-Engineering, Choir, Band, STEM, Italian 1 and Spanish 1 and Culture. All students in Kindergarten to 7<sup>th</sup> grade have weekly World Language (Spanish or Italian) instruction. After school programs and clubs provide opportunities to participate in drama, choir, dance, art, board games, athletics, and many other extra-curricular areas. Performing Arts activities provide opportunities for students to share their particular talent. As our schools are centered in a culturally diverse community, our faculty is dedicated to ensuring equitable access to all students in each of these programs.

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

The District continues to be a leader in pre-school education. A state grant (ELLI) was used over the past ten years to serve the at-risk population. In 2010, the District was able to utilize ARRA Federal Stimulus Funds to expand the pre-school program to provide a more inclusive educational environment. Recently,

the district applied for and was fortunate enough to be awarded a PEEA grant in the amount of \$654,940 in the 2017-2018 school year, which allowed us to open **four** full-day classrooms for the district's four year-old students. In the summer of 2018, the district applied for and was awarded the PEEA Expansion Grant for a total amount of \$982,410, which expanded full day services to 37 additional three year old students.

The District continues to be proactive in addressing building maintenance issues. Many components of the Five-Year Facility Maintenance Plan have been addressed. These include upgrades to the security cameras to include new placements in corridors and additional placements around the exterior of the Logan Schools building and Center Square School and various safety upgrades to the physical plant on both campuses. Energy-cost savings initiatives include changes to the lighting in several large group areas and hallways in both district buildings. Several years ago, the District was successful in their application for four R.O.D. (Regular Operating District) Grants which, include replacing Logan School's cooling tower, the addition of an HVAC cooling system to the gymnasium, replacing the boiler, and replacing exterior doors at the Logan Schools building.

District curricula are continually being revised by teams of teachers, under the direction of the District Curriculum Supervisor, because the district is committed to maintaining alignment to the New Jersey Student Learning Standards and to the Next Generation Science Standards (NGSS). A continuous upgrading of instructional resources and teacher training, provided as a result of the partnership of the Supervisor of Curriculum and the three schools' principals, succeed in focusing the teaching and learning on the State's Standards. Focus continues to be on implementing the Marzano Causal Framework for Teaching and Learning as the foundation for the successful implementation of the Marzano Teacher Evaluation System. Over the past year, the District has partnered with Rowan University's Center for Access, Success and Equity (C.A.S.E.) in an effort to review the district curricula through a culturally responsive lens.

Professional Learning Opportunities are carefully planned and executed. Training in the various elements of the Marzano Evaluation Model, on the ever-changing technology world, on development of assessments, which inform instruction and on the area of equity are the foci of professional learning opportunities. During the past few years, the District has been able to provide Personalized Professional Learning for teachers by allowing for flexibility in the various professional learning opportunities and the timing of various workshops. The professional staff has responded positively to this type of CHOICE professional learning opportunities. A comprehensive mentor plan outlines services and support provided to teachers new to the profession.

### **INTERNAL ACCOUNTING CONTROLS**

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

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

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

### **BUDGETARY CONTROLS**

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

### **ACCOUNTING SYSTEM AND REPORTS**

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

### **FINANCIAL POLICIES**

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

### **OTHER INFORMATION**

#### *INDEPENDENT AUDIT*

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

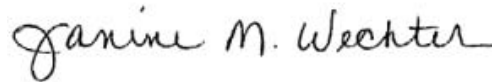
**ACKNOWLEDGEMENTS**

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

Respectfully submitted,



Superintendent



School Business Administrator



**LOGAN TOWNSHIP BOARD OF EDUCATION**

**SUPERINTENDENT**

- Administrative Assistant
- Board Secretary
- District Secretary

- School Solicitor
- School Auditor
- Treasurer of School Moneys

**BUSINESS ADMINISTRATOR**

- Administrative Assistant
- Cafeteria Manager
- Cafeteria Staff

**FACILITIES MANAGER**

- Maintenance Supervisor
- Custodians
- Bus Coordinator

**PRINCIPALS**

- Counselors
- School Area Coordinators
- Instructional Aides
- One-on-One Aides
- Classroom Aides
- Cafeteria Playground Aides

**SUPV. STUDENT SERVICES**

- Child Study Team
- Speech
- Gifted & Talented
- E.L.L.
- Instructional Aides
- One-on-One Aides
- Secretary

- Basic Skills
- Information Technology Mgr.
- Assistant ITM
- Technology Coach
- School Physician
- Nurse(s) & Aide
- Secretaries
- District Secretary

**Teachers**

- Classroom Aides

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

**ROSTER OF OFFICIALS**

**June 30, 2018**

<b>MEMBERS OF THE BOARD OF EDUCATION</b>	<b>TERM EXPIRES</b>
Francis E. Donnelly, Preseident	2018
Carolyn W. Kegler, Vice President	2018
Kristen Lombardo	2018
John Russell	2019
LynNae Hill	2019
Kelley Mason	2019
Brian Bowen	2020
Nathan DeForest	2020
Kimberly Reid	2020

**OTHER OFFICIALS**

Patricia L. Haney, Superintendent

Janine M. Wechter, Business Administrator

Lisa Toff, Board Secretary

Joseph F. Betley, Esq., Solicitor

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

**CONSULTANTS AND ADVISORS**

**AUDIT FIRM**

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Holman Frenia Allison, P.C.  
618 Stokes Road  
Medford, New Jersey 08055

**ATTORNEY**

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Capehart & Scatchard  
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Mount Laurel, New Jersey 08054-1539

**FISCAL AGENT**

US Bank  
Corporate Trust Services  
EP-MN-WS3W  
60 Livingston Avenue  
St. Paul, Minnesota 55107

**OFFICIAL DEPOSITORY**

Fulton Bank of NJ  
22 Village Center Drive  
Swedesboro, New Jersey 0805

**FINANCIAL ADVISOR**

Capital Financial Advisors, Inc.  
Robbi Acampora  
8000 Midlantic Drive, Suite 110S  
Mt. Laurel, New Jersey 08054

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**FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

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

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Logan Township School District, County of Gloucester, State of New Jersey, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

### *Change in Accounting Principle*

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

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Logan Township School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, statistical section and schedule of expenditures of federal awards are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are

not a required part of the basic financial statements. The accompanying schedule of expenditures of state financial assistance, as required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2019 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Medford, New Jersey  
February 21, 2019

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**REQUIRED SUPPLEMENTARY INFORMATION - PART I**

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

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

**Overview of the Basic Financial Statements**

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

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

**Government-Wide Financial Statements**

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

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

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

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

**Fund Financial Statements**

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

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

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

**Fund Financial Statements (continued)**

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

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

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

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

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

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

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

**Notes to the Basic Financial Statements**

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



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

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

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

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

	June 30, <u>2018</u>	June 30, <u>2017</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Current & Other Assets	\$ 4,254,326	\$ 4,073,115	\$ 181,211	4.4%
Capital Assets, Net	9,560,900	9,887,127	(326,227)	-3.3%
Total Assets	<u>13,815,226</u>	<u>13,960,242</u>	<u>(145,016)</u>	-1.0%
Deferred Outflow of Resources	<u>1,487,990</u>	<u>1,555,283</u>	<u>(67,293)</u>	-4.3%
Current and other Liabilities	480,410	401,931	78,479	19.5%
Noncurrent Liabilities	<u>4,711,782</u>	<u>5,842,186</u>	<u>(1,130,404)</u>	-19.3%
Total Liabilities	<u>5,192,192</u>	<u>6,244,117</u>	<u>(1,051,925)</u>	-16.8%
Deferred Inflow of Resources	<u>773,653</u>	<u>-</u>	<u>773,653</u>	100.0%
Net Position:				
Net Investment in Capital Assets	9,015,900	8,799,101	216,799	2.5%
Restricted	4,013,485	3,834,204	179,281	4.7%
Unrestricted (Deficit)	<u>(3,692,014)</u>	<u>(3,361,897)</u>	<u>(330,117)</u>	9.8%
Total Net Position	<u>\$ 9,337,371</u>	<u>\$ 9,271,408</u>	<u>\$ 65,963</u>	0.7%

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

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

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

	June 30, <u>2018</u>	June 30, <u>2017</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
<b>Revenues:</b>				
Program Revenues:				
Charges for Services	\$ 182,515	\$ 192,778	\$ (10,263)	-5.3%
Operating Grants & Contributions	6,475,412	2,251,107	4,224,305	187.7%
General Revenues:				
Property Taxes	12,798,868	12,573,320	225,548	1.8%
Federal & State Aid	5,553,213	5,656,435	(103,222)	-1.8%
Other General Revenues	78,234	158,714	(80,480)	-50.7%
<b>Total Revenues</b>	<b>25,088,242</b>	<b>20,832,354</b>	<b>4,255,888</b>	<b>20.4%</b>
<b>Function/Program Expenditures:</b>				
Regular Instruction	5,641,950	5,422,319	219,631	4.1%
Special Education Instruction	946,170	891,712	54,458	6.1%
Basic Skill/Remedial Instruction	392,723	389,862	2,861	0.7%
Other Instruction	52,729	44,692	8,037	18.0%
Tuition	3,549,861	3,309,968	239,893	7.2%
Student & Instruction Related Services	2,043,561	1,839,235	204,326	11.1%
General Administrative	668,669	627,322	41,347	6.6%
School Administrative Services	238,444	268,207	(29,763)	-11.1%
Plant Operations & Maintenance	1,496,258	1,512,407	(16,149)	-1.1%
Pupil Transportation	1,121,657	1,115,518	6,139	0.6%
Unallocated Benefits	8,020,338	4,336,054	3,684,284	85.0%
Adjustment to Fixed Assets	(147,241)	166,999	(314,240)	-188.2%
Interest & Other Charges	23,837	45,388	(21,551)	-47.5%
Unallocated Depreciation	669,272	633,880	35,392	5.6%
Food Service	304,051	318,075	(14,024)	-4.4%
<b>Total Expenditures</b>	<b>25,022,279</b>	<b>20,921,638</b>	<b>4,100,641</b>	<b>19.6%</b>
Change In Net Position	65,963	(89,284)	155,247	-173.9%
Net Position - Beginning	9,271,408	9,360,692	(89,284)	-1.0%
Net Position - Ending	<b>\$ 9,337,371</b>	<b>\$ 9,271,408</b>	<b>\$ 65,963</b>	<b>0.7%</b>

**Governmental Activities**

During the fiscal year 2018, the net position of governmental activities increased by \$74,147 or 0.81%. The primary reason for the slight increase was through the normal operations of the District.

The assets and deferred outflows of the primary government activities exceeded liabilities and deferred inflows by \$9,227,995, with an unrestricted deficit balance of \$(3,756,883). The deficit in unrestricted net position is primarily due to accounting treatment for compensated absences payable, GASB 68 net pension liability, and the last two state aid payments. In addition, state statutes prohibit school districts from maintaining more than 2% of its adopted budget as unassigned fund balance.

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

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

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

Unrestricted Net Position (With GASB 68)	\$	(3,756,883)
Add back: PERS Pension Liability		3,854,257
Less: Deferred Outflows related to pensions		(1,487,990)
Add back: Deferred Inflows related to pensions		<u>773,653</u>
Unrestricted Net Position (Without GASB 68)	<u>\$</u>	<u>(616,963)</u>

**Business-type Activities**

During the fiscal year 2018, the net position of business-type activities decreased by \$8,184 or 7.0%.

The assets and deferred outflows of the business-type activities exceeded liabilities and deferred inflows by \$109,376.

**General Fund Budgeting Highlights**

Final budgeted revenues were \$17,828,080, which was a decrease of \$(108,328) from the original budget due to state aid cuts. Excluding nonbudgeted revenues, the School District's actual revenues exceeded budgeted revenues by \$20,390.

Final budgeted appropriations were \$19,220,851, which was an increase of \$27,089 from the original budget. The increase is primarily due to prior year reserve for encumbrances, which increase the budget appropriations in the subsequent fiscal year's budget. Excluding nonbudgeted expenditures, the School District's budget appropriations exceeded actual expenditures by \$1,546,143.

The School District's general fund balance – budgetary basis (Exhibit C-1) was \$4,446,304 at June 30, 2018, an increase of \$451,639 from the prior year.

**Governmental Funds**

At the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$3,873,122, an increase of \$114,416 from the prior year.

*General fund* - During the current fiscal year, the fund balance of the School District's general fund increased by \$460,884 or 13.2% to \$3,944,408 at June 30, 2018, compared to an increase of \$293,229 in fund balance in the prior fiscal year. The primary factor(s) affecting the change in fund balance of the general fund is as follows:

- The District froze spending in some areas due to the uncertainty of our state aid funding because of declining enrollment.
- The District closed capital projects and sent the remaining funds back to the General Fund

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

*Special revenue fund* – During the current fiscal year, the fund balance of the School District’s special revenue fund decreased by \$(68,591) to \$(71,287) at June 30, 2017, compared to an increase of \$125 in fund balance in the prior fiscal year.

*Capital projects fund* – During the current fiscal year, the fund balance of the School District’s capital projects fund decreased by \$277,877 to \$0 at June 30, 2018.

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

**Proprietary Funds**

*Food service fund* - During the current fiscal year, the net position of the School District’s food service fund decreased by \$(8,184) or 7.0% to \$109,376 at June 30, 2018, compared to a decrease of \$(9,305) in fund balance in the prior fiscal year.

**Capital Assets**

The School District’s capital assets for its governmental and business-type activities as of June 30, 2018, totaled \$9,560,900 (net of accumulated depreciation). Capital assets includes land, land improvements, buildings and improvements and equipment. The School Districts “Net Investment in Capital Assets” component of net position represents capital assets, net of accumulated depreciation less any outstanding debt associated with the capital assets. There was a net increase in the School District’s investment in capital assets for the current fiscal year in the amount of \$216,799. This decrease is primarily due to the current year additions and pay down of debt exceed current year depreciation of capital assets. Table 4 shows fiscal 2018 balances compared to 2017.

**Table 4**  
**Summary of Capital Assets**

<u>Capital Asset (Net of Depreciation):</u>	June 30, <u>2018</u>	June 30, <u>2017</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Land	\$ 115,872	\$ 115,872	\$ -	0.0%
Land Improvements	217,508	236,063	(18,555)	-7.9%
Building and Improvements	8,573,074	9,074,345	(501,271)	-5.5%
Equipment	654,446	460,847	193,599	42.0%
	<u>\$ 9,560,900</u>	<u>\$ 9,887,127</u>	<u>\$ (326,227)</u>	<u>-3.3%</u>

Depreciation expense for the year was \$672,478. Additional information on the School District’s capital assets can be found in the notes to the basic financial statements (Note 5) of this report.

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

**Debt Administration**

**Long-term debt** – At the end of the current fiscal year, the School District had total bonded debt outstanding of \$545,000, which is a decrease of \$540,000 from the prior year.

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

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

- The Logan Township School District is financially stable at the present time. The District is proud of its community support of the public schools. The NJ Department of Education released Accountability Regulations in January 2009. These regulations established additional regulatory authority over district budgets by the Executive County Superintendent, established rules and regulations regarding district travel expenses, administrator compensation, budget preparation, excessive spending, district consolidation, etc.
- State aid has been relatively flat for a number of years and has decreased in recent years; however, the district has been able to maintain programs and staff. The District has also been able to make deposits into capital and maintenance reserves and has continued to pay down long term debt, which has resulted in a decrease in taxes. In some years, the District has been able to keep the tax increase below the 2% tax levy cap. The District considers the impact of tax increases on taxpayers while ensuring we are able to budget sufficient funds to meet our District Goals as well as our Strategic Plan Goals, which drive our budget.
- The future of state aid is uncertain for New Jersey School Districts, especially those with declining enrollment. The District was notified in late June of 2017 and July of 2018 of a loss in state aid for both school years in the amount of \$108,328 and \$232,800, respectively. We were able to absorb this loss by using capital and maintenance reserve funds for some of the projects included in the budget and by reducing other areas of the budget. However, the district will continue to lose funds until the year 2025 and may see an increase in our tuition costs for our high school students due to the allocation of more state aid to our receiving high school. We are monitoring the situation the best we can, while hoping for increased funding for all schools, especially in the area of special education.
- A three-year labor agreement for teachers, aides, and custodians was unanimously approved by the District Board of Education and by the Logan Teacher Education Association (LTEA) and signed on April 14<sup>th</sup>, 2016 which extends until June 30<sup>th</sup>, 2019. The settlement with a 2.5% increase for each of the next three years is considered a reasonable settlement. The District has already begun the negotiations process for the next three-year agreement.
- It is important that the District continues to be able to complete capital improvement projects. It is one of the Board of Education's goals and a budget priority to continue to upgrade and maintain the physical plants of the district. The Board, through the budget process, has deposited funds into its capital and maintenance reserves in previous years. The District continues to budget funds in its operating budget for small capital projects and maintenance projects. During the next several years, we will continue to make this a priority; however, we will most likely have to reduce our spending in this area while we are experiencing state aid reductions. The District has authorized a

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

referendum to take place on January 22, 2019 in order to take care of major capital projects that could never fall within our budget cap. The projects include a new roof on one of our buildings, safety and security upgrades, lighting upgrades, HVAC projects, parking lot paving, etc. We hope that the referendum will allow us to take some pressure off of our capital/maintenance budgets during the time we are experiencing a reduction in state aid.

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

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

**Contacting the School Districts Financial Management**

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

**BASIC FINANCIAL STATEMENTS**

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A. Government-Wide Financial Statements

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

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
Cash & Cash Equivalents	\$ 3,063,242	\$ 76,282	\$ 3,139,524
Receivables, Net (Note 4)	214,373	5,310	219,683
Inventory	-	5,379	5,379
Restricted Cash & Cash Equivalents	889,740	-	889,740
Capital Assets, Net (Note 5)			
Non-Depreciable	115,872	-	115,872
Depreciable	9,400,521	44,507	9,445,028
<b>Total Assets</b>	<b>13,683,748</b>	<b>131,478</b>	<b>13,815,226</b>
<b>DEFERED OUTFLOWS OF RESOURCES</b>			
Related to Pensions (Note 8)	1,487,990	-	1,487,990
<b>Total Deferred Outflows of Resources</b>	<b>1,487,990</b>	<b>-</b>	<b>1,487,990</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>15,171,738</b>	<b>131,478</b>	<b>15,303,216</b>
<b>LIABILITIES</b>			
Accounts Payable	239,561	17,868	257,429
Accrued Interest on Debt	9,992	-	9,992
Prepaid Lunches	-	4,234	4,234
Unearned Revenue	54,672	-	54,672
Due to Other Governments	154,083	-	154,083
Noncurrent Liabilities (Note 7):			
Due Within One Year	545,000	-	545,000
Due Beyond One Year	4,166,782	-	4,166,782
<b>Total Liabilities</b>	<b>5,170,090</b>	<b>22,102</b>	<b>5,192,192</b>
<b>DEFERED INFLOWS OF RESOURCES</b>			
Related to Pensions (Note 8)	773,653	-	773,653
<b>Total Deferred Inflows of Resources</b>	<b>773,653</b>	<b>-</b>	<b>773,653</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>5,943,743</b>	<b>22,102</b>	<b>5,965,845</b>
<b>NET POSITION</b>			
Net Investments in Capital Assets	8,971,393	44,507	9,015,900
Restricted For:			
Debt Service	1	-	1
Capital Projects	492,486	-	492,486
Maintenance Reserve	397,254	-	397,254
Excess Surplus	3,123,744	-	3,123,744
Unrestricted (Deficit)	(3,756,883)	64,869	(3,692,014)
<b>Total Net Position</b>	<b>\$ 9,227,995</b>	<b>\$ 109,376</b>	<b>\$ 9,337,371</b>

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

LOGAN TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2018

FUNCTIONS/PROGRAMS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION				BUSINESS- TYPE ACTIVITIES	TOTAL
	EXPENSES	CHARGES FOR SERVICES	PROGRAM REVENUES OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES		
Governmental Activities:						
Instruction:						
Regular	\$ 5,641,950	\$ -	\$ 607,120	\$ (5,034,830)	\$ -	(5,034,830)
Special Education	946,170	-	-	(946,170)	-	(946,170)
Basic Skill/Remedial Instruction	392,723	-	-	(392,723)	-	(392,723)
Other Instruction	52,729	-	-	(52,729)	-	(52,729)
Support Services & Undistributed Costs:						
Tuition	3,549,861	-	-	(3,549,861)	-	(3,549,861)
Student & Instruction Related Services	2,043,561	-	273,092	(1,770,469)	-	(1,770,469)
School Administrative Services	238,444	-	-	(238,444)	-	(238,444)
General & Business Administrative Services	668,669	-	-	(668,669)	-	(668,669)
Plant Operations & Maintenance	1,496,258	-	-	(1,496,258)	-	(1,496,258)
Pupil Transportation	1,121,657	-	-	(1,121,657)	-	(1,121,657)
Unallocated Benefits	8,020,338	-	5,481,848	(2,538,490)	-	(2,538,490)
Interest and Charges on Long-Term Debt	23,837	-	-	(23,837)	-	(23,837)
Revaluation of Fixed Assets	(147,241)	-	-	147,241	-	147,241
Unallocated Depreciation	669,272	-	-	(669,272)	-	(669,272)
Total Governmental Activities	24,718,228	-	6,362,060	(18,356,168)	-	(18,356,168)

LOGAN TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2018

FUNCTIONS/PROGRAMS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION				TOTAL
	EXPENSES	PROGRAM REVENUES CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	
Business-Type Activities:					
Food Service	304,051	182,515	113,352	-	(8,184)
Total Business - Type Activities	304,051	182,515	113,352	-	(8,184)
Total Primary Government	25,022,279	182,515	6,475,412	(18,356,168)	(18,364,352)
General Revenues:					
Taxes:					
Property Taxes, Levied for General Purposes			12,408,202	-	12,408,202
Taxes Levied for Debt Service			390,666	-	390,666
Federal & State Restricted			181,934	-	181,934
Federal & State Aid Not Restricted			5,371,279	-	5,371,279
Tuition Received			40,257	-	40,257
Miscellaneous Income			37,977	-	37,977
Total General Revenues & Transfers			18,430,315	-	18,430,315
Change In Net Position			74,147	(8,184)	65,963
Net Position - Beginning			9,153,848	117,560	9,271,408
Net Position - Ending			9,227,995	109,376	9,337,371

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

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## B. Fund Financial Statements

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## Governmental Funds

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

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
<b>Assets:</b>					
Cash & Cash Equivalents	\$ 2,917,103	\$ -	\$ 277,981	\$ 1	\$ 3,195,085
<b>Receivables:</b>					
State	65,319	-	-	-	65,319
Federal	-	136,571	-	-	136,571
Other	12,327	156	-	-	12,483
Due from Other Funds	277,981	-	-	-	277,981
Restricted Cash & Cash Equivalents	889,740	-	-	-	889,740
<b>Total Assets</b>	<b>\$ 4,162,470</b>	<b>\$ 136,727</b>	<b>\$ 277,981</b>	<b>\$ 1</b>	<b>\$ 4,577,179</b>
<b>Liabilities &amp; Fund Balances:</b>					
<b>Liabilities:</b>					
Cash Deficit	\$ -	\$ 131,843	\$ -	\$ -	\$ 131,843
Accounts Payable	205,211	34,350	-	-	239,561
Due to Other Funds	-	-	277,981	-	277,981
Unearned Revenue	12,851	41,821	-	-	54,672
<b>Total Liabilities</b>	<b>218,062</b>	<b>208,014</b>	<b>277,981</b>	<b>-</b>	<b>704,057</b>
<b>Fund Balances:</b>					
<b>Restricted for:</b>					
Capital Reserve Account	492,486	-	-	-	492,486
Maintenance Reserve	397,254	-	-	-	397,254
Excess Surplus	1,494,083	-	-	-	1,494,083
Excess Surplus Designated for Subsequent Year's Expenditures	1,629,661	-	-	-	1,629,661
Capital Projects Fund	-	-	-	-	-
Debt Service Fund	-	-	-	1	1
<b>Unassigned Fund Balance:</b>					
General Fund	(69,076)	-	-	-	(69,076)
Special Revenue Fund	-	(71,287)	-	-	(71,287)
<b>Total Fund Balances</b>	<b>3,944,408</b>	<b>(71,287)</b>	<b>-</b>	<b>1</b>	<b>3,873,122</b>
<b>Total Liabilities &amp; Fund Balances</b>	<b>\$ 4,162,470</b>	<b>\$ 136,727</b>	<b>\$ 277,981</b>	<b>\$ 1</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 funds. The cost of the assets is \$23,685,461 and the accumulated depreciation is \$14,169,068.	9,516,393
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refunding are applicable to future reporting periods and therefore are not reported in the funds.	
Deferred Outflows related to pensions	1,487,990
Deferred Inflows related to pensions	(773,653)
Long-term liabilities, including net pension liability and bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(4,711,782)
Accrued pension contributions for the June 30, 2017 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.	(154,083)
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.	(9,992)
Net position of Governmental Activities	<u>\$ 9,227,995</u>

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

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

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
Revenues:					
Local Sources:					
Local Tax Levy	\$ 12,408,202	\$ -	\$ -	\$ 390,666	\$ 12,798,868
Tuition Charges	40,257	-	-	-	40,257
Miscellaneous	28,977	9,000	-	-	37,977
<b>Total Local Sources</b>	<b>12,477,436</b>	<b>9,000</b>	<b>-</b>	<b>390,666</b>	<b>12,877,102</b>
State Sources	7,482,193	537,493	-	181,934	8,201,620
Federal Sources	-	333,719	-	-	333,719
<b>Total Revenues</b>	<b>19,959,629</b>	<b>880,212</b>	<b>-</b>	<b>572,600</b>	<b>21,412,441</b>
Expenditures:					
Current:					
Regular Instruction	4,966,239	675,711	-	-	5,641,950
Special Education Instruction	946,170	-	-	-	946,170
Basic Skills/Remedial - Instruction	392,723	-	-	-	392,723
Other Instruction	52,729	-	-	-	52,729
Support Services & Undistributed Costs:					
Tuition	3,549,861	-	-	-	3,549,861
Student & Instruction Related Services	1,811,275	235,312	-	-	2,046,587
School Administrative Services	238,444	-	-	-	238,444
General & Business Administrative Services	668,669	-	-	-	668,669
Plant Operations & Maintenance	1,496,258	-	-	-	1,496,258
Pupil Transportation	1,121,657	-	-	-	1,121,657
Unallocated Benefits	2,284,224	-	-	-	2,284,224
On Behalf TPAF Pension and Social Security Contributions	2,101,914	-	-	-	2,101,914
Capital Outlay	145,322	37,780	-	-	183,102
Debt Service:					
Principal	-	-	-	540,000	540,000
Interest & Other Charges	1,137	-	-	32,600	33,737
<b>Total Expenditures</b>	<b>19,776,622</b>	<b>948,803</b>	<b>-</b>	<b>572,600</b>	<b>21,298,025</b>
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	183,007	(68,591)	-	-	114,416
Other Financing Sources/(Uses):					
Operating Transfer In	277,877	-	-	-	277,877
Operating Transfer Out	-	-	(277,877)	-	(277,877)
<b>Total Other Financing Sources &amp; Uses</b>	<b>277,877</b>	<b>-</b>	<b>(277,877)</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	460,884	(68,591)	(277,877)	-	114,416
Fund Balance - July 1	3,483,524	(2,696)	277,877	1	3,758,706
<b>Fund Balance - June 30</b>	<b>\$ 3,944,408</b>	<b>\$ (71,287)</b>	<b>\$ -</b>	<b>\$ 1</b>	<b>\$ 3,873,122</b>

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

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

Total Net Change in Fund Balances - Governmental Funds (From B-2) \$ 114,416

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

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

Depreciation Expense	\$	(669,272)	
Capital Asset Adjustment		147,241	
Capital Outlays		<u>183,102</u>	(338,929)

Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period. (246,459)

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

Serial Bonds		540,000	
Capital Lease Payments		<u>3,026</u>	543,026

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation (+). 9,900

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+). (7,807)

Change in Net Position of Governmental Activities \$ 74,147

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

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## Proprietary Funds

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**LOGAN TOWNSHIP SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 JUNE 30, 2018**

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS <u>FOOD SERVICE</u>
Current Assets:	
Cash & Cash Equivalents	\$ 76,282
Accounts Receivable	
State	196
Federal	5,114
Inventories	<u>5,379</u>
Total Current Assets	<u>86,971</u>
Noncurrent Assets:	
Furniture, Machinery & Equipment	201,758
Less: Accumulated Depreciation	<u>(157,251)</u>
Total Noncurrent Assets	<u>44,507</u>
Total Assets	<u>131,478</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	17,868
Prepaid Lunches	<u>4,234</u>
Total Liabilities	<u>22,102</u>
NET POSITION	
Net Investments in Capital Assets	44,507
Unrestricted	<u>64,869</u>
Total Net Position	<u>\$ 109,376</u>

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

**LOGAN TOWNSHIP SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN NET POSITION  
 AS OF JUNE 30, 2018**

		BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS
		<u>FOOD SERVICE</u>
Operating Revenues:		
Charges for Services:		
Daily Sales - Reimbursable Programs	\$	132,331
Daily Sales - Nonreimbursable Programs		50,184
		<u>182,515</u>
 Total Operating Revenues		 <u>182,515</u>
 Operating Expenses:		
Salaries & Benefits		135,351
Supplies & Materials		32,682
Cost of Sales - Reimbursable Programs		94,149
Cost of Sales - Non-Reimbursable Programs		16,622
Depreciation		3,206
Miscellaneous		22,041
		<u>304,051</u>
 Total Operating Expenses		 <u>304,051</u>
 Operating Income/(loss)		 <u>(121,536)</u>
 Nonoperating Revenues/(Expenses):		
State Sources:		
State School Lunch Program		3,262
Federal Sources:		
National School Lunch Program		72,684
National School Breakfast Program		15,068
Food Distribution Program		22,200
Interest & Investment Revenue		138
		<u>113,352</u>
 Total Nonoperating Revenues/(Expenses)		 <u>113,352</u>
 Income/(Loss) Before Contributions & Transfers		 <u>(8,184)</u>
 Change in Net Position		 (8,184)
Total Net Position - Beginning		<u>117,560</u>
 Total Net Position - Ending	\$	 <u><u>109,376</u></u>

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

**LOGAN TOWNSHIP SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 COMBINING STATEMENT OF CASH FLOWS  
 AS OF JUNE 30, 2018**

	<u>BUSINESS-TYPE                      ACTIVITIES -                      ENTERPRISE FUNDS</u> FOOD SERVICE
Cash Flows From Operating Activities:	
Receipts from Customers	\$ 173,183
Payments to Employees	(135,351)
Payments to Suppliers	(143,294)
	(105,462)
Net Cash Provided/(Used) by Operating Activities	(105,462)
Cash Flows From Noncapital Financing Activities:	
State & Federal Sources	91,014
	91,014
Net Cash Provided/(Used) by Noncapital Financing Activities	91,014
Cash Flows From Investing Activities:	
Net Cash Provided/(Used) by Investing Activities	138
	138
Net Cash Provided/(Used) by Investing Activities	138
Cash Flows from Capital Financing Activities:	
Purchase of Capital Assets	(15,908)
	(15,908)
Net Cash Used by Capital Financing Activities	(15,908)
Net Increase/(Decrease) in Cash & Cash Equivalents	(30,218)
Balances - Beginning of Year	106,500
	106,500
Balances - End of Year	\$ 76,282
<b>Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:</b>	
Operating Income/(Loss)	\$ (121,536)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:	
Depreciation & Net Amortization	3,206
Food Distribution Program	22,200
Changes in Assets & Liabilities:	
(Increase)/Decrease in Accounts Receivable	3,002
(Increase)/Decrease in Inventories	(3,488)
Increase/(Decrease) in Current Liabilities	(8,846)
	(8,846)
Total Adjustments	16,074
	16,074
Net Cash Provided/(Used) by Operating Activities	\$ (105,462)

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

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Fiduciary Fund

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

ASSETS	PRIVATE PURPOSE		AGENCY		TOTAL
	UNEMPLOYMENT COMPENSATION TRUST FUND	SCHOLARSHIP	STUDENT ACTIVITY	PAYROLL	
Cash & Cash Equivalents	\$ 57,350	\$ 6,128	\$ 24,778	\$ 322,561	\$ 410,817
Total Assets	57,350	6,128	24,778	322,561	410,817
LIABILITIES					
Payroll Deductions & Withholdings	-	-	-	317,211	317,211
Due to Student Groups	-	-	24,778	-	24,778
Flexible Spending	-	-	-	5,350	5,350
Total Liabilities	-	-	24,778	322,561	347,339
NET POSITION					
Restricted for:					
Unemployment Claims	57,350	-	-	-	57,350
Scholarships	-	6,128	-	-	6,128
Total Net Position	\$ 57,350	\$ 6,128	\$ -	\$ -	\$ 63,478

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

**LOGAN TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2018**

ADDITIONS	PRIVATE PURPOSE		TOTAL
	SCHOLARSHIP	UNEMPLOYMENT COMPENSATION	
Local Sources:			
Transfer from Payroll Agency Account	\$ -	\$ 16,134	\$ 16,134
Investment Earnings:			
Interest	27	543	570
Total Additions	27	16,677	16,704
DEDUCTIONS			
Quarterly Contributions Reports	-	1,827	1,827
Scholarships Awarded	150	-	150
Total Deductions	150	1,827	1,977
Change in Net Position	(123)	14,850	14,727
Net Position - Beginning of the Year	6,251	42,500	48,751
Net Position - End of the Year	\$ 6,128	\$ 57,350	\$ 63,478

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



**LOGAN TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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**LOGAN TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

The financial statements of the Board of Education of Logan Township School District (the ‘District’) have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of more significant accounting policies.

**Reporting Entity**

The Logan Township School District (hereafter referred to as the “District”) is a Type II School District located in the County of Gloucester, State of New Jersey. As a Type II School District, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three members’ terms expire each year. The purpose of the School District is to educate students in grades kindergarten through eighth at its two schools. The School District has an approximate enrollment at June 30, 2018 of 835 students.

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.

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

**Component Units**

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

**Government-Wide Financial Statements**

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

These statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the District’s assets, deferred outflows of resources, liabilities, and

**LOGAN TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

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

**Governmental Fund Financial Statements**

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule (Exhibit B-3) is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The District has presented all major funds that met those qualifications.

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

**Proprietary Fund Financial Statements**

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated. A column representing internal service funds is also presented in these statements. However, internal service funds balances and activities have been combined with the governmental activities in the Government-Wide financial statements.

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

**LOGAN TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

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

**Fiduciary Fund Financial Statements**

Fiduciary fund financial statements include a Statement of Net Position. The District's fiduciary funds are Agency Funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency funds are accounted for on a spending or "economic resources" measurement focus and the accrual basis of accounting as are the proprietary funds explained above.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. 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.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activities column of the government wide statements incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the District's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. However, data from the fiduciary funds is not incorporated in the government-wide financial statements

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 current fiscal year-end. 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. General capital assets acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, charges for services, licenses, and interest on notes receivable associated with the current fiscal period are all considered to be susceptible to accrual and accordingly have been recognized as

**LOGAN TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available when cash is received.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Food Service Fund and the C.D.A. program are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, employee salaries and benefits, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Internal service funds are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government and its component unit. Although internal service funds are reported as a proprietary fund in the fund financial statements, it is incorporated into governmental activities in the government-wide financial statements. The District does not maintain any internal service funds.

The District reports the following major governmental funds:

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

As required by the New Jersey 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, interest earnings and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

**Special Revenue Fund** - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt

**LOGAN TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

**Capital Projects Fund** - The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

**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.

The District reports the following major proprietary funds:

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

Additionally, the District reports the following major fiduciary funds:

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

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

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

**Agency Funds** - Agency funds are assets held by a governmental entity (either as trustee or as an agent) for other parties that cannot be used to finance the governmental entity's own operating programs. The district currently maintains Payroll funds and Student Activity Funds as Agency Funds.

During the course of operations, the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

**LOGAN TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

**Budgets/Budgetary Control**

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

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

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

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

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

**Encumbrances**

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

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



**LOGAN TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

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

**Cash and Cash Equivalents**

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

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

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 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.

**Tuition Payable/Receivable**

Tuition rates for the fiscal year end June 30, 2018 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

**Inventories**

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

**Interfund Receivables/Payables**

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year. The amounts are eliminated in the governmental and business-type activities, which are presented as Internal Balances. Balances with fiduciary funds are not considered Internal Balances; therefore those balances are reported on the Statement of Net Position.

**LOGAN TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

**Capital Assets**

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation. The District has established a threshold of \$2,000 for capitalization of depreciable assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

Equipment & Vehicles	3 – 20 Years
Buildings	30 – 50 Years
Improvements	10 – 50 Years
Software	5 – 7 Years

**Compensated Absences**

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

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

**Unearned Revenue**

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

**Accrued Liabilities and Long-Term Obligations**

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

**LOGAN TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources.

**Accounting Estimates**

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

**Interfund Activity**

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

**Fund Balance**

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies governmental fund balances as follows:

- **Non-spendable** – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted** – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Committed** – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2018.
- **Assigned** – This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also

**LOGAN TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

includes the remaining positive fund balance for all governmental funds except for the General Fund.

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

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

**Net Position**

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

- Net Investment in Capital Assets – This components represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.
- Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

**Impact of Recently Issued Accounting Principles**

Adopted Accounting Pronouncements

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

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

Statement No. 82, Pension Issues – an amendment of GASB Statements No. 67, 68 and No. 73. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the

**LOGAN TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. This Statement will be effective for the year ended June 30, 2018.

Recently Issued Accounting Pronouncements

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

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

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

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

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

**Bond Premiums, Discounts and Issuance Costs**

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

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

**LOGAN TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

**Deferred Loss on Refunding Debt**

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

**Deferred Outflows and Deferred Inflows of Resources**

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

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

**Pensions**

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

**Note 2. Cash Deposits and Investments**

**Cash Deposits**

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board's deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2018, the District's bank balance of \$4,565,048 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$4,145,059
Uninsured and Uncollateralized	<u>419,989</u>
	<u>\$4,565,048</u>

**LOGAN TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 2. Cash Deposits and Investments (continued):**

**Investments**

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

**Note 3. Reserve Accounts**

**A. Capital Reserve**

A capital reserve account was established by the School District by inclusion of \$150,000 in the 1995-1996 original capital budget, for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a School District may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A School District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.6:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

Beginning Balance, July 1, 2017	\$ 266,223
Increased by:	
Interest Earnings	3,041
Return of Unspent Funds	19,018
Deposits approved by Board	277,981
	566,263
Decreased by:	
Budget Withdrawals	(73,777)
Ending Balance, June 30, 2018	\$ 492,486

The June 30, 2018 balance did not exceed the LRFP balance of local support costs of uncompleted capital projects.

**Maintenance Reserve**

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

**LOGAN TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 3. Reserve Accounts (continued):**

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

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

Beginning Balance, July 1, 2017	\$ 403,089
Increased by:	
Interest Earnings	4,945
Return of Unspent funds	23,771
	431,805
Decreased by:	
Budget Withdrawals	(34,551)
Ending Balance, June 30, 2018	\$ 397,254

**Note 4. Accounts Receivable**

Accounts receivable at June 30, 2018 consisted of accounts and intergovernmental grants. All state and federal receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

<u>Description</u>	Governmental Funds			<u>Total Governmental Activities</u>	Proprietary Funds		<u>Total Business-Type Activities</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>		<u>Food Service Fund</u>		
Federal Awards	\$ -	\$ 136,571	\$ -	\$ 136,571	\$ 5,114	\$ 5,114	
State Awards	65,319	-	-	65,319	196	196	
Other	12,327	156	-	12,483	-	-	
<b>Total</b>	<b>\$ 77,646</b>	<b>\$ 136,727</b>	<b>\$ -</b>	<b>\$ 214,373</b>	<b>\$ 5,310</b>	<b>\$ 5,310</b>	



**LOGAN TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 5. Capital Assets**

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

	Balance July 1, <u>2017</u>	<u>Additions</u>	Retirements <u>and Transfers</u>	Balance June 30, <u>2018</u>
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 115,872	\$ -	\$ -	\$ 115,872
Total Capital Assets not being depreciated	<u>115,872</u>	<u>-</u>	<u>-</u>	<u>115,872</u>
Capital Assets being depreciated:				
Land Improvements	842,767	-	-	842,767
Buildings and Improvements	20,745,679	34,118	-	20,779,797
Equipment	1,798,041	148,984	(21)	1,947,004
Total Capital Assets being depreciated	<u>23,386,487</u>	<u>183,102</u>	<u>(21)</u>	<u>23,569,568</u>
Less: Accumulated Depreciation:				
Land Improvements	(606,704)	(18,555)	(3,751)	(629,010)
Buildings and Improvements	(11,671,334)	(531,638)	-	(12,202,972)
Equipment	(1,368,999)	(119,079)	151,013	(1,337,065)
Total Accumulated Depreciation	<u>(13,647,037)</u>	<u>(669,272)</u>	<u>147,262</u>	<u>(14,169,047)</u>
Total Capital Assets being depreciated, net	<u>9,739,450</u>	<u>(486,170)</u>	<u>147,241</u>	<u>9,400,521</u>
Total Governmental Activities Capital Assets, net	<u>\$ 9,855,322</u>	<u>\$ (486,170)</u>	<u>\$ 147,241</u>	<u>\$ 9,516,393</u>
	Balance July 1, <u>2017</u>	<u>Additions</u>	Retirements <u>and Transfers</u>	Balance June 30, <u>2018</u>
<b>Business-Type Activities:</b>				
Equipment	\$ 185,850	\$ 15,908	\$ -	\$ 201,758
	<u>185,850</u>	<u>15,908</u>	<u>-</u>	<u>201,758</u>
Less: Accumulated Depreciation:				
Equipment	(154,045)	(3,206)	-	(157,251)
	<u>(154,045)</u>	<u>(3,206)</u>	<u>-</u>	<u>(157,251)</u>
Total Business-Type Activities Capital Assets, net	<u>\$ 31,805</u>	<u>\$ 12,702</u>	<u>\$ -</u>	<u>\$ 44,507</u>

**LOGAN TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 6. Interfund Receivables, Payables and Transfers**

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

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 277,981	\$ -
Capital Projects Fund	<u>                    </u>	<u>277,981</u>
	<u>\$ 277,981</u>	<u>\$ 277,981</u>

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

The summary of interfund transfers is as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 277,877	\$ -
Capital Projects Fund	<u>                    </u>	<u>277,877</u>
	<u>\$ 277,877</u>	<u>\$ 277,877</u>

The purpose of interfund transfers were for the liquidation of prior year capital project balances that were approved to be cancelled and returned to Capital Reserve.

**Note 7. Long-Term Obligations**

During the fiscal year-ended June 30, 2018 the following changes occurred in long-term obligations:

	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2018</u>	<u>Balance Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 1,085,000	\$ -	\$ 540,000	\$ 545,000	\$ 545,000
Capital Leases	3,026	-	3,026	-	-
Compensated Absences	304,718	7,807	-	312,525	-
Net Pension Liability	4,449,442	-	595,185	3,854,257	-
	<u>\$ 5,842,186</u>	<u>\$ 7,807</u>	<u>\$ 1,138,211</u>	<u>\$ 4,711,782</u>	<u>\$ 545,000</u>

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

**LOGAN TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 7. Long-Term Obligations (continued):**

**A. Bonds Payable:**

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

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

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

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 545,000	\$ 10,900	\$ 555,900
	\$ 545,000	\$ 10,900	\$ 555,900

**Bonds Authorized But Not Issued:**

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

**Note 8. Pension Plans**

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

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

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

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4

**LOGAN TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 8. Pension Plans (Continued):**

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

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

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

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

**Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources** - At June 30, 2018, the School District reported a liability of \$3,854,257 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2016, to the measurement date of June 30, 2017. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2017. The School District's proportion measured as of June 30, 2017, was .01656%, which was an increase of .00153% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the School District recognized full accrual pension expense of \$399,844 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2017 measurement date. At June 30, 2018 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

**LOGAN TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 8. Pension Plans (Continued):**

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between Expected and Actual Experience	\$ 90,754	\$ -
Changes of Assumptions	776,500	773,653
Net Difference between Projected and Actual Earnings on Pension Plan Investments	26,245	-
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	440,408	-
School District contributions subsequent to measurement date	154,083	-
	\$ 1,487,990	\$ 773,653

\$154,083 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2017-2018 total salaries for PERS employees multiplied by an employer pension contribution rate of 13.37%. The payable is due on April 1, 2019 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Client Year Ending</b>	<b>Amount</b>
<b><u>June 30,</u></b>	
2019	\$ 190,454
2020	227,652
2021	162,718
2022	24,022
2023	(44,591)
	\$ 560,255

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

**LOGAN TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 8. Pension Plans (Continued):**

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

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

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.48, 5.57, 5.72 and 6.44 years for the 2017, 2016, 2015, and 2014 amounts, respectively.

**LOGAN TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 8. Pension Plans (Continued):**

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

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

Inflation	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%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2011 - June 30, 2014

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

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

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation

**LOGAN TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 8. Pension Plans (Continued):**

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

percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2017 are summarized in the following table:

<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	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	<u>100.00%</u>	

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



**LOGAN TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 8. Pension Plans (Continued):**

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

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

	<b>1% Decrease <u>(4.00%)</u></b>	<b>Current Discount Rate <u>(5.00%)</u></b>	<b>1% Increase <u>(6.00%)</u></b>
District's Proportionate Share of the Net Pension Liability	\$ 4,781,468	\$ 3,854,257	\$ 3,081,776

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

**Collective Balances at June 30, 2018 and June 30, 2017**

	<u>6/30/2018</u>	<u>6/30/2017</u>
Actuarial valuation date (including roll forward)	June 30, 2017	June 30, 2016
Deferred Outflows of Resources	\$ 1,333,907	\$ 1,401,898
Deferred Inflows of Resources	773,653	-
Net Pension Liability	3,854,257	4,449,442
District's portion of the Plan's total net pension Liability	0.01656%	0.01502%

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

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

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

**LOGAN TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 8. Pension Plans (Continued):**

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

The following represents the membership tiers for TPAF:

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

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

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

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

**Pension Liability and Pension Expense** - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2017 was \$41,316,959. The School District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2017, the State proportionate share of the TPAF net pension liability attributable to the School District was .06128%, which was an increase of .00295% from its proportion measured as of June 30, 2016.

**LOGAN TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 8. Pension Plans (Continued):**

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

For the fiscal year ended June 30, 2018, the School District recognized \$3,452,459 in on-behalf pension expense and revenue in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2017 measurement date.

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

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

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

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

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

**LOGAN TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 8. Pension Plans (Continued):**

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	<hr style="border-top: 1px solid black;"/>	
	100.00%	

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

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

**LOGAN TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 8. Pension Plans (Continued):**

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

	<b>1% Decrease <u>(3.25%)</u></b>	<b>Current Discount Rate <u>(4.25%)</u></b>	<b>1% Increase <u>(5.25%)</u></b>
District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the District	<u>\$ 49,085,843</u>	<u>\$ 41,316,959</u>	<u>\$ 34,916,918</u>
	<u>\$ 49,085,843</u>	<u>\$ 41,316,959</u>	<u>\$ 34,916,918</u>

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

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

	<u>6/30/2018</u>	<u>6/30/2017</u>
Collective Deferred Outflows of Resources	\$ 14,353,461,035.00	\$ 17,581,004,496.00
Collective Deferred Inflows of Resources	\$ 11,992,821,439.00	\$ 300,836,088.00
Collective Net Pension Liability	\$ 67,670,209,171.00	\$ 79,028,907,033.00
School District's portion	0.03749%	0.03432%

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

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

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;
- Employees enrolled in the Public Employees' Retirement System (PERS) or Teachers' Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits;

**LOGAN TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 8. Pension Plans (Continued):**

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

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

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

For the year ended June 30, 2018, employee contributions totaled \$22,303 and the District recognized pension expense of \$16,423.

**Note 9. Post-Retirement Benefits**

**General Information about the OPEB Plan**

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

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

**LOGAN TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 9. Post-Retirement Benefits (Continued):**

percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree’s annual retirement benefit and level of coverage.

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

**Basis of Presentation**

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

**Total Nonemployer OPEB Liability**

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

<b>Inflation Rate</b>	2.50%		
	<b>TPAF/ABP</b>	<b>PERS</b>	<b>PFRS</b>
Salary Increases:			
Through 2026	1.55 - 4.55%	2.15 - 4.15%	2.10 - 8.98%
	based on years of service	based on age	based on age
Thereafter	2.00 - 5.45%	3.15 - 5.15%	3.10 - 9.98%
	based on years of service	based on age	based on age

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

**LOGAN TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 9. Post-Retirement Benefits (Continued):**

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

**OPEB Obligation and OPEB Expense** – The State’s proportionate share of the total Other Post-Employment Benefits Obligations attributable to the School District as of June 30, 2017 was \$36,440,281. The School District’s proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2017, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The State’s proportionate share of the OPEB Obligation associated with the District was based on projection of the State’s long-term contributions to the OPEB plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2017, the State proportionate share of the OPEB Obligation attributable to the School District was 0.067935%, which was a decrease of 0.000261% from its proportion measured as of June 30, 2016.

For the fiscal year ended June 30, 2018, the State of New Jersey recognized an OPEB expense in the amount of \$2,127,021 for the State’s proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2017 measurement date.

**Healthcare Trend Assumptions**

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

**Discount Rate**

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

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

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



**LOGAN TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 9. Post-Retirement Benefits (Continued):**

	<b>June 30, 2017</b>		
	At 1% Decrease (2.58%)	At Discount Rate (3.58%)	At 1% Increase (4.58%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 43,257,242.58	\$ 36,440,281.00	\$ 31,033,002.29
State of New Jersey's Total Nonemployer OPEB Liability	\$ 63,674,362,200.00	\$53,639,841,858.00	\$45,680,364,953.00
	<b>June 30, 2016</b>		
	At 1% Decrease (1.85%)	At Discount Rate (2.85%)	At 1% Increase (3.85%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 47,249,045.52	\$ 39,439,239.00	\$ 33,291,920.23
State of New Jersey's Total Nonemployer OPEB Liability	\$69,283,705,084.00	\$57,831,784,184.00	\$48,817,654,566.00

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

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

**LOGAN TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 9. Post-Retirement Benefits (Continued):**

	<b>June 30, 2017</b>		
	1% Decrease	Healthcare Cost Trend Rate*	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 43,257,242.58	\$ 36,440,281.00	\$ 31,033,002.29
State of New Jersey's Total Nonemployer OPEB Liability	\$ 63,674,362,200.00	\$53,639,841,858.00	\$45,680,364,953.00

	<b>June 30, 2016</b>		
	1% Decrease	Healthcare Cost Trend Rate*	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 47,249,045.52	\$ 39,439,239.00	\$ 33,291,920.23
State of New Jersey's Total Nonemployer OPEB Liability	\$69,283,705,084.00	\$57,831,784,184.00	\$48,817,654,566.00

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

**Additional Information**

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

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

**LOGAN TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 9. Post-Retirement Benefits (Continued):**

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

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

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

**Plan Membership**

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

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

**Changes in the Total OPEB Liability**

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

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

**LOGAN TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

As previously mentioned, the School District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers’ Pension and Annuity Fund (TPAF) pension plan. The School District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2018, the on-behalf payments for pension, social security, post-retirement medical costs, and long-term disability were \$977,786, \$491,028, \$631,531 and \$1,569, respectively.

**Note 11. Risk Management**

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

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

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017-2018	\$ 16,134	\$ 543	\$ 1,827	\$ 57,350
2016-2017	12,181	176	15,881	42,500
2015-2016	13,594	65	4,415	46,024

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

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

Property – Blanket Building & Grounds Environmental Impairment Liability School Board Legal Liability Employers Liability	General & Automobile Liability Workers’ Compensation Excess Liability Comprehensive Crime Coverage
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**LOGAN TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 12. Contingencies**

**State and Federal Grantor Agencies** - The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2018 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

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

**Note 13. Economic Dependency**

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

**Note 14. Deferred Compensation**

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

AXA Equitable  
ING Financial Services

**Note 15. 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.

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

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net position under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2018 is \$312,525.

**LOGAN TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 16. Tax Abatements**

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

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

**Note 17. Calculation of Excess Surplus**

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2018 was \$1,494,083.

**Note 18. Fund Balance**

**General Fund** – Of the \$3,944,408 General Fund fund balance at June 30, 2018, \$492,486 has been reserved in the Capital Reserve Account; \$397,254 has been reserved in the Maintenance Reserve Account; \$1,494,083 is restricted for current year excess surplus; \$1,629,661 is restricted for excess surplus – designated for subsequent year's expenditures and \$(69,076) is unassigned.

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

**Note 19. Deficit Fund Balances**

The School District has a deficit fund balance of \$(69,076) in the General Fund and \$(71,287) in the Special Revenue Fund as of June 30, 2018 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal year, the school district cannot recognize the June state aid payment(s) (on the GAAP financial statements) until the year the State records the

**LOGAN TOWNSHIP SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 19. Deficit Fund Balances (continued):**

payable. Due to the timing difference of recording the June state aid payment(s), the General and Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the fund statements (modified accrual basis) of \$140,363 is less than the last state aid payment.

**Note 20. Deficit in Net Position**

**Unrestricted Net Position** – The School District had a deficit in unrestricted net position in the amount of \$(3,756,883) at June 30, 2018. The deficit is caused by the implementation of GASB 68 which requires the School District to report their proportionate share of the net pension liability for the Public Employee’s Retirement System (PERS) as of June 30, 2018.

**Note 21. Subsequent Events**

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2018 and February 21, 2019, the date the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and one item has come to the attention of the District that requires disclosure.

On January 22, 2019 residents of Logan Township approved a \$7.8 million bond referendum for various improvements and upgrades to the two school buildings located in the District. The District will fund the capital projects through SDA Grants with the State of New Jersey and by financing through the sale of bonds. As of the date of this report, no debt has been issued.

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**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

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### C. Budgetary Comparison Schedules

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LOGAN TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

ACCOUNT NUMBERS	JUNE 30, 2018				VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
<b>Revenues:</b>						
<b>Local Sources:</b>						
Local Tax Levy	10-1210-000-000	\$ 12,408,201	\$ -	\$ 12,408,201	\$ 12,408,202	\$ 1
Tuition from Individuals	10-1310-000-000	88,000	-	88,000	8,257	(79,743)
Tuition from Other Sources	10-1340-000-000	11,000	-	11,000	32,000	21,000
Interest Earned on Capital Reserve	10-1000-000-000	300	-	300	3,041	2,741
Interest Earned on Maintenance Reserve	10-1000-000-000	500	-	500	4,945	4,445
Miscellaneous	10-1000-000-000	12,000	-	12,000	20,991	8,991
<b>Total Local Sources</b>		<b>12,520,001</b>	<b>-</b>	<b>12,520,001</b>	<b>12,477,436</b>	<b>(42,565)</b>
<b>State Sources:</b>						
Extraordinary Aid	10-3000-000-000	-	-	-	51,065	51,065
Nonpublic Transportation Aid	10-3200-000-000	-	-	-	11,890	11,890
School Choice Aid	10-3116-000-000	10,622	-	10,622	10,622	-
Categorical Special Education Aid	10-3132-000-000	633,953	-	633,953	633,953	-
Equalization Aid	10-3176-000-000	3,990,950	-	3,990,950	3,990,950	-
Categorical Security Aid	10-3177-000-000	101,621	-	101,621	101,621	-
Categorical Transportation Aid	10-3121-000-000	384,544	-	384,544	384,544	-
Adjustment Aid	10-3178-000-000	262,787	(108,328)	154,459	154,459	-
Per Pupil Growth Aid	10-3182-000-000	10,620	-	10,620	10,620	-
PARCC Readiness Aid	10-3181-000-000	10,620	-	10,620	10,620	-
Professional Learning Community Aid	10-3183-000-000	10,690	-	10,690	10,690	-
State Reimbursed Lead Test	10-3300-000-000	-	-	-	-	-
<b>Nonbudgeted:</b>						
On-Behalf TPAF Pension Contributions		-	-	-	977,786	977,786
On-Behalf TPAF Medical Contributions		-	-	-	631,531	631,531
On-Behalf TPAF Long-Term Disability Insurance		-	-	-	1,569	1,569
Reimbursed TPAF Social Contributions		-	-	-	491,028	491,028
<b>Total State Sources</b>		<b>5,416,407</b>	<b>(108,328)</b>	<b>5,308,079</b>	<b>7,472,948</b>	<b>2,164,869</b>
<b>Total Revenues</b>		<b>17,936,408</b>	<b>(108,328)</b>	<b>17,828,080</b>	<b>19,950,384</b>	<b>2,122,304</b>
<b>Expenditures:</b>						
<b>Current Expense:</b>						
<b>Instruction - Regular Programs:</b>						
<b>Salaries of Teachers:</b>						
Preschool	11-105-100-101	87,212	(27,520)	59,692	11,486	48,206
Kindergarten	11-110-100-101	423,547	(21,066)	402,481	395,079	7,402
Grades 1 - 5	11-120-100-101	2,135,538	(31,195)	2,104,343	2,096,182	8,161
Grades 6 - 8	11-130-100-101	1,827,286	(62,378)	1,764,908	1,735,485	29,423
<b>Home Instruction:</b>						
Salaries of Teachers	11-150-100-101	2,000	-	2,000	511	1,489
Purchased Professional - Educational Services	11-150-100-320	6,000	-	6,000	4,088	1,912
<b>Regular Programs - Undistributed Instruction:</b>						
Other Salaries for Instruction	11-190-100-106	170,947	202	171,149	163,698	7,451
Purchased Professional - Educational Services	11-190-100-320	123,800	(1,066)	122,734	89,028	33,706
Purchased Technical Services	11-190-100-340	72,883	(3,200)	69,683	58,351	11,332
Other Purchased Services	11-190-100-500	212,602	-	212,602	185,219	27,383
General Supplies	11-190-100-610	197,941	1,941	199,882	147,207	52,675
Textbooks	11-190-100-640	95,820	4,715	100,535	72,678	27,857
Other Objects	11-190-100-800	12,024	-	12,024	7,227	4,797
<b>Total Regular Programs - Instruction</b>		<b>5,367,600</b>	<b>(139,567)</b>	<b>5,228,033</b>	<b>4,966,239</b>	<b>261,794</b>
<b>Special Education:</b>						
<b>Learning &amp; Language Disabilities:</b>						
Salaries of Teachers	11-204-100-101	206,254	27,975	234,229	231,877	2,352
Purchased Professional - Educational Services	11-204-100-320	2,500	-	2,500	2,251	249
General Supplies	11-204-100-610	1,350	-	1,350	682	668
<b>Total Learning &amp; Language Disabilities</b>		<b>210,104</b>	<b>27,975</b>	<b>238,079</b>	<b>234,810</b>	<b>3,269</b>

LOGAN TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	ACCOUNT NUMBERS	JUNE 30, 2018				VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
<b>Multiple Disabilities:</b>						
Salaries of Teachers	11-212-100-101	196,122	(52,702)	143,420	143,245	175
Other Salaries for Instruction	11-212-100-106	43,422	225	43,647	42,907	740
Purchased Professional - Educational Services	11-212-100-320	2,500	-	2,500	2,156	344
General Supplies	11-212-100-610	3,850	(1,265)	2,585	1,856	729
<b>Total Multiple Disabilities</b>		<b>245,894</b>	<b>(53,742)</b>	<b>192,152</b>	<b>190,164</b>	<b>1,988</b>
<b>Resource Room/Resource Center:</b>						
Salaries of Teachers	11-213-100-101	263,917	159,371	423,288	423,288	-
Other Salaries for Instruction	11-213-100-106	23,473	(225)	23,248	22,998	250
Purchased Professional - Educational Services	11-213-100-320	5,000	-	5,000	1,566	3,434
General Supplies	11-213-100-610	6,630	-	6,630	5,069	1,561
<b>Total Resource Room/Resource Center</b>		<b>299,020</b>	<b>159,146</b>	<b>458,166</b>	<b>452,921</b>	<b>5,245</b>
<b>Preschool Disabilities - Part-Time:</b>						
Salaries of Teachers	11-215-100-101	31,660	592	32,252	31,910	342
Other Salaries for Instruction	11-215-100-106	13,837	21,919	35,756	35,662	94
Purchased Professional - Educational Services	11-215-100-320	500	200	700	503	197
General Supplies	11-215-100-610	500	-	500	200	300
<b>Total Preschool Disabilities - Part-Time</b>		<b>46,497</b>	<b>22,711</b>	<b>69,208</b>	<b>68,275</b>	<b>933</b>
<b>Total Special Education</b>		<b>801,515</b>	<b>156,090</b>	<b>957,605</b>	<b>946,170</b>	<b>11,435</b>
<b>Basic Skills/Remedial:</b>						
Salaries of Teachers	11-230-100-101	406,022	3,613	409,635	382,518	27,117
Purchased Professional - Educational Services	11-230-100-320	3,500	5,674	9,174	8,643	531
General Supplies	11-230-100-610	2,550	-	2,550	1,487	1,063
Textbooks	11-230-100-640	1,000	-	1,000	-	1,000
<b>Total Basic Skills/Remedial</b>		<b>413,072</b>	<b>9,287</b>	<b>422,359</b>	<b>392,648</b>	<b>29,711</b>
<b>Bilingual Education - Instruction:</b>						
General Supplies	11-240-100-610	300	-	300	75	225
<b>Total Bilingual Education - Instruction</b>		<b>300</b>	<b>-</b>	<b>300</b>	<b>75</b>	<b>225</b>
<b>School Sponsored Cocurricular Activities:</b>						
Salaries	11-401-100-100	31,860	-	31,860	23,608	8,252
Purchased Services	11-401-100-500	1,000	-	1,000	-	1,000
Supplies and Materials	11-401-100-600	12,850	-	12,850	6,158	6,692
<b>Total School Sponsored Cocurricular Activities</b>		<b>45,710</b>	<b>-</b>	<b>45,710</b>	<b>29,766</b>	<b>15,944</b>
<b>Other Instructional Programs - Instruction:</b>						
Salaries	11-403-100-100	5,000	-	5,000	4,914	86
Purchased Services	11-403-100-500	3,800	-	3,800	3,700	100
Supplies and Materials	11-403-100-600	1,500	-	1,500	90	1,410
<b>Total Other Instructional Programs - Instruction</b>		<b>10,300</b>	<b>-</b>	<b>10,300</b>	<b>8,704</b>	<b>1,596</b>
<b>Before/After School Programs - Instruction:</b>						
Salaries	11-421-100-101	2,000	-	2,000	-	2,000
Supplies and Materials	11-421-100-600	-	-	-	-	-
<b>Total Before/After School Programs - Instruction</b>		<b>2,000</b>	<b>-</b>	<b>2,000</b>	<b>-</b>	<b>2,000</b>
<b>Summer School - Instruction:</b>						
Salaries	11-422-100-101	11,600	(570)	11,030	9,292	1,738
Other Salaries of Instruction	11-422-100-106	2,000	570	2,570	2,570	-
General Supplies	11-422-100-610	1,500	-	1,500	184	1,316
<b>Total Summer School - Instruction</b>		<b>15,100</b>	<b>-</b>	<b>15,100</b>	<b>12,046</b>	<b>3,054</b>
<b>Summer School - Support Services:</b>						
Salaries	11-422-200-101	2,700	-	2,700	2,213	487
<b>Total Summer School - Support Services</b>		<b>2,700</b>	<b>-</b>	<b>2,700</b>	<b>2,213</b>	<b>487</b>
<b>Total Instruction</b>		<b>6,658,297</b>	<b>25,810</b>	<b>6,684,107</b>	<b>6,357,861</b>	<b>326,246</b>

LOGAN TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

ACCOUNT NUMBERS	JUNE 30, 2018				VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
<b>Undistributed Expenditures:</b>						
<b>Instruction:</b>						
Tuition to Other LEA's -State Regular	11-000-100-561	2,403,407	31	2,403,438	2,403,438	-
Tuition to Other LEA's - State Special	11-000-100-562	279,849	-	279,849	257,690	22,159
Tuition to County Vocational Regular	11-100-100-563	156,780	(4,492)	152,288	147,888	4,400
Tuition to County Vocational Special	11-100-100-564	27,132	5,212	32,344	32,227	117
Tuition to County Special Services & Day Schools	11-000-100-565	533,775	(2,726)	531,049	350,013	181,036
Tuition to Private Schools for the Handicapped - State	11-100-100-566	399,752	-	399,752	358,605	41,147
Tuition - State Facilities	11-000-100-568	-	-	-	-	-
Tuition - Other	11-100-100-569	12,615	(2,651)	9,964	-	9,964
<b>Total Undistributed Expenditures - Instruction</b>		<b>3,813,310</b>	<b>(4,626)</b>	<b>3,808,684</b>	<b>3,549,861</b>	<b>258,823</b>
<b>Attendance &amp; Social Work Services:</b>						
Salaries of Teachers	11-000-211-100	33,045	-	33,045	32,045	1,000
<b>Total Attendance &amp; Social Work Services</b>		<b>33,045</b>	<b>-</b>	<b>33,045</b>	<b>32,045</b>	<b>1,000</b>
<b>Health Services:</b>						
Salaries	11-000-213-100	196,827	-	196,827	176,790	20,037
Purchased Professional & Technical Services	11-000-213-300	5,600	-	5,600	3,960	1,640
Other Purchased Services	11-000-213-500	7,862	-	7,862	6,756	1,106
Supplies and Materials	11-000-213-600	1,200	929	2,129	2,046	83
Other Objects	11-000-213-800	3,165	(929)	2,236	280	1,956
<b>Total Health Services</b>		<b>214,654</b>	<b>-</b>	<b>214,654</b>	<b>189,832</b>	<b>24,822</b>
<b>Other Support Services - Students - Related Services:</b>						
Salaries	11-000-216-100	145,208	-	145,208	142,568	2,640
Purchased Professional - Educational Services	11-000-216-320	80,080	4,100	84,180	76,629	7,551
Supplies and Materials	11-000-216-600	3,125	2,161	5,286	5,270	16
<b>Total Other Support Services - Students - Related Services</b>		<b>228,413</b>	<b>6,261</b>	<b>234,674</b>	<b>224,467</b>	<b>10,207</b>
<b>Other Support Services - Special Education - Extraordinary Services:</b>						
Salaries	11-000-217-100	161,984	(24,684)	137,300	107,561	29,739
Purchased Prof.- Edu. Services	11-000-217-320	4,000	1,066	5,066	4,865	201
<b>Total Other Support Services - Special Education - Extraordinary Services</b>		<b>165,984</b>	<b>(23,618)</b>	<b>142,366</b>	<b>112,426</b>	<b>29,940</b>
<b>Other Support Services - Students - Regular:</b>						
Salaries of Other Professional Staff	11-000-218-104	195,775	-	195,775	181,439	14,336
Supplies and Materials	11-000-218-600	1,625	-	1,625	1,156	469
<b>Total Other Support Services - Students- Regular</b>		<b>197,400</b>	<b>-</b>	<b>197,400</b>	<b>182,595</b>	<b>14,805</b>
<b>Other Support Services - Students - Special Services:</b>						
Salaries of Other Professional Staff	11-000-219-104	296,420	(16,125)	280,295	274,569	5,726
Salaries of Secretarial & Clerical Assistants	11-000-219-105	34,850	823	35,673	35,652	21
Purchased Professional - Technical Services	11-000-219-390	4,600	28,890	33,490	32,746	744
Other Purchased Services	11-000-219-500	3,600	849	4,449	3,801	648
Miscellaneous Purchased Services	11-000-219-592	-	-	-	-	-
Supplies and Materials	11-000-219-600	3,100	665	3,765	3,315	450
<b>Total Other Support Services - Students Special Services</b>		<b>342,570</b>	<b>15,102</b>	<b>357,672</b>	<b>350,083</b>	<b>7,589</b>
<b>Improvement of Instruction Services/Other Support Services - Instruction Staff:</b>						
Salaries of Supervisors of Instruction	11-000-221-102	299,423	449	299,872	293,430	6,442
Salaries of Other Professional Staff	11-000-221-104	92,250	-	92,250	92,250	-
Salaries of Secretarial & Clerical Assistants	11-000-221-105	34,850	822	35,672	35,652	20

LOGAN TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	ACCOUNT NUMBERS	JUNE 30, 2018			ACTUAL	VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
<b>Improvement of Instruction Services/Other Support Services - Instruction Staff (continued):</b>						
Purchased Professional - Educational Services	11-000-221-320	5,350	(328)	5,022	-	5,022
Other Purchased Services	11-000-221-500	1,500	686	2,186	1,974	212
Supplies and Materials	11-000-221-600	400	-	400	374	26
Other Objects	11-000-221-800	1,283	(209)	1,074	999	75
<b>Total Improvement of Instruction Services/ Other Support Services Instructional Staff</b>		<b>435,056</b>	<b>1,420</b>	<b>436,476</b>	<b>424,679</b>	<b>11,797</b>
<b>Educational Media Services/School Library:</b>						
Salaries	11-000-222-100	123,561	(2,094)	121,467	117,074	4,393
Salaries of Technology Coordinators	11-000-222-177	144,214	(2,120)	142,094	129,196	12,898
Other Purchased Services	11-000-222-500	19,000	-	19,000	18,343	657
Supplies and Materials	11-000-222-600	21,600	-	21,600	19,408	2,192
<b>Total Educational Media Services/Library</b>		<b>308,375</b>	<b>(4,214)</b>	<b>304,161</b>	<b>284,021</b>	<b>20,140</b>
<b>Instructional Staff Training Services:</b>						
Purchased Professional - Educational Services	11-000-223-320	15,690	(1,000)	14,690	4,033	10,657
Other Purchased Services	11-000-223-500	14,050	-	14,050	7,094	6,956
Supplies & Materials	11-000-223-600	150	-	150	-	150
<b>Total Instructional Staff Training Services</b>		<b>29,890</b>	<b>(1,000)</b>	<b>28,890</b>	<b>11,127</b>	<b>17,763</b>
<b>Support Services General Administration:</b>						
Salaries	11-000-230-100	210,668	(3,805)	206,863	206,223	640
Legal Services	11-000-230-331	40,000	(726)	39,274	15,173	24,101
Audit Fees	11-000-230-332	25,500	500	26,000	26,000	-
Other Purchased Professional Services	11-000-230-339	29,435	(20,500)	8,935	2,495	6,440
Purchased Technical Services	11-000-230-340	4,350	6,226	10,576	10,575	1
Communications/Telephone	11-000-230-530	27,824	-	27,824	18,561	9,263
BOE Other Purchased Services	11-000-230-585	4,000	(1,022)	2,978	2,328	650
Other Purchased Services	11-000-230-590	35,584	7,594	43,178	40,062	3,116
General Supplies	11-000-230-610	3,650	-	3,650	2,328	1,322
BOE In-House Training/Meeting Supplies	11-000-230-630	1,300	(225)	1,075	825	250
Miscellaneous Expenditures	11-000-230-890	3,130	675	3,805	3,804	1
BOE Membership Dues & Fees	11-000-230-895	12,000	(2,150)	9,850	9,458	392
<b>Total Support Services General Administration</b>		<b>397,441</b>	<b>(13,433)</b>	<b>384,008</b>	<b>337,832</b>	<b>46,176</b>
<b>Support Services School Administration:</b>						
Salaries of Principals & Assistant Principals	11-000-240-103	139,798	3,055	142,853	114,214	28,639
Salaries of Secretarial & Clerical Assistants	11-000-240-105	127,205	-	127,205	115,971	11,234
Other Purchased Services	11-000-240-500	9,250	1,458	10,708	6,069	4,639
Supplies and Materials	11-000-240-600	4,850	(410)	4,440	2,190	2,250
<b>Total Support Services School Administration</b>		<b>281,103</b>	<b>4,103</b>	<b>285,206</b>	<b>238,444</b>	<b>46,762</b>
<b>Central Services:</b>						
Salaries	11-000-251-100	208,249	(1,900)	206,349	203,458	2,891
Purchased Professional Services	11-000-251-330	11,215	1,400	12,615	12,610	5
Purchased Technical Services	11-000-251-340	5,050	(775)	4,275	3,972	303
Miscellaneous Purchased Services	11-000-251-592	3,000	1,345	4,345	3,036	1,309
Supplies and Materials	11-000-251-600	4,570	(375)	4,195	3,161	1,034
Miscellaneous Expenditures	11-000-251-890	1,415	5	1,420	1,420	-
<b>Total Central Services</b>		<b>233,499</b>	<b>(300)</b>	<b>233,199</b>	<b>227,657</b>	<b>5,542</b>
<b>Administrative Information Technology:</b>						
Salaries	11-000-252-100	52,019	(8,200)	43,819	43,740	79
Purchased Technical Services	11-000-252-340	48,589	16,020	64,609	59,240	5,369
Other Purchased Services	11-000-252-500	7,355	-	7,355	200	7,155
<b>Total Administrative Information Technology</b>		<b>107,963</b>	<b>7,820</b>	<b>115,783</b>	<b>103,180</b>	<b>12,603</b>
<b>Allowable Maintenance for School Facilities:</b>						
Salaries	11-000-261-100	118,407	1	118,408	116,683	1,725
Cleaning, Repair & Maintenance Services	11-000-261-420	106,650	(3,569)	103,081	52,732	50,349
Lead Testing of Drinking Water	11-000-261-421	500	9,218	9,718	1,127	8,591
General Supplies	11-000-261-610	40,350	712	41,062	38,269	2,793
<b>Total Allowable Maintenance for School Facilities</b>		<b>265,907</b>	<b>6,362</b>	<b>272,269</b>	<b>208,811</b>	<b>63,458</b>



LOGAN TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

ACCOUNT NUMBERS	JUNE 30, 2018				VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
<b>Operation &amp; Maintenance of Plant Services &amp; School Facilities:</b>						
Salaries	11-000-262-100	95,728	-	95,728	92,644	3,084
Salaries of Noninstructional Aides	11-000-262-107	54,631	-	54,631	48,429	6,202
Purchased Professional & Technical Services	11-000-262-300	2,000	(100)	1,900	954	946
Cleaning, Repair & Maintenance Services	11-000-262-420	690,387	-	690,387	676,352	14,035
Other Purchased Property Services	11-000-262-490	55,156	-	55,156	53,809	1,347
Insurance	11-000-262-520	50,486	1,514	52,000	48,496	3,504
Miscellaneous Purchased Services	11-000-262-590	400	479	879	875	4
General Supplies	11-000-262-610	39,340	4,021	43,361	37,871	5,490
Energy (Natural Gas)	11-000-262-621	80,000	-	80,000	41,361	38,639
Energy (Electricity)	11-000-262-622	355,000	-	355,000	227,516	127,484
Other Objects	11-000-262-800	950	40	990	988	2
<b>Total Operation &amp; Maintenance of Plant Services &amp; School Facilities</b>		<b>1,424,078</b>	<b>5,954</b>	<b>1,430,032</b>	<b>1,229,295</b>	<b>200,737</b>
<b>Care &amp; Upkeep of Grounds:</b>						
Other Purchased Professional Technical Services	11-000-263-300	52,000	-	52,000	40,395	11,605
General Supplies	11-000-263-610	7,600	-	7,600	3,448	4,152
<b>Total Care &amp; Upkeep of Grounds</b>		<b>59,600</b>	<b>-</b>	<b>59,600</b>	<b>43,843</b>	<b>15,757</b>
<b>Security:</b>						
Other Purchased Professional Technical Services	11-000-266-300	1,500	740	2,240	2,064	176
Cleaning, Repair & Maintenance Services	11-000-266-420	4,500	-	4,500	3,573	927
General Supplies	11-000-266-610	6,600	3,975	10,575	8,672	1,903
<b>Total Security</b>		<b>12,600</b>	<b>4,715</b>	<b>17,315</b>	<b>14,309</b>	<b>3,006</b>
<b>Student Transportation Services:</b>						
Salaries of Noninstructional Aides	11-000-270-107	550	199	749	749	-
Salaries for Pupil Transportation (Between Home & School) - Regular	11-000-270-160	28,444	-	28,444	28,444	-
Other Purchased Professional Technical Services	11-000-270-390	500	(223)	277	-	277
Contracted Services (Between Home & School) - Vendors	11-000-270-511	659,656	-	659,656	573,844	85,812
Contracted Services (Other Than Between Home & School) - Vendors	11-000-270-512	63,156	-	63,156	25,907	37,249
Contracted Services (Between Home & School) - Joint Agreements	11-000-270-515	513,734	(7,093)	506,641	446,962	59,679
Contracted Service - Aid in Lieu of Payments	11-000-270-503	37,128	7,093	44,221	44,221	-
Misc. Purchased Svc.- Transp.	11-000-270-593	595	-	595	436	159
General Supplies	11-000-270-610	400	523	923	894	29
Miscellaneous Expenditures	11-000-270-800	200	-	200	200	-
<b>Total Student Transportation Services</b>		<b>1,304,363</b>	<b>499</b>	<b>1,304,862</b>	<b>1,121,657</b>	<b>183,205</b>
<b>Unallocated Benefits - Employee Benefits:</b>						
Social Security Contributions	11-000-291-220	134,300	29,340	163,640	163,640	-
Other Retirement Contribution - PERS	11-000-291-241	168,000	(12,938)	155,062	155,062	-
Other Retirement Contribution - Regular	11-000-291-249	13,500	3,221	16,721	16,721	-
Unemployment Compensation	11-000-291-250	35,000	(9,090)	25,910	272	25,638
Workmen's Compensation	11-000-291-260	78,161	(3,766)	74,395	72,088	2,307
Health Benefits	11-000-291-270	1,992,899	(8,019)	1,984,880	1,813,214	171,666
Tuition Reimbursements	11-000-291-280	52,900	-	52,900	38,345	14,555
Other Employee Benefits	11-000-291-290	11,745	17,361	29,106	24,882	4,224
Unused Sick Payments	11-000-291-299	19,875	(19,875)	-	-	-
<b>Total Unallocated Benefits - Employee Benefits</b>		<b>2,506,380</b>	<b>(3,766)</b>	<b>2,502,614</b>	<b>2,284,224</b>	<b>218,390</b>

**LOGAN TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

ACCOUNT NUMBERS	JUNE 30, 2018				VARIANCE FINAL TO ACTUAL FAVORABLE/ UNFAVORABLE)
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
<b>Nonbudgeted:</b>					
On-Behalf TPAF Pension Contributions	-	-	-	977,786	(977,786)
On-Behalf TPAF Medical Contributions	-	-	-	631,531	(631,531)
On-Behalf TPAF Long-Term Disability	-	-	-	1,569	(1,569)
Reimbursed TPAF Social Security Contributions	-	-	-	491,028	(491,028)
<b>Total Undistributed Expenditures</b>	<b>12,361,631</b>	<b>1,279</b>	<b>12,362,910</b>	<b>13,272,302</b>	<b>(909,392)</b>
<b>Total Expenditures - Current Expense</b>	<b>19,019,928</b>	<b>27,089</b>	<b>19,047,017</b>	<b>19,630,163</b>	<b>(583,146)</b>
<b>Capital Outlay:</b>					
Interest Deposit to Capital Reserve	10-604-000-000	300	-	300	-
Interest Deposit to Maintenance Reserve	10-606-000-000	500	-	500	-
<b>Equipment:</b>					
<b>Undistributed Expenditures:</b>					
Instruction	12-000-100-730	112,397	-	112,397	96,828
<b>Facilities Acquisition &amp; Construction Services:</b>					
<b>Other Purchased Professional &amp; Construction Services</b>					
Construction Services	12-000-400-450	59,500	-	59,500	48,494
Assessment for Debt Service on SDA Funding	12-000-400-896	1,137	-	1,137	1,137
<b>Total Capital Outlay</b>		<b>173,834</b>	<b>-</b>	<b>173,834</b>	<b>146,459</b>
<b>Total Expenditures</b>		<b>19,193,762</b>	<b>27,089</b>	<b>19,220,851</b>	<b>19,776,622</b>
<b>Excess/(Deficiency) of Revenues Over/(Under)</b>					
Expenditures Before Other Financing Sources/(Uses)		(1,257,354)	(135,417)	(1,392,771)	173,762
<b>Other Financing Sources/(Uses):</b>					
Transfer from Capital Projects		-	-	-	277,877
<b>Total Other Financing Sources/(Uses)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>277,877</b>
<b>Excess/(Deficiency) of Revenues Over/(Under)</b>					
Expenditures After Other Financing Sources/(Uses)		(1,257,354)	(135,417)	(1,392,771)	451,639
Fund Balances, July 1		3,994,665	-	3,994,665	3,994,665
<b>Fund Balances, June 30</b>		<b>\$ 2,737,311</b>	<b>\$ (135,417)</b>	<b>\$ 2,601,894</b>	<b>\$ 4,446,304</b>

**RECAPITULATION OF BUDGET TRANSFERS:**

Prior Year Encumbrances	\$ 33,669
Cancellation of Prior Year Encumbrance	(6,580)
Transfer in from Maintenance Reserve	34,551
Transfer in from Capital Reserve	73,777
<b>Total</b>	<b>\$ 135,417</b>

**RECAPITULATION OF FUND BALANCE**

<b>Restricted Fund Balance:</b>	
Capital Reserve	492,486
Maintenance Reserve	397,254
Excess Surplus - Designated for Subsequent Year	1,629,661
Excess Surplus	1,494,083
<b>Assigned Fund Balance:</b>	
Year End Encumbrances	16,371
<b>Unassigned Fund Balance</b>	<b>416,449</b>
<b>Subtotal</b>	<b>4,446,304</b>
Reconciliation to Governmental Fund Statements (GAAP):	
Last State Aid Payment Not Recognized on GAAP Basis	(501,896)
<b>Fund Balance per Governmental Funds (GAAP)</b>	<b>\$ 3,944,408</b>

**LOGAN TOWNSHIP BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR FISCAL YEAR ENDED JUNE 30, 2018**

	JUNE 30, 2018				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
<b>REVENUES:</b>					
State Sources	\$ 37,109	\$ 610,141	\$ 647,250	\$ 606,084	\$ (41,166)
Federal Sources	254,835	79,163	333,998	333,719	(279)
Local Sources	14,000	(1,000)	13,000	9,000	(4,000)
<b>Total Revenues</b>	<b>305,944</b>	<b>688,304</b>	<b>994,248</b>	<b>948,803</b>	<b>(45,445)</b>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of Teachers	112,899	246,909	359,808	339,831	19,977
Salaries of Aides	-	99,882	99,882	92,268	7,614
Purchased Professional Educational Services	724	15,276	16,000	16,000	-
General Supplies	16,809	20,893	37,702	33,423	4,279
Tuition	175,512	18,677	194,189	194,189	-
<b>Total Instruction</b>	<b>305,944</b>	<b>401,637</b>	<b>707,581</b>	<b>675,711</b>	<b>31,870</b>
<b>Support Services:</b>					
Salaries of Supervisors of Instruction	-	6,442	6,442	6,442	-
Salaries of Principals	-	28,639	28,639	28,639	-
Salaries of Other Professional Staff	-	39,999	39,999	39,999	-
Salaries of Secretarial and Clerical Assistant:	-	11,147	11,147	11,147	-
Employee Benefits	-	71,173	71,173	71,173	-
Purchased Professional Services	-	20,000	20,000	6,425	13,575
Contracted Services - Transportation (Between Home and School) - Vendors	-	44,254	44,254	44,254	-
Other Purchased Services	-	17,997	17,997	17,997	-
Miscellaneous Purchased Services	-	750	750	750	-
General Supplies	-	7,816	7,816	7,816	-
Other Objects	-	670	670	670	-
<b>Total Support Services</b>	<b>-</b>	<b>248,887</b>	<b>248,887</b>	<b>235,312</b>	<b>13,575</b>
<b>Facilities Acquisition &amp; Construction Services:</b>					
Instructional Equipment	-	37,780	37,780	37,780	-
<b>Total Facilities Acquisition &amp; Construction Services</b>	<b>-</b>	<b>37,780</b>	<b>37,780</b>	<b>37,780</b>	<b>-</b>
<b>Total Expenditures</b>	<b>305,944</b>	<b>688,304</b>	<b>994,248</b>	<b>948,803</b>	<b>45,445</b>
<b>Total Outflows</b>	<b>305,944</b>	<b>688,304</b>	<b>994,248</b>	<b>948,803</b>	<b>45,445</b>
<b>Excess/(Deficiency) of Revenues Over/(Under) Expenditures &amp; Other Financing Sources/ (Uses)</b>					
	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

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**LOGAN TOWNSHIP SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

	GENERAL FUND	SPECIAL REVENUE FUND
<b>Sources/Inflows of Resources:</b>		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 19,950,384	\$ 948,803
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	511,141	2,696
State aid payment recognized for budgetary purposes, not recognized for GAAP Statements until the subsequent year	(501,896)	(71,287)
	<hr/>	<hr/>
Total Revenue as reported on the statement of revenues, expenditures and changes in fund balances – governmental funds	\$19,959,629	\$ 880,212
	<hr/> <hr/>	<hr/> <hr/>
<b>Uses/outflows of resources:</b>		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 19,776,622	\$ 948,803
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.	-	-
	<hr/>	<hr/>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$19,776,622	\$ 948,803
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**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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

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

	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.01656%	0.01502%	0.01494%	0.01334%	0.01321%
School District's proportionate share of the net pension liability	\$3,854,257	\$4,449,442	\$ 3,352,766	\$ 2,496,772	\$2,523,941
School District's covered payroll	\$1,120,331	\$ 998,410	\$ 978,010	\$ 965,149	N/A
School District's proportionate share of the net pension liability as a percentage of its covered payroll	344.03%	445.65%	342.82%	258.69%	N/A
Plan fiduciary net position as a percentage of the total pension liability	48.10%	40.14%	47.93%	52.08%	48.72%

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

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

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 153,385	\$ 133,464	\$ 128,407	\$ 109,936	99,505
Contributions in relation to the contractually required contribution	<u>(153,385)</u>	<u>(133,464)</u>	<u>(128,407)</u>	<u>(109,936)</u>	<u>(99,505)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$1,120,331	\$998,410	\$ 978,010	978,010	978,010
Contributions as a percentage of covered- employee payroll	13.69%	13.37%	13.13%	11.24%	10.17%

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

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

	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
School District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	\$41,316,959	\$45,887,248	\$ 38,498,334	\$ 32,915,040	\$30,082,270
	<u>\$41,316,959</u>	<u>\$45,887,248</u>	<u>\$ 38,498,334</u>	<u>\$ 32,915,040</u>	<u>\$30,082,270</u>
School District's covered payroll	\$ 6,793,445	\$ 6,795,426	\$ 6,556,090	\$ 6,240,874	\$ 5,923,128
School District's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	22.33%	22.33%	28.71%	33.64%	33.76%

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

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

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

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



M. Schedules Related to Accounting and Reporting for Other Post-Employment Benefits (GASB 75)

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

	2018
Total OPEB Liability Associated with the District	
Service Cost	1,491,132
Interest Cost	1,155,012
Changes of Assumptions	(4,832,147)
Contributions: Member	31,079
Gross Benefit Payments	(844,034)
Net Change in Total OPEB Liability Associated with the District	(2,998,958)
Total OPEB Liability Associated with the District (Beginning)	39,439,239
Total OPEB Liability Associated with the District (Ending)	36,440,281
District's Covered Employee Payrol	7,913,776
Net OPEB Liability Associated with the District as a Percentage of Payroll	460.47%

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

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

**LOGAN TOWNSHIP SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

**Changes in Benefit Terms** - None.

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

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

**Changes in Benefit Terms** - None.

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

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

**Changes in Benefit Terms** - None.

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

**OTHER SUPPLEMENTARY INFORMATION**

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**LOGAN TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES  
AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	I.D.E.A. - PART B		NO CHILD LEFT BEHIND		
	BASIC REGULAR PROGRAM	PRESCHOOL INCENTIVE PROGRAM	TITLE I	TITLE II PART A	TITLE III
Revenues:					
Federal Sources	\$ 209,121	\$ 8,268	\$ 98,422	\$ 17,752	\$ 156
Total Revenues	<u>\$ 209,121</u>	<u>\$ 8,268</u>	<u>\$ 98,422</u>	<u>\$ 17,752</u>	<u>\$ 156</u>
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 9,526	\$ 2,628	\$ 76,892	\$ -	\$ -
Salaries of Aides	4,345	5,052	-	-	-
Tuition	194,189	-	-	-	-
General Supplies	-	-	-	-	156
Total Instruction	<u>208,060</u>	<u>7,680</u>	<u>76,892</u>	<u>-</u>	<u>156</u>
Support Services:					
Salaries of Other Professionals					
Employee Benefits	1,061	588	21,530	-	-
Other Purchased Services	-	-	-	17,752	-
Total Support Services	<u>1,061</u>	<u>588</u>	<u>21,530</u>	<u>17,752</u>	<u>-</u>
Total Expenditures	<u>\$ 209,121</u>	<u>\$ 8,268</u>	<u>\$ 98,422</u>	<u>\$ 17,752</u>	<u>\$ 156</u>

**LOGAN TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES  
AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	ITALIAN GRANT	PRESCHOOL EDUCATION EXPANSION AID	TOTAL
<b>Revenues:</b>			
Federal Sources	\$ -	\$ -	\$ 333,719
State Sources	-	606,084	606,084
Local Sources	9,000	-	9,000
<b>Total Revenues</b>	<b>9,000</b>	<b>606,084</b>	<b>948,803</b>
<b>Expenditures:</b>			
<b>Instruction:</b>			
Salaries of Teachers	\$ 9,000	\$ 241,785	\$ 339,831
Salaries of Aides	-	82,871	92,268
Purchased Professional Educational Services	-	16,000	16,000
Tuition	-	-	194,189
General Supplies	-	33,267	33,423
<b>Total Instruction</b>	<b>9,000</b>	<b>373,923</b>	<b>675,711</b>
<b>Support Services:</b>			
Salaries of Supervisors of Instruction	-	6,442	6,442
Salaries of Principals	-	28,639	28,639
Salaries of Other Professional Staff	-	39,999	39,999
Salaries of Secretarial and Clerical Assistants	-	11,147	11,147
Employee Benefits	-	47,994	71,173
Purchased Professional Educational Services	-	6,425	6,425
Contracted Services - Transportation (Between Home and School) - Vendors	-	44,254	44,254
Other Purchased Services	-	245	17,997
Miscellaneous Purchased Services	-	750	750
General Supplies	-	7,816	7,816
Other Objects	-	670	670
<b>Total Support Services</b>	<b>-</b>	<b>194,381</b>	<b>235,312</b>
<b>Facilities Acquisition &amp; Construction Services:</b>			
Instructional Equipment	-	37,780	37,780
<b>Total Facilities Acquisition &amp; Construction Services</b>	<b>-</b>	<b>37,780</b>	<b>37,780</b>
<b>Total Expenditures</b>	<b>\$ 9,000</b>	<b>\$ 606,084</b>	<b>\$ 948,803</b>

**LOGAN TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
SCHEDULE OF PRESCHOOL EDUCATION EXPANSION AID  
STATEMENT OF EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	2018		
	BUDGETED	ACTUAL	VARIANCE
Expenditures:			
Instruction:			
Salaries of Teachers	\$ 261,762	\$ 241,785	\$ 19,977
Salaries of Aides	90,485	82,871	7,614
Purchased Professional Educational Services	16,000	16,000	-
Supplies	33,267	33,267	-
Total Instruction	<u>401,514</u>	<u>373,923</u>	<u>27,591</u>
Support Services:			
Salaries of Supervisors of Instruction	6,442	6,442	-
Salaries of Principals	28,639	28,639	-
Salaries of Other Professional Staff	39,999	39,999	-
Salaries of Secretarial and Clerical Assistants	11,147	11,147	-
Employee Benefits	47,994	47,994	-
Purchased Professional Educational Services	20,000	6,425	13,575
Contracted Services - Transportation (Between Home and School) - Vendors	44,254	44,254	-
Other Purchased Services	245	245	-
Miscellaneous Purchased Services	750	750	-
General Supplies	7,816	7,816	-
Other Objects	670	670	-
Total Support Services	<u>207,956</u>	<u>194,381</u>	<u>13,575</u>
Facilities Acquisition & Construction Services:			
Instructional Equipment	37,780	37,780	-
Total Facilities Acquisition & Construction Services	<u>37,780</u>	<u>37,780</u>	<u>-</u>
Total Expenditures	<u>\$ 647,250</u>	<u>\$ 606,084</u>	<u>\$ 41,166</u>

**CALCULATION OF BUDGET AND CARRYOVER**

Total Revised 2017-2018 Preschool Education Expansion Aid Allocation	\$ 647,250
Add: Actual Preschool Education Expansion Aid Carryover June 30, 2017	<u>1,743</u>
Total Preschool Education Expansion Aid Funds Available for 2016-2017 Budget	648,993
Less: 2017-2018 Budgeted Preschool Education Expansion Aid (Prior Year Budget Carryover)	<u>(647,250)</u>
Available & Unbudgeted Preschool Education Expansion Aid Funds June 30, 2017	1,743
Add: June 30, 2018 Unexpended Preschool Education Expansion Aid	<u>41,166</u>
Total Actual Preschool Education Expansion Aid Carryover	<u>\$ 42,909</u>
2017-2018 Preschool Education Expansion Aid Carryover Budgeted in 2018-2019	<u>\$ -</u>

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F. Capital Projects Fund

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**LOGAN TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY STATEMENT OF PROJECT EXPENDITURES  
YEAR ENDED JUNE 30, 2018**

PROJECT	DATE	APPROPRIATION	EXPENDITURES TO DATE		CANCELLATION OF AR	TRANSFER TO OTHER FUNDS	UNEXPENDED
			PRIOR	CURRENT			
Cooling Tower for HVAC	01/06/2014	\$ 577,000	\$ 381,379	\$ -	\$ 78,248	\$ 117,373	\$ -
HVAC Renovation for Elementary School Gym	12/26/2014	459,730	209,913	-	99,927	149,890	-
Boiler System Replacement Project	05/23/2015	464,000	450,564	-	5,374	8,062	-
Elementary School Door Replacement Project	05/23/2015	147,103	144,446	-	105	2,552	-
		<b>Total \$</b>	<b>1,186,302</b>	<b>\$ -</b>	<b>183,654</b>	<b>\$ 277,877</b>	<b>\$ -</b>

Reconciliation - Unexpended Capital Project  
Balances to Fund Balance - June 30, 2018:

Unexpended Project Balances June 30, 2018	\$ -
Less:	
Unexpended State Aid - ROD Grants	-
<b>Total Fund Balance (GAAP Basis) - June 30, 2018</b>	<b>\$ -</b>

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

Revenues & Other Financing Sources:	
Transfer from General Fund	\$ <u>          -</u>
Total Revenues	<u>                  -</u>
Expenditures & Other Financing Uses:	
Cancellation of Receivable	183,654
Transfer to General Fund	<u>277,877</u>
Total Expenditures	<u>461,531</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(461,531)
Fund Balance - Beginning	<u>461,531</u>
Fund Balance - Ending	<u><u>                  -</u></u>

**LOGAN TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
COOLING TOWER FOR HVAC  
FOR THE YEAR ENDED JUNE 30, 2018**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
<b>Revenues &amp; Other Financing Sources:</b>				
State Sources - ROD Grant	\$ 230,800	\$ -	\$ 230,800	\$ 230,800
Transfers	346,200	-	346,200	346,200
<b>Total Revenues</b>	<b>577,000</b>	<b>-</b>	<b>577,000</b>	<b>577,000</b>
<b>Expenditures &amp; Other Financing Uses:</b>				
Purchased Professional & Technical Services	48,300	-	48,300	54,100
Construction Services	333,079	-	333,079	522,900
Cancellation of Recievable	-	78,248	78,248	
Transfer to General Fund	-	117,373	117,373	
<b>Total Expenditures</b>	<b>381,379</b>	<b>195,621</b>	<b>577,000</b>	<b>577,000</b>
<b>Excess/(Deficiency) of Revenues Over/ (Under) Expenditures</b>	<b>\$ 195,621</b>	<b>\$ (195,621)</b>	<b>\$ -</b>	<b>\$ -</b>

**ADDITIONAL PROJECT INFORMATION**

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

**LOGAN TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
BOLIER SYSTEM REPLACEMENT PROJECT  
FOR THE YEAR ENDED JUNE 30, 2018**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
<b>Revenues &amp; Other Financing Sources:</b>				
State Sources - ROD Grant	\$ 183,892	\$ -	\$ 183,892	\$ 183,892
Transfers	275,838	-	275,838	275,838
<b>Total Revenues</b>	<b>459,730</b>	<b>-</b>	<b>459,730</b>	<b>459,730</b>
<b>Expenditures &amp; Other Financing Uses:</b>				
Purchased Professional & Technical Services	27,935	-	27,935	43,930
Construction Services	181,978	-	181,978	415,800
Cancellation of Receivable	-	99,927	99,927	
Transfer to General Fund	-	149,890	149,890	
<b>Total Expenditures</b>	<b>209,913</b>	<b>249,817</b>	<b>459,730</b>	<b>459,730</b>
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 249,817	\$ (249,817)	\$ -	\$ -

**ADDITIONAL PROJECT INFORMATION**

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

**LOGAN TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
HVAC RENOVATION FOR ELEMENTARY SCHOOL GYMNASIUM  
FOR THE YEAR ENDED JUNE 30, 2018**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
State Sources - ROD Grant	\$ 185,600	\$ -	\$ 185,600	\$ 185,600
Transfers	278,400	-	278,400	278,400
<b>Total Revenues</b>	<b>464,000</b>	<b>-</b>	<b>464,000</b>	<b>464,000</b>
Expenditures & Other Financing Uses:				
Purchased Professional & Technical Services	47,598	-	47,598	44,000
Construction Services	402,966	-	402,966	420,000
Cancellation of Receivable	-	5,374	5,374	
Transfer to General Fund	-	8,062	8,062	
<b>Total Expenditures</b>	<b>450,564</b>	<b>13,436</b>	<b>464,000</b>	<b>464,000</b>
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 13,436	\$ (13,436)	\$ -	\$ -

**ADDITIONAL PROJECT INFORMATION**

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

**LOGAN TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
ELEMENTARY SCHOOL DOOR REPLACEMENT PROJECT  
FOR THE YEAR ENDED JUNE 30, 2018**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
<b>Revenues &amp; Other Financing Sources:</b>				
State Sources - ROD Grant	\$ 48,048	\$ -	\$ 48,048	\$ 48,048
Transfers	99,055	-	99,055	99,055
	<hr/>			
Total Revenues	147,103	-	147,103	147,103
	<hr/>			
<b>Expenditures &amp; Other Financing Uses:</b>				
Purchased Professional & Technical Services	10,400	-	10,400	10,920
Construction Services	134,046	-	134,046	136,183
Cancellation of Receivable	-	105	105	
Transfer to General Fund	-	2,552	2,552	
	<hr/>			
Total Expenditures	144,446	2,657	147,103	147,103
	<hr/>			
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 2,657	\$ (2,657)	\$ -	\$ -
	<hr/> <hr/>			

**ADDITIONAL PROJECT INFORMATION**

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

## G. Proprietary Funds

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Enterprise Funds

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

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Internal Service Fund

Not Applicable

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## H. Fiduciary Fund

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**LOGAN TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMPARATIVE COMBINING STATEMENT OF FIDUCIARY NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2018**

ASSETS	PRIVATE PURPOSE TRUST FUNDS		AGENCY FUNDS		TOTAL
	UNEMPLOYMENT COMPENSATION TRUST	SCHOLARSHIP	STUDENT ACTIVITY	PAYROLL	
	Cash & Cash Equivalents	\$ 57,350	\$ 6,128	\$ 24,778	
Total Assets	57,350	6,128	24,778	322,561	410,817
LIABILITIES					
Payroll Deductions & Withholdings	-	-	-	317,211	317,211
Flexible Spending	-	-	-	5,350	5,350
Due to Student Groups	-	-	24,778	-	24,778
Total Liabilities	-	-	24,778	322,561	347,339
NET POSITION					
Held in Trust For:					
Unemployment Claims	57,350	-	-	-	57,350
Scholarships	-	6,128	-	-	6,128
Total Net Position	\$ 57,350	\$ 6,128	\$ -	\$ -	\$ 63,478

**LOGAN TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2018**

ADDITIONS	<u>PRIVATE PURPOSE TRUST FUNDS</u>		
	<u>UNEMPLOYMENT COMPENSATION</u>	<u>SCHOLARSHIP</u>	<u>TOTAL</u>
Local Sources:			
Transfer from Payroll Agency Account	\$ 16,134	\$ -	\$ 16,134
Investment Earnings:			
Interest	543	27	570
Total Additions	16,677	27	16,704
DEDUCTIONS			
Quarterly Unemployment Contribution Reports	1,827	-	1,827
Scholarship Payments	-	150	150
Total Deductions	1,827	150	1,977
Change in Net Position	14,850	(123)	14,727
Net Position - Beginning of the Year	42,500	6,251	48,751
Net Position - End of the Year	\$ 57,350	\$ 6,128	\$ 63,478



**LOGAN TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUNDS  
SCHEDULE OF STUDENT ACTIVITY RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	BALANCE JULY 1, 2017	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2018
Student Activity	\$ 26,948	\$ 43,255	\$ 45,425	\$ 24,778
Total Student Activity	<u>\$ 26,948</u>	<u>\$ 43,255</u>	<u>\$ 45,425</u>	<u>\$ 24,778</u>

**SCHEDULE OF CHANGES IN PAYROLL AGENCY ASSETS & LIABILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	BALANCE JULY 1, 2017	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2018
<b>ASSETS</b>				
Cash & Cash Equivalents	\$ 302,650	\$ 10,085,417	\$ 10,065,506	\$ 322,561
Total Assets	<u>\$ 302,650</u>	<u>\$ 10,085,417</u>	<u>\$ 10,065,506</u>	<u>\$ 322,561</u>
<b>LIABILITIES</b>				
Payroll Deductions & Withholding	\$ 298,506	\$ 4,665,661	\$ 4,646,956	\$ 317,211
Net Payroll	-	5,370,189	5,370,189	-
Flexible Spending	4,144	49,567	48,361	5,350
Total Liabilities	<u>\$ 302,650</u>	<u>\$ 10,085,417</u>	<u>\$ 10,065,506</u>	<u>\$ 322,561</u>

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## I. Long-Term Debt

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**LOGAN TOWNSHIP SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
JUNE 30, 2018**

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

LOGAN TOWNSHIP SCHOOL DISTRICT  
 LONG-TERM DEBT  
 SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
 JUNE 30, 2018

SERIES	DATE OF LEASE	TERM OF LEASE	AMOUNT OF ORIGINAL LEASE PRINCIPAL	INTEREST RATE PAYABLE	AMOUNT OUTSTANDING JUNE 30, 2017	ISSUED CURRENT YEAR	LEASE ADJUSTMENT	RETIRED CURRENT YEAR	AMOUNT OUTSTANDING JUNE 30, 2018
Dell Computer Equipment	8/1/2013	49 Months	79,514	5.100%	\$ 3,026	\$ -	\$ -	\$ 3,026	\$ -
Total					\$ 3,026	\$ -	\$ -	\$ 3,026	\$ -

**LOGAN TOWNSHIP SCHOOL DISTRICT  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR FISCAL YEAR ENDED JUNE 30, 2018**

	ACCOUNT NUMBERS	JUNE 30, 2018			ACTUAL	VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
<b>Revenues:</b>						
Local Sources:						
Local Tax Levy	40-1210	\$ 390,666	\$ -	\$ 390,666	\$ 390,666	\$ -
State Sources:						
Debt Service Aid Type II	40-3160	181,934	-	181,934	181,934	-
Total Revenues		<u>572,600</u>	<u>-</u>	<u>572,600</u>	<u>572,600</u>	<u>-</u>
<b>Expenditures:</b>						
Regular Debt Service:						
Interest	40-701-510-834	32,600	-	32,600	32,600	-
Redemption of Principal	40-701-510-910	540,000	-	540,000	540,000	-
Total Expenditures		<u>572,600</u>	<u>-</u>	<u>572,600</u>	<u>572,600</u>	<u>-</u>
Excess/(Deficiency) of Revenues						
Over/(Under) Expenditures		-	-	-	-	-
Fund Balance, July 1		<u>1</u>		<u>1</u>	<u>1</u>	<u>-</u>
Fund Balance, June 30		<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>

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**STATISTICAL SECTION (Unaudited)**

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

	FISCAL YEAR ENDING JUNE 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Governmental Activities:</b>										
Net Investment in Capital Assets	\$ 8,971,393	\$ 8,767,296	\$ 8,758,023	\$ 8,300,838	\$ 7,359,389	\$ 6,377,078	\$ 6,053,975	\$ 5,234,131	\$ 4,377,078	\$ 3,529,498
Restricted	4,013,485	3,834,205	3,478,095	3,716,891	3,455,685	3,666,374	3,103,881	1,964,263	1,122,415	1,457,899
Unrestricted	(3,756,883)	(3,447,653)	(3,002,291)	(2,901,683)	(259,289)	(293,140)	(274,214)	(259,094)	(350,790)	(356,486)
<b>Total Governmental Activities</b>	<b>\$ 9,227,995</b>	<b>\$ 9,153,848</b>	<b>\$ 9,233,827</b>	<b>\$ 9,116,046</b>	<b>\$ 10,555,785</b>	<b>\$ 9,750,312</b>	<b>\$ 8,883,642</b>	<b>\$ 6,939,300</b>	<b>\$ 5,148,703</b>	<b>\$ 4,630,911</b>
<b>Business-Type Activities:</b>										
Net Investment in Capital Assets	\$ 44,507	\$ 31,805	\$ 7,271	\$ 12,291	\$ 17,311	\$ 22,331	\$ 27,351	\$ 32,371	\$ 32,965	\$ 31,782
Unrestricted	64,869	85,755	119,594	91,147	90,125	86,368	72,203	68,996	74,873	58,491
<b>Total Business-Type Activities</b>	<b>\$ 109,376</b>	<b>\$ 117,560</b>	<b>\$ 126,865</b>	<b>\$ 103,438</b>	<b>\$ 107,436</b>	<b>\$ 108,699</b>	<b>\$ 99,554</b>	<b>\$ 101,367</b>	<b>\$ 107,838</b>	<b>\$ 90,273</b>
<b>Government-Wide:</b>										
Net Investment in Capital Assets	\$ 9,015,900	\$ 8,799,101	\$ 8,765,294	\$ 8,313,129	\$ 7,376,700	\$ 6,399,409	\$ 6,081,326	\$ 5,266,502	\$ 4,410,043	\$ 3,561,280
Restricted	4,013,485	3,834,204	3,478,095	3,716,891	3,455,685	3,666,374	3,103,881	1,964,263	1,122,415	1,457,899
Unrestricted	(3,692,014)	(3,361,897)	(2,882,697)	(2,810,536)	(169,164)	(206,772)	(202,011)	(190,098)	(275,917)	(297,995)
<b>Total Government-Wide Net Position</b>	<b>\$ 9,337,371</b>	<b>\$ 9,271,408</b>	<b>\$ 9,360,692</b>	<b>\$ 9,219,484</b>	<b>\$ 10,663,221</b>	<b>\$ 9,859,011</b>	<b>\$ 8,983,196</b>	<b>\$ 7,040,667</b>	<b>\$ 5,256,541</b>	<b>\$ 4,721,184</b>

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

	FISCAL YEAR ENDING JUNE 30									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 5,641,950	\$ 5,422,319	\$ 5,471,789	\$ 5,303,490	\$ 5,297,351	\$ 5,183,958	\$ 5,144,823	\$ 5,092,056	\$ 5,100,450	\$ 4,920,746
Special Education	946,170	891,712	839,769	774,977	687,144	573,746	611,867	533,494	548,382	525,053
Basic Skill/Remedial Instruction	392,723	389,862	390,573	246,716	222,126	386,526	323,731	240,767	370,020	326,229
Bilingual Education	-	-	-	-	-	-	-	-	-	-
Other Instruction	52,729	44,692	47,786	65,471	57,919	63,143	50,335	32,280	63,582	51,235
Support Services:										
Tuition	3,549,861	3,309,968	3,496,071	3,838,861	4,011,053	3,579,020	3,231,290	3,584,333	4,441,648	4,627,793
Student & Instruction Related Services	2,043,561	1,839,235	1,686,687	1,524,815	1,480,940	1,321,244	1,241,427	1,128,319	1,276,585	1,138,680
School Administrative Services	238,444	268,207	261,465	314,592	319,580	374,501	360,831	347,943	385,887	379,190
General & Business Administrative Services	668,669	627,322	628,382	575,297	575,252	533,675	530,397	520,965	518,127	511,764
Plant Operations & Maintenance	1,496,258	1,512,407	1,546,971	1,466,792	1,431,213	1,335,059	1,360,706	1,344,578	1,358,684	1,226,154
Pupil Transportation	1,121,657	1,115,518	1,040,754	1,024,612	918,076	910,312	972,839	871,551	1,250,299	1,267,775
Allocated Benefits	-	-	-	-	-	-	-	-	-	-
Unallocated Benefits	8,020,338	2,576,126	5,579,733	4,602,430	3,010,602	3,231,394	2,797,928	2,739,236	2,741,355	2,619,071
On-Behalf TPAF Pension and Social Security Contributions	-	1,759,928	-	-	-	-	-	-	-	-
Special Schools	23,837	45,388	65,858	85,896	108,861	158,690	209,311	259,683	30,829	39,734
Interest on Long-Term Debt	(147,241)	166,999	-	-	-	647,073	-	-	310,109	366,909
Revaluation of Fixed Assets	669,272	633,880	629,466	595,871	619,354	587,816	763,459	695,911	674,708	621,165
Unallocated Depreciation	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities Expenses	24,718,228	20,603,563	21,685,304	20,419,820	18,739,471	18,886,157	17,598,944	17,391,116	19,070,665	18,621,498
Business-Type Activities:										
Food Service	304,051	318,075	283,058	311,501	191,758	328,623	343,046	331,553	354,875	368,575
Total Business-Type Activities Expense	304,051	318,075	283,058	311,501	191,758	328,623	343,046	331,553	354,875	368,575
Total District Expenses	\$ 25,022,279	\$ 20,921,638	\$ 21,968,362	\$ 20,731,321	\$ 18,931,229	\$ 19,214,780	\$ 17,941,990	\$ 17,722,669	\$ 19,425,540	\$ 18,990,073

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

	FISCAL YEAR ENDING JUNE 30									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Program Revenues:</b>										
Operating Grants & Contributions	\$ 6,362,060	\$ 2,135,115	\$ 3,763,201	\$ 3,104,705	\$ 422,307	\$ 390,877	\$ 437,280	\$ 508,917	\$ 540,326	\$ 382,074
<b>Total Governmental Activities Program Revenues</b>	<b>6,362,060</b>	<b>2,135,115</b>	<b>3,763,201</b>	<b>3,104,705</b>	<b>422,307</b>	<b>390,877</b>	<b>437,280</b>	<b>508,917</b>	<b>540,326</b>	<b>382,074</b>
<b>Business-Type Activities:</b>										
Changes for Services:										
Food Service	182,515	192,778	202,096	191,758	185,429	213,016	224,536	240,049	256,954	249,595
Operating Grants & Contributions	113,352	115,992	104,389	115,745	120,374	124,752	100,546	102,391	96,379	88,572
<b>Total Business Type Activities Program Revenues</b>	<b>295,867</b>	<b>308,770</b>	<b>306,485</b>	<b>307,503</b>	<b>305,803</b>	<b>337,768</b>	<b>325,082</b>	<b>342,440</b>	<b>353,333</b>	<b>338,167</b>
<b>Total District Program Revenues</b>	<b>\$ 6,657,927</b>	<b>\$ 2,443,885</b>	<b>\$ 4,069,686</b>	<b>\$ 3,412,208</b>	<b>\$ 728,110</b>	<b>\$ 728,645</b>	<b>\$ 762,362</b>	<b>\$ 851,357</b>	<b>\$ 893,659</b>	<b>\$ 720,241</b>
<b>Net (Expense)/Revenue:</b>										
Governmental Activities	\$ (18,356,168)	\$ (18,468,448)	\$ (17,922,103)	\$ (17,315,115)	\$ (18,317,164)	\$ (18,495,280)	\$ (17,161,664)	\$ (16,882,199)	\$ (18,530,339)	\$ (18,239,424)
Business-Type Activities	(8,184)	(9,305)	23,427	(3,998)	(1,263)	9,145	(17,964)	10,887	(1,542)	(30,408)
<b>Total District-Wide Net Expense</b>	<b>\$ (18,364,352)</b>	<b>\$ (18,477,753)</b>	<b>\$ (17,898,676)</b>	<b>\$ (17,319,113)</b>	<b>\$ (18,318,427)</b>	<b>\$ (18,486,135)</b>	<b>\$ (17,179,628)</b>	<b>\$ (16,871,312)</b>	<b>\$ (18,531,881)</b>	<b>\$ (18,269,832)</b>

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

	FISCAL YEAR ENDING JUNE 30									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 12,408,202	\$ 12,164,903	\$ 11,679,639	\$ 11,563,999	\$ 11,337,254	\$ 11,114,955	\$ 10,953,584	\$ 11,023,468	\$ 11,224,583	\$ 11,176,687
Taxes Levied for Debt Service	390,666	408,417	412,388	416,411	880,086	917,936	952,328	980,678	922,326	963,417
Unrestricted Grants & Contributions	5,371,279	5,466,234	5,648,602	5,627,066	6,918,957	7,074,009	6,991,984	6,448,730	6,769,678	6,983,037
Restricted Grants	181,934	190,201	109,467	324,116	31,103	-	-	-	-	-
Tuition	40,257	117,489	179,302	191,492	231,505	187,404	192,567	214,851	124,076	66,803
Investment Earnings	18,166	10,145	7,804	7,141	401	235	-	-	-	21,801
Miscellaneous Income	19,811	31,080	15,349	23,781	22,876	67,411	15,543	5,069	37,468	842
Transfers	-	-	-	-	-	-	-	-	(30,000)	(48,701)
Net Increase in Capital Assets	-	-	(12,667)	(54,234)	-	-	-	-	-	-
Increase in Compensated Absences	-	-	-	-	-	-	-	-	-	-
<b>Total Governmental Activities</b>	<b>18,430,315</b>	<b>18,388,469</b>	<b>18,039,884</b>	<b>18,099,772</b>	<b>19,422,182</b>	<b>19,361,950</b>	<b>19,106,006</b>	<b>18,672,796</b>	<b>19,048,131</b>	<b>19,163,886</b>
Business-Type Activities:										
Investment Earnings	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	30,000	40,000
<b>Total Business-Type Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,000</b>	<b>40,000</b>
<b>Total District-Wide</b>	<b>\$ 18,430,315</b>	<b>\$ 18,388,469</b>	<b>\$ 18,039,884</b>	<b>\$ 18,099,772</b>	<b>\$ 19,422,182</b>	<b>\$ 19,361,950</b>	<b>\$ 19,106,006</b>	<b>\$ 18,672,796</b>	<b>\$ 19,078,131</b>	<b>\$ 19,203,886</b>
Change in Net Position:										
Governmental Activities	\$ 74,147	\$ (79,979)	\$ 117,781	\$ 784,657	\$ 1,105,018	\$ 866,670	\$ 1,944,342	\$ 1,790,597	\$ 517,792	\$ 924,462
Business-Type Activities	(8,184)	(9,305)	23,427	(3,998)	(1,263)	9,145	(17,964)	10,887	28,458	9,592
<b>Total District</b>	<b>\$ 65,963</b>	<b>\$ (89,284)</b>	<b>\$ 141,208</b>	<b>\$ 780,659</b>	<b>\$ 1,103,755</b>	<b>\$ 875,815</b>	<b>\$ 1,926,378</b>	<b>\$ 1,801,484</b>	<b>\$ 546,250</b>	<b>\$ 934,054</b>

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

	FISCAL YEAR ENDING JUNE 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>General Fund:</b>										
Reserved	\$ 4,013,484	\$ 3,556,327	\$ 3,229,476	\$ 3,316,185	\$ 3,504,100	\$ 3,737,743	\$ 3,198,504	\$ 1,692,832	\$ 1,233,275	\$ 1,096,301
Unreserved	(69,076)	(72,803)	(39,181)	(106,297)	1,821	(45,157)	(134,474)	262,970	(157,880)	331,461
<b>Total General Fund</b>	<b>\$ 3,944,408</b>	<b>\$ 3,483,524</b>	<b>\$ 3,190,295</b>	<b>\$ 3,209,888</b>	<b>\$ 3,505,921</b>	<b>\$ 3,692,586</b>	<b>\$ 3,064,030</b>	<b>\$ 1,955,802</b>	<b>\$ 1,075,395</b>	<b>\$ 1,427,762</b>
<b>All Other Governmental Funds:</b>										
Reserved	\$ 1	\$ 277,878	\$ 277,878	\$ 439,682	\$ 299,547	\$ 2	\$ -	\$ -	\$ -	\$ -
Committed	-	-	-	-	-	-	-	-	-	-
Unreserved, Reported in:										
Special Revenue Fund	(71,287)	(2,696)	(3,630)	(3,630)	(3,630)	(3,630)	(3,630)	(3,630)	(3,630)	1
Capital Projects Fund	-	-	-	-	-	-	-	-	-	-
Debt Service Fund	-	-	-	-	-	-	-	1,072	8,701	1
<b>Total All Other Governmental Funds</b>	<b>\$ (71,286)</b>	<b>\$ 275,182</b>	<b>\$ 274,248</b>	<b>\$ 436,052</b>	<b>\$ 295,917</b>	<b>\$ (3,628)</b>	<b>\$ (3,630)</b>	<b>\$ (2,558)</b>	<b>\$ 5,071</b>	<b>\$ 2</b>

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Revenues:</b>										
Tax Levy	\$ 12,798,868	\$ 12,573,320	\$ 12,092,027	\$ 11,980,410	\$ 12,217,340	\$ 12,032,891	\$ 12,004,146	\$ 12,146,909	\$ 12,140,104	\$ 11,727,700
Tuition Charges	40,257	117,489	179,302	191,492	231,505	187,404	214,851	124,076	66,803	95,991
Miscellaneous	37,977	41,225	35,372	49,237	38,277	73,646	5,069	37,468	27,734	83,790
State Sources	8,201,620	7,464,051	7,295,173	7,268,185	6,986,360	7,110,309	6,458,976	5,931,624	7,017,215	7,518,262
Federal Sources	333,719	327,499	330,232	327,556	371,007	348,577	498,671	1,378,380	342,805	333,470
<b>Total Revenue</b>	<b>21,412,441</b>	<b>20,523,584</b>	<b>19,932,106</b>	<b>19,816,880</b>	<b>19,844,489</b>	<b>19,752,827</b>	<b>19,181,713</b>	<b>19,618,457</b>	<b>19,594,661</b>	<b>19,759,213</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular Instruction	5,641,950	5,422,319	5,471,789	5,303,490	5,297,351	5,183,958	5,092,056	5,100,450	4,920,746	4,789,042
Special Education Instruction	946,170	891,712	839,769	774,977	687,144	573,746	533,494	548,382	525,053	504,639
Basic Skill/Remedial Instruction	392,723	389,862	390,573	246,716	222,126	386,526	240,767	370,020	326,229	247,916
Bilingual Education										5,810
Other Instruction	52,729	44,692	47,786	65,471	57,919	63,143	32,280	63,582	51,235	42,960
<b>Support Services:</b>										
Tuition	3,549,861	3,309,968	3,496,071	3,838,861	4,011,053	3,579,020	3,584,333	4,441,648	4,627,793	4,848,260
Student & Instruction Related Services	2,046,587	1,862,723	1,742,579	1,642,549	1,604,494	1,509,922	1,309,254	1,514,038	1,377,304	1,286,174
School Administrative Services	238,444	268,207	261,465	314,592	319,580	374,501	347,943	385,887	379,190	395,626
General & Business Administration										
Services	668,669	627,322	628,382	575,297	575,252	533,675	520,965	518,127	511,764	501,896
Plant Operations & Maintenance	1,496,258	1,512,407	1,546,971	1,466,792	1,431,213	1,335,059	1,341,378	1,333,638	1,226,154	1,228,585
Pupil Transportation	1,121,657	1,115,518	1,040,754	1,024,612	918,076	910,312	871,551	1,250,299	1,267,775	1,251,819
Allocated Benefits										
Unallocated Benefits	2,284,224	2,184,153	3,527,554	3,150,264	2,997,475	3,123,151	2,770,024	2,745,392	2,607,375	1,670,079
On Behalf TPAF Pension and Social Security Contributions	2,101,914	1,759,928	-	-	-	-	-	-	-	-
Special Schools										
Capital Outlay	183,102	241,664	514,563	958,820	398,762	309,181	216,153	407,016	447,307	38,065
Debt Service:										
Principal	540,000	545,000	530,000	515,000	1,160,000	1,165,000	1,160,000	1,150,000	1,150,000	1,145,000
Interest & Other Charges	33,737	54,755	74,438	95,337	130,678	181,204	282,180	336,280	389,775	439,483
<b>Total Expenditures</b>	<b>21,298,025</b>	<b>20,230,230</b>	<b>20,112,694</b>	<b>19,972,778</b>	<b>19,811,123</b>	<b>19,228,398</b>	<b>18,302,378</b>	<b>20,195,588</b>	<b>19,847,434</b>	<b>20,127,582</b>



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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Excess (Deficiency) of Revenues Over/(Under) Expenditures	114,416	293,554	(180,588)	(155,898)	33,366	524,429	879,335	(577,131)	(252,773)	(368,369)
Other Financing Sources/(Uses):										
Capital Leases	-	-	-	-	79,514	104,129	288,578	-	247,135	406,290
Transfers In	277,877	-	26,983	626,310	346,200	-	-	1,600	-	8,701
Transfers Out	(277,877)	-	(26,983)	(626,310)	(346,200)	-	-	(1,600)	(30,000)	(48,701)
Total Other Financing Sources/(Uses)	-	-	-	-	79,514	104,129	288,578	-	217,135	366,290
Net Change in Fund Balances	\$ 114,416	\$ 293,554	\$ (180,588)	\$ (155,898)	\$ 112,880	\$ 628,558	\$ 1,167,913	\$ (577,131)	\$ (35,638)	\$ (2,079)
Debt Service as a Percentage of Noncapital Expenditures	2.7%	3.0%	3.1%	3.2%	6.6%	7.1%	8.0%	7.5%	7.9%	8.0%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay

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

FISCAL YEAR ENDING JUNE 30,	TUITION	INTEREST ON INVESTMENTS	CONTRIBUTIONS FROM PRIVATE SOURCES	PRIOR YEAR'S REFUNDS	MISCELLANEOUS	TOTAL
2018	\$ 40,257	\$ 18,166	\$ -	\$ 8,439	\$ 2,372	\$ 69,234
2017	115,728	10,145	-	18,141	2,503	146,517
2016	179,302	7,804	-	9,451	18,117	214,674
2015	191,492	7,141	-	19,291	22,805	240,729
2014	231,505	401	-	-	37,876	269,782
2013	187,404	235	18,315	-	67,411	273,365
2012	192,567	-	-	-	15,543	208,110
2011	214,851	-	18,315	-	5,069	238,235
2010	124,076	10,172	18,315	3,889	23,407	179,859
2009	66,803	21,801	5,091	-	5,933	99,628

Source: District records

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

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	LESS: TAX EXEMPT PROPERTY	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
2018	\$22,908,900	\$ 450,445,500	\$7,520,200	\$2,204,700	\$ 115,192,800	\$ 786,005,790	\$ -	\$ 1,384,277,890	\$63,211,200	\$ -	\$ 1,384,277,890	0.941	\$ 1,294,201,468
2017	25,965,400	400,704,200	8,604,500	2,444,200	125,684,800	500,773,360	-	1,064,176,460	73,751,200	-	1,064,176,460	1.202	1,064,176,460
2016	19,925,100	399,501,400	8,452,700	2,406,800	119,935,500	502,114,060	-	1,052,335,560	77,345,800	-	1,052,335,560	1.194	1,140,372,302
2015	22,293,100	398,884,100	8,670,900	2,381,400	99,747,800	499,349,300	-	1,031,326,600	54,150,700	1,981,912	1,033,308,512	1.170	1,132,703,569
2014	25,939,500	398,969,100	7,496,200	2,411,800	101,380,300	507,829,381	-	1,044,026,281	54,256,900	1,893,488	1,045,919,769	1.145	1,154,257,912
2013	26,653,300	394,150,700	9,144,600	2,570,400	115,569,200	498,306,200	-	1,046,394,400	53,894,900	2,598,689	1,048,993,089	1.165	1,172,134,424
2012	17,647,900	227,011,800	4,700,000	2,829,700	64,805,410	295,799,517	-	612,794,327	20,734,600	1,507,222	614,301,549	1.959	1,135,014,497
2011	14,829,100	225,073,700	4,684,100	2,950,700	57,188,010	308,151,890	127,200	613,004,700	20,435,100	1,507,288	614,511,988	1.937	1,133,785,956
2010	14,383,900	222,037,200	5,116,100	3,089,400	57,892,600	314,055,690	127,200	616,702,090	20,519,500	1,607,525	618,309,615	1.941	1,184,274,305
2009	13,725,300	219,312,700	5,234,600	3,203,300	58,936,600	327,547,190	127,200	628,086,890	20,520,700	1,638,069	629,724,959	1.928	1,181,193,346

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

Reassessment occurs when ordered by the County Board of Taxation

- a. Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies
- b. Tax rates are per \$100

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

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES					TOTAL DIRECT & OVERLAPPING TAX RATE
	LOCAL SCHOOL	DEBT SERVICE	TOTAL DIRECT	LOGAN TOWNSHIP	GLOUCESTER COUNTY	COUNTY LIBRARY	OTHER		
2018	0.914	0.027	0.941	0.478	0.600	0.045	0.048	2.112	
2017	1.164	0.038	1.202	0.488	0.717	0.054	0.046	2.507	
2016	1.156	0.038	1.194	0.478	0.686	0.053	0.055	2.466	
2015	1.130	0.040	1.170	0.228	0.679	0.051	0.052	2.180	
2014	1.105	0.040	1.145	0.228	0.639	0.051	0.045	2.108	
2013	1.081	0.084	1.165	0.208	0.631	0.049	0.052	2.105	
2012	1.810	0.149	1.959	0.345	0.948	0.078	0.075	3.405	
2011	1.782	0.155	1.937	0.345	1.006	0.082	0.080	3.450	
2010	1.782	0.159	1.941	0.345	1.043	0.083	0.082	3.494	
2009	1.782	0.146	1.928	0.345	0.975	0.079	0.077	3.404	

Source: District Records and Municipal Tax Collector

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

TAXPAYER	2018		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
SVF Oldmans Creek Logan LLC	\$58,380,000	1	4.217%
MEPT 1150 Commerce	31,620,000	2	2.284%
TR Birch Creek LLC	26,190,000	3	1.892%
Cabot Industrial Core Fund Operating	22,560,000	4	1.630%
Tech Data Corp	19,660,000	5	1.420%
Liberty Property LTD Partnership	19,558,400	6	1.413%
Liberty Venture I LP	18,949,800	7	1.369%
Prologis NA3 NC IV LLC	17,840,000	8	1.289%
Duke Realty LP	17,530,100	9	1.266%
DP Partners Logan VIII E LLC	16,861,500	10	1.218%
Total	<u>\$249,149,800</u>		<u>17.998%</u>

TAXPAYER	2009		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Liberty Ventures I, LLP	\$77,345,000	1	12.481%
Mid-Atlantic Ind. LLC	27,891,700	2	4.501%
Pureland VI Limited Partnership	14,832,900	3	2.394%
US Industrial REIT II	13,475,000	4	2.174%
Sun East Equity Funding	12,289,100	5	1.983%
Baker-Properties, LP	12,065,700	6	1.947%
Wachovia Development Corp	10,000,000	7	1.614%
Liberty Property LTD Partnership	8,036,400	8	1.297%
Allen Commercial Realty	7,502,800	9	1.211%
Cardinal Health 200, Inc	7,162,100	10	1.156%
Total	<u>\$190,600,700</u>		<u>30.758%</u>

Source: Municipal Tax Assessor

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

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2018	\$ 12,798,868	\$ 12,798,868	100.00%	-
2017	12,573,320	12,573,320	100.00%	-
2016	12,092,027	12,092,027	100.00%	-
2015	11,980,410	11,980,410	100.00%	-
2014	12,217,340	12,217,340	100.00%	-
2013	12,032,891	12,032,891	100.00%	-
2012	11,905,912	11,905,912	100.00%	-
2011	12,004,146	12,004,146	100.00%	-
2010	12,146,909	12,146,909	100.00%	-
2009	12,140,104	12,140,104	100.00%	-
2008	11,727,700	11,727,700	100.00%	-

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

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

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES			TOTAL DISTRICT	PER CAPITA
	GENERAL OBLIGATION BONDS	CERTIFICATES OF PARTICIPATION	CAPITAL LEASES		
2018	\$ 545,000	\$ -	\$ -	\$ 545,000	N/A
2017	1,085,000	-	3,026	1,088,026	183
2016	1,630,000	-	26,514	1,656,514	278
2015	2,160,000	-	82,406	2,242,406	376
2014	2,675,000	-	200,140	2,875,140	478
2013	5,000,000	-	235,050	5,235,050	676
2012	5,000,000	-	319,599	5,319,599	878
2011	6,165,000	-	301,735	6,466,735	1,070
2010	7,325,000	-	482,670	8,947,988	1,133
2009	8,475,000	-	472,988	9,930,322	1,433

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

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

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING			PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING		
2018	\$ 545,000	\$ -	\$ 545,000	0.04%	92
2017	1,085,000	-	1,085,000	0.10%	182
2016	1,630,000	-	1,630,000	0.15%	272
2015	2,160,000	-	2,160,000	0.21%	359
2014	2,675,000	-	2,675,000	0.26%	445
2013	5,000,000	-	5,000,000	0.48%	831
2012	6,165,000	-	6,165,000	1.00%	1,017
2011	7,325,000	-	7,325,000	1.18%	1,212
2010	8,475,000	-	8,475,000	1.35%	1,403
2009	9,625,000	-	9,625,000	1.56%	1,541

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

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Township of Logan	\$ 4,800,390	100.00%	\$ 4,800,390
County of Gloucester General Obligation Debt	225,453,500	4.90%	<u>11,047,222</u>
Subtotal, Overlapping Debt			15,847,612
Logan Township School District Direct Debt			<u>545,000</u>
Total Direct & Overlapping Debt			<u><u>\$ 16,392,612</u></u>

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



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

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Debt Limit	\$ 35,217,762	\$ 34,713,892	\$ 34,601,417	\$ 34,905,264	\$ 35,063,710	\$ 35,488,312	\$ 34,501,243	\$ 32,190,631	\$ 28,195,875	\$ 24,322,278
Total Net Debt Applicable to Limit	545,000	2,160,000	2,675,000	3,835,000	5,000,000	6,165,000	7,325,000	8,475,000	9,625,000	10,770,000
Legal Debt Margin	\$ 34,672,762	\$ 32,553,892	\$ 31,926,417	\$ 31,070,264	\$ 30,063,710	\$ 29,323,312	\$ 27,176,243	\$ 23,715,631	\$ 18,570,875	\$ 13,552,278
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	1.55%	6.22%	7.73%	10.99%	14.26%	17.37%	21.23%	26.33%	34.14%	44.28%

**Legal Debt Margin Calculation for Fiscal Year 2017**

	Equalized Valuation Basis
	2017 \$ 1,215,090,728
	2016 1,189,079,729
	2015 1,117,605,765
	<u>\$ 3,521,776,222</u>
Average Equalized Valuation of Taxable Property	<u>\$ 1,173,925,407</u>
Debt Limit (3 % of Average Equalization Value) Net Bonded School Debt	<u>35,217,762</u> <u>545,000</u>
Legal Debt Margin	<u>\$ 34,672,762</u>

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

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

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

YEAR	POPULATION	PER CAPITA PERSONAL INCOME	UNEMPLOYMENT RATE
2018	N/A	N/A	N/A
2017	5,944	N/A	4.2%
2016	5,957	50,006	3.8%
2015	5,983	48,984	4.8%
2014	5,996	46,650	5.4%
2013	6,006	45,539	8.6%
2012	6,012	44,543	4.3%
2011	6,032	43,487	4.2%
2010	6,049	42,008	4.3%
2009	6,050	41,561	4.1%

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

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

	2018		
	(1) EMPLOYEES	RANK	PERCENTAGE OF TOTAL EMPLOYMENT
Inspira Health	1,825	1	
Kennedy Health Alliance	1,675	2	
Washington Township School District	1,586	3	
Rowan University	1,483	4	
County of Gloucester	1,368	5	
Missa Bay, LLC	950	6	
Monroe Township School District	814	7	
U.S. Foodservices	725	8	
ExxonMobil Research and Engineering	540	9	
LaBrea Bakery	525	10	
	11,491		N/A
		2009	
		N/A	

This exhibit reflects principal employers for Gloucester County.

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

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

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

Function/Program	2017	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Instruction:											
Regular	67	66	63	64	63	63	63	69	73	71	75
Special Education	15	15	14	13	12	9	10	9	9	9	7
Other Special Education	7	7	7	4	4	5	5	4	3	3	3
Support Services:											
Student & Instruction Related Services	30	29	26	27	26	29	25	23	20	20	20
General & Business Administrative Services	2	2	2	2	2	2	2	2	2	2	2
School Administrative Services	4	4	4	4	3	3	3	5	6	6	5
Central Services	3	3	3	2	2	2	2	3	3	3	4
Administrative Information Technology	1	1	1	1	1	1	1	1	3	3	2
Plant Operations & Maintenance	6	6	6	5	5	5	5	5	6	6	3
Pupil Transportation	1	1	1	1	1	1	1	1	1	1	1
Food Service	-	-	-	-	-	-	1	2	2	2	4
Total	136	134	127	123	119	120	118	124	128	126	126

Source: School District Records.

**LOGAN TOWNSHIP SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS**

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO	AVERAGE DAILY ENROLLMENT (ADA) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2018	835	\$ 20,541,186	24,600	12.68%	85	9.8:1	831.9	800.2	-2.06%	96.19%
2017	843	19,388,811	23,000	5.35%	84	10.2:1	841.3	811.3	1.01%	96.43%
2016	850	18,403,621	21,831	4.08%	83	10.2:1	849.4	817.6	1.25%	96.26%
2015	843	18,403,621	21,831	4.08%	79	10.7:1	832.9	800.9	-0.63%	96.16%
2014	839	18,121,683	21,599	2.97%	80	10.5:2	838.9	805.6	0.08%	96.03%
2013	838	17,577,304	20,975	9.16%	80	9.6:1	838.2	799.3	-4.64%	95.36%
2012	879	16,890,270	19,215	0.90%	81	10.8:1	879.0	846.1	0.56%	96.26%
2011	874	16,644,045	19,044	-4.04%	83	10.5:1	874.1	840.5	-3.23%	96.16%
2010	903	18,301,292	19,845	0.00%	85	10.6:1	903.3	865.5	3.14%	96.00%
2009	900	17,860,352	19,845	-4.17%	82	11.0:1	899.7	863.7	2.73%	96.00%

Sources: District records

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

DISTRICT BUILDINGS	2017	2017	2016	2015	2014	2013	2012	2011	2010	2009
Elementary Schools:										
Logan Township (1991):										
Square Feet	131,068	131,068	131,068	131,068	131,068	131,068	131,068	131,068	131,068	131,068
Capacity (Students)	877	877	877	877	877	877	877	877	877	877
Enrollment	606	617	613	615	605	610	657	650	651	672
Center Square (2001):										
Square Feet	39,135	39,135	39,135	39,135	39,135	39,135	39,135	39,135	39,135	39,135
Capacity (Students)	266	266	266	266	266	266	266	266	266	266
Enrollment (a)	229	226	237	228	234	228	222	224	252	227

Number of Buildings at June 30, 2017:

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

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

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

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

	LOGAN TOWNSHIP ELEMENTARY	CENTER SQUARE ELEMENTARY	TOTAL
2018	\$ 150,369	\$ 58,442	\$ 208,811
2017	152,748	53,466	195,256
2016	159,622	35,634	168,352
2015	133,803	34,549	168,110
2014	116,326	51,784	169,188
2013	115,606	53,582	142,365
2012	98,680	43,685	115,688
2011	95,490	31,141	115,688
2010	87,605	28,083	124,208
2009	24,564	99,644	109,231

Total School Facilities

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

Source: District records

**LOGAN TOWNSHIP BOARD OF EDUCATION  
INSURANCE SCHEDULE  
JUNE 30, 2018**

	COVERAGE	DEDUCTIBLE
<b>School Package Policy:</b>		
Property		
Blanket Building & Contents	\$ 45,515,460	\$ 1,000
Pollution	1,000,000	-
Blanket Dishonesty-Crime Coverage		
Per Person	100,000	-
Per Loss	400,000	1,000
General Liability	5,000,000	-
Automobile	5,000,000	-
Automobile Comprehensive & Collision Coverage	-	1,000
School Board Legal Liability	5,000,000	5,000
Workers Compensation Including Supplemental Excess Liability-Auto, General Liability,	5,000,000	-
Workers Compensation & School Board Legal	15,000,000	-
Student Accident		
Maximum Benefit Per Injury	1,000,000	-
Surety Bonds:		
Business Administrator	250,000	-

Source: District records



**SINGLE AUDIT SECTION**

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EXHIBIT K-1

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Logan Township School District, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Logan February 21, 2019.

**Internal Control Over Financial Reporting**

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

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

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Medford, New Jersey  
February 21, 2019

EXHIBIT K-2

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

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

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

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

**Management’s Responsibility**

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

**Auditor’s Responsibility**

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

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

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

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

### **Report on Internal Control Over Compliance**

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

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

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

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

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

Medford, New Jersey  
February 21, 2019

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

FEDERAL GRANTOR PASS-THROUGH GRANTOR GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	PASS THROUGH ENTITY IDENTIFYING NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2017	CASH RECEIVED	BUDGETARY EXPENDITURES	REPAYMENT OF PRIOR YEARS' BALANCES	SUBRECEIPT EXPENDITURES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2018	UNEARNED REVENUE AT JUNE 30, 2018	DUE TO GRANTOR JUNE 30, 2018
<b>U.S. DEPARTMENT OF AGRICULTURE, PASSED-THROUGH</b>													
<b>STATE DEPARTMENT OF EDUCATION:</b>													
<b>Enterprise Fund:</b>													
<b>Child Nutrition Cluster</b>													
Noncash Assistance	10.555	171NJ304N1099	Unavailable	22,200	7/1/17-6/30/18	\$ -	\$ 22,200	\$ (22,200)	\$ -	\$ -	\$ -	\$ -	\$ -
Cash Assistance													
National School Lunch Program	10.555	16161NJ304N1099	100-010-3350-026	68,874	7/1/17-6/30/18	-	64,811	(68,874)	-	-	(4,063)	-	-
National School Lunch Program	10.555	171NJ304N1099	100-010-3350-026	71,706	7/1/16-6/30/17	(6,542)	6,542	-	-	-	-	-	-
Healthy Hunger-Free Kids Act	10.555	16161NJ304N1099	100-010-3350-026	3,810	7/1/17-6/30/18	-	3,581	(3,809)	-	-	(228)	-	-
Healthy Hunger-Free Kids Act	10.555	171NJ304N1099	100-010-3350-026	3,918	7/1/16-6/30/17	(352)	352	-	-	-	-	-	-
National School Breakfast Program	10.555	16161NJ304N1099	100-010-3350-028	15,069	7/1/17-6/30/18	-	14,247	(15,069)	-	-	(822)	-	-
National School Breakfast Program	10.555	171NJ304N1099	100-010-3350-028	13,224	7/1/16-6/30/17	(1,157)	1,157	-	-	-	-	-	-
Total Child Nutrition Cluster						(8,051)	112,890	(109,952)	-	-	(5,113)	-	-
Total Enterprise Fund						(8,051)	112,890	(109,952)	-	-	(5,113)	-	-

**U.S. DEPARTMENT OF EDUCATION PASSED-THROUGH**

**STATE DEPARTMENT OF EDUCATION:**

**Special Revenue Fund:**

**N.C.L.B.**

Title I	84.010	S010A160030	100-034-5064-194	89,847	7/1/16-6/30/17	(23,370)	23,370	-	-	-	-	-	-
Title I	84.010	S010A170030	100-034-5064-194	98,422	7/1/17-6/30/18	-	50,424	(98,422)	-	-	(47,998)	-	-
Subtotal						(23,370)	73,794	(98,422)	-	-	(47,998)	-	-
Title II - Part A	84.367	S367A170029	100-034-5063-290	17,752	7/1/17-6/30/18	-	7,840	(17,752)	-	-	(9,912)	-	-
Subtotal						-	7,840	(17,752)	-	-	(9,912)	-	-
Title III	84.365	S365A160030		965	7/1/16-6/30/17	(780)	780	-	-	-	-	-	-
Title III	84.365	S365A170030		435	7/1/17-6/30/18	-	212	(156)	-	-	-	56	-
Subtotal						(780)	992	(156)	-	-	-	56	-

**Special Education Cluster:**

I.D.E.A. - Basic	84.027	H027A160100	100-034-5065-016	211,314	7/1/16-6/30/17	(33,193)	33,193	-	-	-	-	-	-
I.D.E.A. - Basic	84.027	H027A170100	100-034-5065-016	209,121	7/1/17-6/30/18	(33,193)	164,241	(209,121)	-	-	(78,073)	-	-
Subtotal						(66,386)	197,434	(418,242)	-	-	(156,146)	-	-
I.D.E.A. - Preschool	84.173	H173A160114	100-034-5065-020	8,315	7/1/16-6/30/17	(600)	600	-	-	-	-	-	-
I.D.E.A. - Preschool	84.173	H173A170114	100-034-5065-020	8,268	7/1/17-6/30/18	(600)	7,680	(8,268)	-	-	(588)	-	-
Subtotal						(1,200)	13,280	(16,536)	-	-	(1,176)	-	-
Total Special Education Cluster						(33,793)	172,521	(217,389)	-	-	(78,661)	-	-
Total Special Revenue Fund						(57,943)	255,147	(333,719)	-	-	(136,571)	56	-
Total Federal Financial Assistance						\$ (65,994)	\$ 368,037	\$ (443,671)	\$ -	\$ -	\$ (141,684)	\$ 56	\$ -

LOGAN TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

STATE GRANTOR/PROGRAM TITLE	GRANT OR PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT		CASH RECEIVED	BUDGETARY EXPENDITURES	SUBRECIPIENT EXPENDITURES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2018	UNEARNED REVENUE AT JUNE 30, 2018	DUE TO GRANTOR JUNE 30, 2018	MEMO		
				JUNE 30, 2017	JUNE 30, 2018							BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES	
<b>State Department of Education</b>														
General Fund:														
State Aid Public:														
Equalization Aid	495-034-5120-078	\$ 3,990,950	7/1/17-6/30/18	\$ -	\$ 3,990,950	\$ (3,990,950)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 377,357	\$ 3,990,950	
Special Education Categorical Aid	495-034-5120-089	633,953	7/1/17-6/30/18	-	633,953	(633,953)	-	-	-	-	-	59,942	633,953	
Security Aid	495-034-5120-084	101,621	7/1/17-6/30/18	-	101,621	(101,621)	-	-	-	-	-	9,609	101,621	
Adjustment Aid	495-034-5120-085	154,459	7/1/17-6/30/18	-	154,459	(154,459)	-	-	-	-	-	14,605	154,459	
School Choice Aid	495-034-5120-068	10,622	7/1/17-6/30/18	-	10,622	(10,622)	-	-	-	-	-	1,004	10,622	
PARCC Readiness Aid	495-034-5120-098	10,620	7/1/17-6/30/18	-	10,620	(10,620)	-	-	-	-	-	1,004	10,620	
Per Pupil Growth Aid	495-034-5120-097	10,620	7/1/17-6/30/18	-	10,620	(10,620)	-	-	-	-	-	1,004	10,620	
Professional Learning Community Aid	495-034-5120-101	10,690	7/1/17-6/30/18	-	10,690	(10,690)	-	-	-	-	-	1,011	10,690	
Total State Aid Public														
Transportation Aid	495-034-5120-014	384,544	7/1/17-6/30/18	-	384,544	(384,544)	-	-	-	-	-	36,360	384,544	
Extraordinary Aid	495-034-5120-044	51,065	7/1/17-6/30/18	-	-	(51,065)	-	-	-	-	-	-	51,065	
Extraordinary Aid	495-034-5120-044	48,995	7/1/16-6/30/17	(48,995)	48,995	-	-	-	-	-	-	-	-	
Additional Non Public Transportation Aid	495-034-5120-014	11,890	7/1/17-6/30/18	-	-	(11,890)	-	-	-	-	-	-	11,890	
Additional Non Public Transportation Aid	495-034-5120-014	5,742	7/1/16-6/30/17	(5,742)	5,742	-	-	-	-	-	-	-	-	
Lead Testing for Schools Aid	495-034-5120-104	1,915	7/1/16-6/30/17	(1,915)	1,915	-	-	-	-	-	-	-	-	
On-Behalf TPAF Social Security Reimbursement	495-034-5094-003	491,028	7/1/17-6/30/18	-	488,663	(491,028)	-	-	-	-	-	-	491,028	
On-Behalf TPAF Social Security Reimbursement	495-034-5094-003	494,515	7/1/16-6/30/17	(24,364)	24,364	-	-	-	-	-	-	-	-	
TPAF Pension Contribution (Noncash Assistance)	495-034-5094-002	977,786	7/1/16-6/30/17	-	977,786	(977,786)	-	-	-	-	-	-	977,786	
TPAF Post-Retirement Medical (Noncash Assistance)	495-034-5094-001	631,531	7/1/16-6/30/17	-	631,531	(631,531)	-	-	-	-	-	-	631,531	
TPAF Long-Term Disability Insurance (Noncash Assistance)	495-034-5094-004	1,569	7/1/16-6/30/17	-	1,569	(1,569)	-	-	-	-	-	-	1,569	
Total General Fund														
		(81,016)		7,488,644	(7,472,948)	-	-	(65,320)	-	-	-	501,896	7,472,948	
<b>Special Revenue Fund:</b>														
Preschool Education Aid	495-034-5120-086	645,216	7/1/17-6/30/18	-	534,797	(606,084)	-	-	-	-	-	-	606,084	
Preschool Education Aid	495-034-5120-086	36,300	7/1/16-6/30/17	(2,696)	2,696	-	-	-	-	-	-	-	-	
Total Special Revenue Fund														
		(2,821)		537,493	(606,084)	-	-	(71,287)	-	-	-	-	606,084	
<b>Capital Projects Fund:</b>														
SDA Grant - Cooling Tower Replacement	G5-5145	230,800	7/1/13-6/30/16	(152,551)	152,551	-	-	-	-	-	-	-	-	
SDA Grant - Boiler Replacement	G5-5146	183,892	7/1/14-6/30/16	(136,830)	136,830	-	-	-	-	-	-	-	-	
SDA Grant - HVAC in Gym	G5-5143	185,600	7/1/14-6/30/16	(127,362)	127,362	-	-	-	-	-	-	-	-	
SDA Grant - Exterior Doors	G5-5144	48,048	7/1/14-6/30/16	(47,943)	47,943	-	-	-	-	-	-	-	-	
Total Capital Projects Fund														
		(464,686)		464,686	-	-	-	-	-	-	-	-	-	
<b>Debt Service Fund:</b>														
Debt Service Aid Type II	495-034-5120-075	181,934	7/1/16-6/30/17	-	181,934	(181,934)	-	-	-	-	-	-	181,934	
Total Debt Service Fund														
		-		181,934	(181,934)	-	-	-	-	-	-	-	181,934	
<b>Enterprise Fund:</b>														
National School Lunch Program	100-010-3360-067	3,262	7/1/17-6/30/18	-	3,066	(3,262)	-	-	(196)	-	-	-	3,262	
National School Lunch Program	100-010-3360-067	2,893	7/1/16-6/30/17	(261)	261	-	-	-	-	-	-	-	-	
Total Enterprise Fund														
		(261)		3,327	(3,262)	-	-	(196)	-	-	-	-	3,262	
Total State Financial Assistance														
		\$ (548,784)		\$ 8,676,084	\$ (8,264,228)	\$ -	\$ -	\$ (136,803)	\$ -	\$ -	\$ -	\$ 501,896	\$ 8,264,228	
Less: Grants Not Subject to Type A/B Threshold Calculation														
On-Behalf TPAF Pension Contributions	495-034-5094-002	977,786	7/1/17-6/30/18	-	977,786	-	-	-	-	-	-	-	-	
On-Behalf TPAF Post-Retirement Medical	495-034-5094-001	631,531	7/1/17-6/30/18	-	631,531	-	-	-	-	-	-	-	-	
On-Behalf Long-Term Disability Insurance	495-034-5094-004	1,569	7/1/17-6/30/18	-	1,569	-	-	-	-	-	-	-	-	
Total State Financial Assistance subject to Major Program Determinator														
					\$ (6,653,342)									

**LOGAN TOWNSHIP SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Note 1. Basis of Presentation**

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

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

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

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

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2017. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2017.

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

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

**LOGAN TOWNSHIP SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Note 3. Relationship to Basic Financial Statements (continued)**

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$9,245 for the general fund and \$(68,591) for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 7,482,193	\$ 7,482,193
Special Revenue Fund	333,719	537,493	871,212
Debt Service Fund	-	181,934	181,934
Food Service Fund	109,952	3,262	113,214
	<hr/>	<hr/>	<hr/>
Total Awards & Financial Assistance	<u>\$ 443,671</u>	<u>\$ 8,204,882</u>	<u>\$ 8,648,553</u>

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

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

**Note 5. State Loans Outstanding**

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

**LOGAN TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

**Financial Statements**

Type of auditor's report issued Unmodified

Internal control over financial reporting:

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

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

Noncompliance material to financial statements noted?        yes   x   no

**Federal Awards**

**SECTION IS N/A - NOT REQUIRED**

Internal control over major programs:

1) Material weakness(es) identified?        yes        no

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

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

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

Identification of major programs:

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

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

Auditee qualified as low-risk auditee?        yes        no

**LOGAN TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

**State Financial Assistance**

Dollar threshold used to determine Type A programs Unmodified

Auditee qualified as low-risk auditee?  x  yes   no

Internal control over major programs:

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

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

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

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

Identification of major programs:

**State Grant/Project Number(s)**

**Name of State Program**

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
<u>495-034-5120-078</u>	<u>State Aid Public:</u>
<u>495-034-5120-089</u>	<u>Equalization Aid</u>
<u>495-034-5120-084</u>	<u>Special Education Categorical Aid</u>
<u>495-034-5120-085</u>	<u>Security Aid</u>
<u>495-034-5120-098</u>	<u>Adjustment Aid</u>
<u>495-034-5120-097</u>	<u>PARCC Readiness Aid</u>
<u>495-034-5120-101</u>	<u>Per Pupil Growth Aid</u>
<u>495-034-5120-068</u>	<u>Professional Learning Community Aid</u>
	<u>School Choice Aid</u>

**LOGAN TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Section II – Financial Statement Findings**

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

None.

**LOGAN TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS & QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

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

**FEDERAL AWARDS**

N/A – Federal single audit not required

**STATE FINANCIAL ASSISTANCE**

None



**LOGAN TOWNSHIP SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

Financial Statement Findings

No Prior Year Findings.

Federal Awards

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

State Financial Assistance

No Prior Year Findings.