

# **Comprehensive Annual Financial Report**

**of the**

**Matawan-Aberdeen Regional School District**

**County of Monmouth**

**Aberdeen, New Jersey**

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

**Prepared by**

**Matawan-Aberdeen Regional, Board of Education  
Finance Department**



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**INTRODUCTORY SECTION**

**Matawan-Aberdeen Regional School District**  
OFFICE OF THE BUSINESS ADMINISTRATOR/BOARD SECRETARY

One Crest Way, Aberdeen, New Jersey 07747

Joseph G. Majka, J.D.  
Superintendent of Schools

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Alex Ferreira  
School Business Administrator/  
Board Secretary

February 4, 2019

Honorable President and  
Members of the Board of Education  
Matawan-Aberdeen Regional School District  
Aberdeen, New Jersey 07747

Dear Board Members/Citizens:

The Comprehensive Annual Financial Report of the Matawan-Aberdeen Regional School District for the fiscal year ended June 30, 2018 is hereby submitted. This CAFR includes the District's Basic Financial Statement prepared in accordance with Governmental Accounting Standards Board Statement 34. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Matawan-Aberdeen Regional School District Board of Education. To the best of our knowledge and belief, the data presented in the auditor's report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Federal Uniform Guidance and New Jersey OMB's Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, is included in the single audit section of this report.

#### 1. REPORTING ENTITY AND ITS SERVICES

Matawan-Aberdeen Regional School District is an independent reporting entity within the criteria adopted by G.A.S.B. (Governmental Accounting Standards Board) established by Statement No. 14. All funds of the District are included in this report. The Matawan-Aberdeen Regional School Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels pre-K through 12. These include regular, vocational and special needs students in and out of District. The District provides a variety of after school activities which include band, chorus, and computer club, interscholastic and extra-curricular activities. The District provides transportation for children required by law and also provides subscription busing, which allows the District to charge parents for empty seats on a route.

The District completed the 2017-2018 fiscal year with an enrollment of 3,720 students. The following details the changes in the student enrollment of the District over a five year period.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2017-2018	3,720	0.002%
2016-2017	3,712	(1.47%)
2015-2016	3,767.5	(1.48%)
2014-2015	3,824	1.08%
2013-2014	3,783	(1.52%)

## 2. ECONOMIC CONDITION AND OUTLOOK:

The Township of Aberdeen and the Borough of Matawan are located in the center of New Jersey, in the northern part of Monmouth County and are halfway between New York and Philadelphia. Within a forty-five minute drive to the north and east is the Manhattan Borough in New York City. Taking a westerly route, the semi-rural areas of New Jersey are a similar drive away. These municipalities are located near one of New Jersey’s largest commercial/industrial areas as well as close proximity to plane, highway, and public transportation access.

These municipalities are almost completely developed and are primarily residential communities. The Garden State Parkway, which passes through the District, provides access to all parts of the State because of its connections with the New Jersey Turnpike, which is in close proximity. A station operated by the New Jersey Transit located in the Borough of Matawan provides commercial and mass transit rail service.

There is an active degree of participation by parents and community members with the school system including making the facilities available for the recreation programs, Boys Scouts and Girls Scouts.

## 3. MAJOR INITIATIVES

The district engaged in and expanded upon several major initiatives to improve student achievement during the 2017-2018 school year, in the following areas:

Curriculum, programs, and student support:

- Updated all curriculum guides to align with the NJ Student Learning Standards
- Implementation of Husky Early College Academy at MRHS
- Adoption of Literacy By Design - Gr. 2-5
- Adoption of Wilson Foundations - Gr. K-1
- Partnership with NYU Metro Center to provide professional development and technical support focused on enhancing Equity and addressing Disproportionality across the district
- Continued to provide professional development training and embedded coaching to support focused on Reader’s and Writer’s Workshop, STEM, and Standards-based instruction
- Increased non-fiction classroom libraries as part of the Guided Reading Program
- Integration of Coding/Computer Science - K-12
- Implementation of a new Leadership Academy at MRHS
- Implementation of new Digital Video and Film Production class at MRHS
- Implementation of a new Digital Media Production Class at MRHS
- Implementation of a new STEAM Elective course at MAMS
- Implementation of new Robotics Course - Project Lead the Way - MAMS

- Expanded Spanish Course Offerings
- Implementation of new Studio and Broadcasting Course
- Planned and developed a new Race, Class and Gender Course at MRHS

Assessments for targeting instruction:

- Adopted a new district wide Assessment and Data Management System - Linkit
- Developed new universal assessments for K-12 using Linkit Form A and Form B Benchmarks
- Updated and Aligned HS Quarterly Measurements (QMs) to NJSLs
- Developed new online Assessments in conjunction with Literacy By Design

Community partnerships and communication:

- Enhanced Parent University offerings to include Mental Health and Wellness, Young Children and Stress, Suicide Awareness, Raising Resilient Teens
- Partnered with NYU Metro Center for PD and a districtwide needs assessment focused on Equity and Disproportionality
- Continued partnerships with Monmouth U, MC3 to support teachers and admin
- Expanded partnership with YMCA to provide counseling services
- Partnership with Brookdale to open K.E.Y.S. Academy recovery high school

Special education initiatives:

- Adopted Frontline IEP Direct as the new platform for IEPs and 504 Plans
- Expanded Mental Health and Wellness programs for students, staff and parents
- Continued implementation of REACH Program for 18-21 Year Olds
- Continued implementation of Effective School Solutions (ESS) for counseling services
- Continue to return students to district programs within Least Restrictive Environments; savings re-invested in Special Services programs, materials, supplies and personnel
- Continued partnership with the Bay Area YMCA Partnership to provide our special needs students with meaningful, enriching opportunities during the school day and on weekends and holidays. The membership includes entry and participation for those aids and/or parents.
- Targeted reduction of pull-out resource in favor of in-class resource with appropriate support and co-teacher training
- Expanded Structured Learning Experience program to provide more work sites and more varied experiences for students eligible for the SLE program

## Expanded In-District Professional Development Academy Program:

- Standards Based Instruction Strategies 6-12
  - Language Arts
  - Mathematics
  - Social Studies
- World Language - TPRS Methodology - K-12
- Co-Teaching Best Practices - K-12
- Lindamood Bell - Visualizing and Verbalizing - K-5
- Literacy by Design (LBD) PD & Coaching Support - Gr. 2-5
- Wilson Foundations -K-1
- K-12 Continued PD - Sheltered English Instruction (SIOP)
- Lindamood Bell - Visualizing and Verbalizing - K-5
- Orton Gillingham - K-5
- Multi-Tiered Interventions -K-5
- Wilson Reading -K-12
- Sheltered English Instruction (SIOP) - K-12
- HighScope Curriculum + Foundations - PreK
- Everyday Math - K-12
- Handle with Care - K-12
- Intervention & Referral Services (I&RS) - K-12
- Lifelines Suicide Awareness Training - 6-12
- PARCC Training - 2-12

## Test Scores:

- PARCC Reading and Math scores were analyzed to determine specific areas of strength and weakness, including performance by demographic subgroup.
- The district piloted the utilization of Linkit online Benchmark Assessments in select grade levels K-12
- The district implemented Star Renaissance Online Benchmark Assessments for Reading and Math to progress monitor students in grades 1-8. Assessments were implemented three times per year (fall, winter, spring). Following each administration, the data was analyzed by teachers and administrators to identify at-risk students and provide targeted interventions. Quarterly data meetings were held with building principals for the purpose of data analysis.
- The district places student achievement as its number one goal. We are continuing to expand targeted professional development opportunities for all staff designed to improve learning.

## Financial Highlights

During the 2017-2018 fiscal year the district deposited \$750,000.00 into the Capital Reserve Fund for a total amount of \$2,38,363.41. The district also deposited \$800,000.00 into the Maintenance Reserve Fund for a total amount of \$3,063,123.65. There was an Emergency Reserve Fund balance of \$385,809.57.

The District continues to engage in shared service opportunities with other local governments. With the Borough of Matawan and the Township of Aberdeen the District has shared services arrangements for landscaping, fuel, and busing for summer recreation programs. The District also has a shared services arrangement with the Hazlet and Keyport Boards of Education for refuse/recycling pick-ups. The District engages in several purchasing cooperatives throughout the state for the purchase of school supplies and services. Finally, the District has an inter-local agreement with the Township of Aberdeen for its School Resource Officer.

#### 4. INTERNAL ACCOUNTING CONTROLS:

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

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

As part of the District 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 program, as well as to determine that the District has complied with applicable laws and regulations.

#### 5. BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the 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 are included as a reappropriation of fund balances in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2018.

Budgetary controls are part of a school district's complete internal control structure. As noted in item 4, problems noted at the time the Business Administrator was hired have been fully addressed to the satisfaction of the district's independent auditor.

## 6. ACCOUNTING SYSTEM AND REPORTS:

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

An effective and efficient system of internal controls is essential to accurate, timely reporting of all relevant transactions on an accounting system and the resultant administrative and external reports generated from that system.

## 7. CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 1. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey where the funds are secured in accordance with the Act.

The District utilizes Bank of America as its main depository for district funds. The District also deposits in the State of New Jersey Cash Management Account.

## 8. RISK MANAGEMENT:

The District maintains a comprehensive insurance program, including but not limited to blanket building and contents property insurance, general liability, automobile liability and comprehensive/collision, umbrella liability and worker's compensation. Annual reviews of the entire program are done in order to evaluate potential insurance changes. A schedule of insurance coverage is found in Schedule J-20.

## 9. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board of Education selected the accounting firm of Suplee, Clooney & Company. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act and the Federal Uniform Guidance and New Jersey OMB's Circular 15-08. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of the report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

10. ACKNOWLEDGEMENTS:

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

Respectfully submitted,



Dr. Joseph Majka  
Superintendent of Schools



Alex Ferreira  
School Business Administrator/Board Secretary



**MATAWAN-ABERDEEN REGIONAL BOARD OF EDUCATION**

**ABERDEEN, NEW JERSEY**

**ROSTER OF OFFICIALS**

**JUNE 30, 2018**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Kathleen Gentile, President	2018
Anissa Esposito, Vice President	2019
Kevin Ahearn	2020
Kenneth Aitken	2018
Weymouth Brittingham	2020
John Delaney, Ed.D	2019
Allison Friedman	2020
Tara Martinez	2018
Joelle Nappi	2019

**Other Officials**

Dr. Joseph G. Majka, Superintendent of Schools

Mr. John Bombardier, Assistant Superintendent of C & I

Ms. Nelyda Perez, Assistant Superintendent for Special Services & Programs

Mr. Alexandre Ferreira, School Business Administrator / Board Secretary

Mr. Michael Liebmann, Director of Personnel

Mr. Kenneth Jannarone, Treasurer of School Monies

**MATAWAN-ABERDEEN REGIONAL BOARD OF EDUCATION**

**ABERDEEN, NEW JERSEY**

**ROSTER OF OFFICIALS**

**JUNE 30, 2018**

**Auditor / Audit Firm**

Suplee, Clooney and Company  
308 East Broad Street  
Westfield, New Jersey 07090

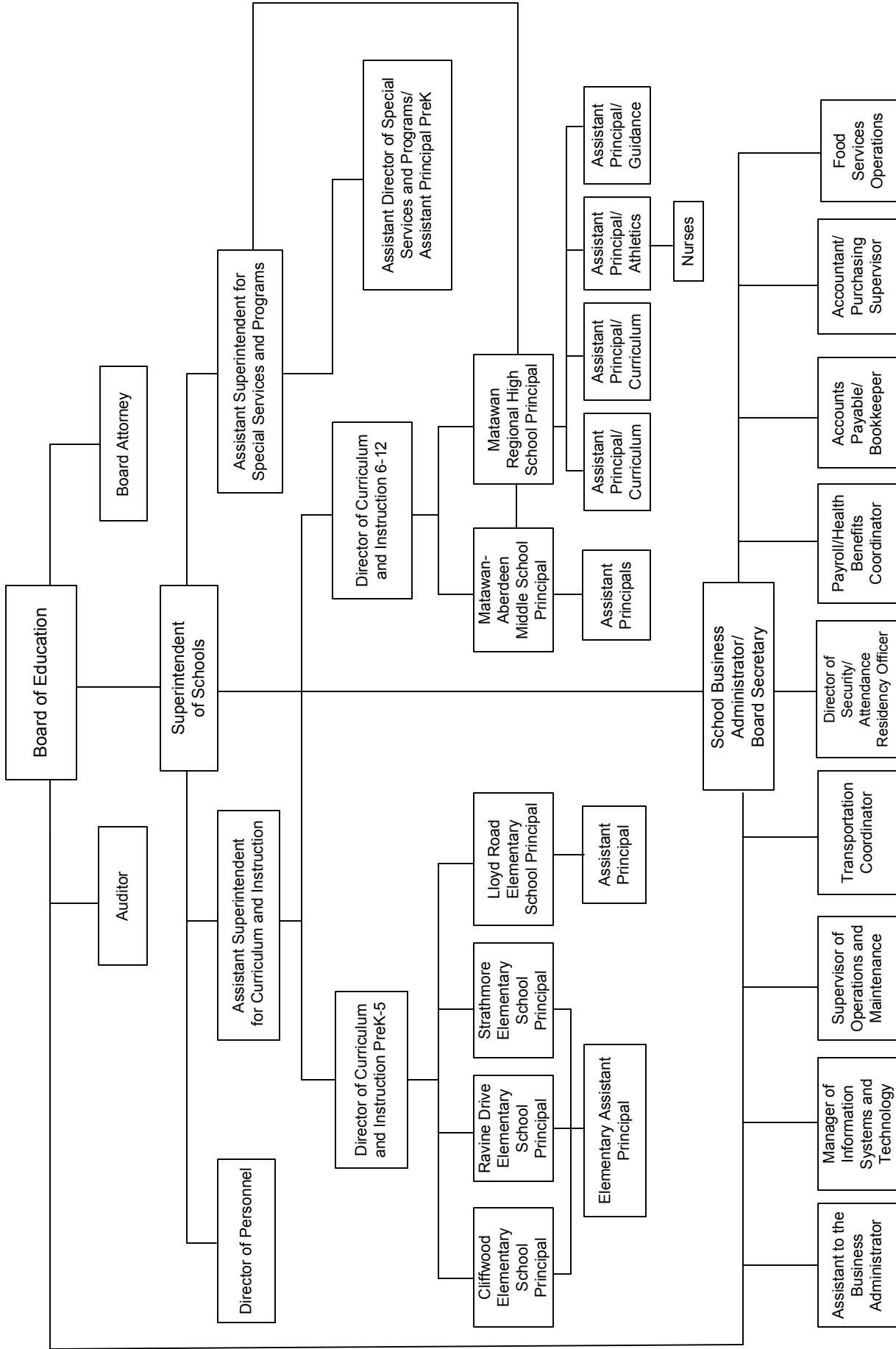
**Attorney**

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P. O. Box 4579  
Metuchen, New Jersey 08840

**Official Depository**

Bank of America  
140 Main Street  
Matawan, New Jersey 07747

**MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT**  
**District Organization Chart**  
**2017 - 2018**



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**FINANCIAL SECTION**



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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E-mail info@scnco.com

## **INDEPENDENT AUDITOR'S REPORT**

Honorable President and Members  
of the Board of Education  
Matawan-Aberdeen Regional School District  
County of Monmouth  
Aberdeen, New Jersey 07747

### ***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 Matawan-Aberdeen Regional School District, County of Monmouth, New Jersey as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

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

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey, the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and State of New Jersey *OMB Circular 15-08* "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

## **SUPLEE, CLOONEY & COMPANY**

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

### ***Opinion***

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 Matawan-Aberdeen Regional School District, County of Monmouth, 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 7 to the basic financial statements, in 2018, the District adopted Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*. Our opinions are 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 and budgetary comparison information in Exhibit C-1 through C-3, the schedules related to accounting and reporting for pensions in Exhibit L-1 through L-4 and the schedules related to accounting and reporting for postretirement benefits other than pensions (OPEB) on Exhibit M-1 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.

# SUPLEE, CLOONEY & COMPANY

## *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Matawan-Aberdeen Regional School District's basic financial statements. The accompanying supplementary information schedules such as the introductory section, combining statements and individual fund financial statements, the statistical section and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by the Uniform Guidance, New Jersey's OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the State of New Jersey, Department of Education, Division of Finance, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by the Uniform Guidance, New Jersey's OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the State of New Jersey, Department of Education, Division of Finance is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and the 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 other information, such as the introductory and statistical sections, has 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 it.

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

In accordance with Government Auditing Standards, we have also issued our report dated February 4, 2019 on our consideration of the Matawan-Aberdeen Regional 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 effectiveness of the Matawan-Aberdeen Regional School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Matawan-Aberdeen Regional School District's internal control over financial reporting and compliance.

  
CERTIFIED PUBLIC ACCOUNTANTS

  
PUBLIC SCHOOL ACCOUNTANT NO. 948

February 4, 2019



**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

# MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

## Management's Discussion and Analysis

### For the Year Ended June 30, 2018

This section of the Matawan-Aberdeen Regional School District's Comprehensive Annual Financial Report presents our discussion and analysis of the District's financial performance during the fiscal year ended on June 30, 2018. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – *Basic Financial Statements-Management's Discussion and Analysis-for the State and Local Governments* issued in June 1999. Certain comparative information between the current fiscal year (2017-2018) and the prior fiscal year (2016-2017) is required to be presented in the MD&A. In FY2018 the District Implemented GASB 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". Prior Year Information has not been restated.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) District-wide financial statements, 2) Fund financial statements, and 3) Notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

**District-Wide Financial Statements.** The District-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to private sector business.

The statement of net position (A-1) presents information on all of the assets and liabilities of the District, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities (A-2) presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

**Fund Financial Statements.** A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental, proprietary or fiduciary.

*Governmental funds* – are used to account for essentially the same functions reported as governmental activities in the District-wide financial statements. However, unlike the District-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District’s near-term financing requirements.

Because the focus of governmental funds is narrower than that of the District-wide financial statements, it is useful to compare the information presented for governmental funds with similar statements. By so doing, readers may better understand the long-term impact of the District’s near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains four individual government funds: the general fund, special revenue fund, capital projects fund and debt service fund. All are considered to be major funds. The basic governmental fund financial statements can be found as Exhibits B-1 through B-3 in this report.

*Proprietary funds* – The District maintains three proprietary funds. These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the District is that the costs of providing the goods or services be financed through user charges. Included in the enterprise fund are the Food Services and Summer Theater program operations. The basic proprietary fund statements can be found as Exhibits B-4 through B-6.

*Fiduciary funds* - are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the District-wide financial statement because the resources of those funds are not available to support the District's own programs. The District uses fiduciary funds to account for resources held for student activities and groups and for payroll transactions. The basic fiduciary fund statements can be found as Exhibit B-7 and B-8.

**Notes to the Financial Statements.** The notes provide additional information that is essential for a full understanding of the data provided in the District-wide and fund financial statements. The notes to the financial statements can be found after the fund statements in this report.

## **FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2017-2018 fiscal year include the following:

On the District Wide Financial Statements:

In total, net position decreased \$1,530,497, which represents a 3.99 percent decrease from 2017.

General revenues accounted for \$67,671,993 in revenue or 72 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$27,437,246 or 28 percent of total revenues.

The School District had \$90,501,303 in expenses; \$27,437,246 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$67,671,993 were adequate to provide for these programs.

On the Fund Financial Statements:

The General Fund local tax levy increased from 2016-2017 by \$1,406,134 to \$52,003,125 or 2.78 percent.

Among governmental funds, the General Fund had \$74,352,038 in revenues and \$74,671,922 in expenditures. Overall the General Fund's fund balance decreased \$325,847 from 2017.

## District–Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the District’s financial position. The following table provides a summary of net position:

**TABLE 1**  
**Net Position**

	2017-2018			2016-2017		
	Governmental Activities	Business Activities	Total	Governmental Activities	Business Activities	Total
<b>ASSETS</b>						
Current & Other Assets	\$17,226,641	\$363,020	\$17,589,661	\$25,240,344	\$340,195	\$25,580,539
Capital Assets	71,958,228	37,632	71,995,859	64,781,116	26,790	64,807,907
<b>TOTAL ASSETS</b>	<b>89,184,869</b>	<b>400,652</b>	<b>89,585,520</b>	<b>90,021,461</b>	<b>366,985</b>	<b>90,388,446</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>						
Unamortized Premium on Refunding of Long-Term Debt Pension Related	5,337,151		5,337,151	6,761,480		6,761,480
<b>Total Deferred Outflow of Resources</b>	<b>5,337,151</b>		<b>5,337,151</b>	<b>7,265,390</b>		<b>7,265,390</b>
<b>LIABILITIES</b>						
Long-Term Liabilities	50,278,323		50,278,323	55,825,312		55,825,312
Other Liabilities	4,373,824	63,556	4,437,380	2,884,665	44,904	2,929,570
<b>TOTAL LIABILITIES</b>	<b>54,652,148</b>	<b>63,556</b>	<b>54,715,704</b>	<b>58,709,977</b>	<b>44,904</b>	<b>58,754,881</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>						
Gain on Refunding of Long Term Debt Pension Related	211,679		211,679	230,568		230,568
<b>Total Deferred Inflow of Resources</b>	<b>3,356,508</b>		<b>3,356,508</b>	<b>508,918</b>		<b>508,918</b>
<b>NET POSITION</b>						
Net Investment in Capital Assets	35,979,531	37,632	36,017,163	28,033,266	26,790	28,060,057
Restricted	10,774,261		10,774,261	18,386,453		18,386,453
Unrestricted (Deficit)	(10,240,429)	299,464	(9,940,965)	(8,351,764)	295,290	(8,056,474)
<b>TOTAL NET POSITION</b>	<b>\$36,513,363</b>	<b>\$337,096</b>	<b>\$36,850,459</b>	<b>\$38,067,956</b>	<b>\$322,081</b>	<b>\$38,390,036</b>

The District’s combined net position were \$36,850,459 on June 30, 2018. The District’s investment in capital assets is shown net of any related debt used to acquire those assets.

The following table provides a summary of revenues and expenses for the District's governmental and business-type activities and the change in net position from the prior year:

**TABLE 2  
CHANGES IN NET ASSETS**

	2017-2018			2016-2017		
	<u>Governmental Activities</u>	<u>Business Activities</u>	<u>Total</u>	<u>Governmental Activities</u>	<u>Business Activities</u>	<u>Total</u>
Revenues:						
Program Revenues:						
Charges for Services	\$326,500	\$954,743	\$1,281,243	\$300,774	\$1,017,139	\$1,317,913
Operating Grants & Contributions	25,404,709	751,295	26,156,004	21,687,328	750,880	22,438,208
General Revenues						
Property Taxes	54,395,600		54,395,600	52,468,141		52,468,141
Grants (includes State Aid) and Entitlements	13,079,426		13,079,426	13,593,646		13,593,646
Other Revenues	196,963	3	196,966	284,556		284,556
Transfers & Other Adjustments	(5,963)	5,963		50,117		50,117
	93,397,236	1,712,003	95,109,239	88,384,561	1,768,019	90,152,580
Expenses:						
Instruction	29,716,206		29,716,206	28,752,188		28,752,188
Support Services/Undistributed Costs	60,835,554		60,835,554	58,193,688		58,193,688
Interest on Long-Term Debt	2,427,427		2,427,427	849,266		849,266
Business-Type		1,696,988	1,696,988		1,714,835	1,714,835
Unallocated depreciation	1,963,562		1,963,562	1,915,840		1,915,840
Total Expenses	94,942,748	1,696,988	96,639,736	89,710,983	1,714,835	91,425,817
Change in Net Position	(1,545,512)	15,015	(1,530,497)	(1,326,421)	53,184	(1,273,237)
Net Position July 1,	38,058,876	322,081	38,380,956	39,394,377	268,896	39,663,273
Net Position June 30,	\$36,513,363	\$337,096	\$36,850,459	\$38,067,956	\$322,081	\$38,390,036

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services.

Variances in both the revenues and expenditures are significantly affected by fluctuations in the actuarial revenue/expenses for TPAF and PERS Pension under GASB 68 and Postemployment Benefits under GASB 75.

Table 3 shows the total cost of services and the net cost of services. The total costs include compensating absences, unallocated benefits, and depreciation and is reduced by grants and specific state aid. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions. In accordance with GASB Statement 34, a comparison to fiscal year 2017 is presented.

**TABLE 3  
NET COST OF SERVICES**

	Total Cost of Services <u>2018</u>	Total Cost of Services <u>2017</u>	Net Cost of Services <u>2018</u>	Net Cost of Services <u>2017</u>
Instruction	\$29,716,206	28,752,188	\$36,708,714	\$36,574,347
Support Services/Undistributed Costs	60,835,554	58,193,688	28,263,390	28,383,428
Special Schools				
Interest on Long-Term Debt	2,427,427	849,266	2,275,874	849,266
Business-Type	1,696,988	1,714,835	(9,049)	(53,184)
Unallocated depreciation	1,963,562	1,915,840	1,963,562	1,915,840
Total Expenses	<u>\$96,639,736</u>	<u>\$91,425,817</u>	<u>\$69,202,490</u>	<u>\$67,669,697</u>

### **General Fund Budgetary Highlights**

The difference between the original budget and the final amended budget is comprised mainly of the June 30, 2017 encumbrances, which 'roll-over' into the subsequent year's budget (2017-2018) and are added to the original budget appropriations. In addition, the District amended the Budget to account for capital projects.

Throughout the year, as necessary, budget transfers are effectuated between budget accounts to re-align the 2017-2018 budget.



## Capital Assets

At the end of the fiscal year 2018, the School District had \$71,995,859 invested in land, building, furniture and equipment, and vehicles. Table 4 shows fiscal year 2018 balances compared to 2017.

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

	<u>2018</u>	<u>2017</u>
Land	\$12,323,200	\$12,323,200
Construction in Progress	15,399,313	8,871,822
Site Improvements	2,862,452	2,786,404
Buildings	40,251,223	39,477,886
Equipment	1,159,672	1,339,514
	<u>\$71,995,859</u>	<u>\$64,798,827</u>

## Debt Administration

At June 30, 2018, the School District had \$52,105,700 of outstanding debt. Of this amount, \$1,685,420 is for compensated absences; \$25,944 in capital lease, \$35,321,000.00 of serial bonds, \$420,073 in Unamortized Bond Premium and \$14,653,263 in Net Pension Liability.

Table 5 illustrates the balances of the District's various bonds issues outstanding at June 30, 2018 and June 30, 2017.

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

	<u>2018</u>	<u>2017</u>
2017 School Bonds	\$19,856,000	\$ 19,956,000
2011 Refunding Bonds	<u>15,465,000</u>	<u>16,610,000</u>
	<u>\$35,321,000</u>	<u>\$36,466,000</u>

**For the Future:**

On April 30, 2018, the 2018-2019 district budget was approved by the Board of Education. The certified general fund tax levy of \$54,069,882 represents an increase from 2017-2018 of \$2,066,757 or 3.97 percent. The Administration of the Matawan-Aberdeen Regional School District is determined to continue to address the educational needs of our students while delivering a fiscally responsible budget to the taxpayers of the community.

**Contacting the District's Financial Management**

The District's financial report is designed to provide citizen groups, taxpayers, parents, students, other local officials, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. Questions regarding this report can be addressed to Mr. Alex Ferreira., Business Administrator/Board Secretary, Matawan-Aberdeen Regional School District, One Crest Way, Aberdeen, NJ 07747 or at (732) 705-4016.

## **BASIC FINANCIAL STATEMENTS**

The basic financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all funds as of June 30, 2018

## **DISTRICT-WIDE FINANCIAL STATEMENTS**

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

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2018

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
<b>ASSETS:</b>			
Cash and cash equivalents	\$9,365,926.72	\$281,526.13	\$9,647,452.85
Receivables, net	1,155,248.66	51,661.41	1,206,910.07
Inventory		23,869.56	23,869.56
Interfunds	518,168.87	5,962.64	524,131.51
Restricted assets:			
Restricted cash and cash equivalents	6,187,296.63		6,187,296.63
Capital assets:			
Land and Construction in progress	27,722,512.90		27,722,512.90
Other Capital Assets net of depreciation	44,235,714.77	37,631.82	44,273,346.59
Total Assets	89,184,868.55	400,651.56	89,585,520.11
 <b>DEFERRED OUTFLOW OF RESOURCES:</b>			
Pension Related	5,337,151.00		5,337,151.00
Total Deferred Outflows	5,337,151.00		5,337,151.00
 <b>LIABILITIES:</b>			
Interfunds Payable		6,185.10	6,185.10
Accounts payable	1,762,864.83	17,718.27	1,780,583.10
Payable to state government	189.00		189.00
Payable to federal government	3,927.60		3,927.60
Unearned revenue	138,789.57	39,652.59	178,442.16
Accrued Interest Payable	640,676.38		640,676.38
Noncurrent liabilities:			
Due within one year:			
Bonds and capital leases payable	1,827,377.05		1,827,377.05
Due beyond one year:			
Compensated absences payable	1,685,420.22		1,685,420.22
Bonds and capital leases payable	33,939,640.09		33,939,640.09
Net Pension Liability	14,653,263.00		14,653,263.00
Total liabilities	54,652,147.74	63,555.96	54,715,703.70
 <b>DEFERRED INFLOWS OF RESOURCES:</b>			
Gain on Refunding Bonds	211,679.49		211,679.49
Pension Related	3,144,829.00		3,144,829.00
Total Deferred Inflows	3,356,508.49		3,356,508.49
 <b>NET POSITION:</b>			
Net investment in capital assets	35,979,531.04	37,631.82	36,017,162.86
Restricted for:			
Debt service fund (Deficit)	(612,738.27)		(612,738.27)
Capital projects fund	4,994,105.26		4,994,105.26
Other purposes	6,392,894.40		6,392,894.40
Unrestricted (Deficit)	(10,240,429.11)	299,463.78	(9,940,965.33)
Total net position	\$36,513,363.32	\$337,095.60	\$36,850,458.92

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

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
JUNE 30, 2018

Functions/Programs	Expenses	Indirect Cost Allocation	Programs Revenues		Net (Expense) Revenue and Changes in Net Position	
			Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities
<b>Governmental Activities:</b>						
Instruction:						
Regular	\$ 19,501,968.72	\$ 16,932,752.36	\$ 220,341.10	\$ 12,661,802.68	\$ (23,552,577.30)	\$ (23,552,577.30)
Special	7,259,734.36	7,897,705.71		5,323,916.07	(9,833,524.00)	(9,833,524.00)
Other Instruction	2,954,502.79	1,050,046.04		681,936.33	(3,322,612.50)	(3,322,612.50)
Support services:						
Tuition	3,603,617.22				(3,603,617.22)	(3,603,617.22)
Student & instruction related services	7,779,389.34	5,287,229.46		4,089,671.06	(8,976,947.74)	(8,976,947.74)
General administrative services	1,414,597.64	613,763.24		177,983.39	(1,850,377.49)	(1,850,377.49)
School administrative services	2,585,747.41	2,488,248.52		1,694,023.12	(3,379,972.81)	(3,379,972.81)
Central service	588,689.14	355,575.58		103,089.39	(841,175.33)	(841,175.33)
Admin information technology	280,007.51	110,950.62		32,600.92	(358,357.21)	(358,357.21)
Plant operations and maintenance	4,958,730.49	519,020.59		150,669.11	(5,327,081.97)	(5,327,081.97)
Pupil transportation	3,213,370.64	1,156,111.99	106,159.10	337,463.56	(3,925,859.97)	(3,925,859.97)
Unallocated benefits	36,411,404.11	(36,411,404.11)				
Interest on Long-Term Debt	2,427,426.85			151,553.31	(2,275,873.54)	(2,275,873.54)
Unallocated depreciation	1,963,562.05				(1,963,562.05)	(1,963,562.05)
Total governmental activities	<u>94,942,748.27</u>	<u>(0.00)</u>	<u>326,500.20</u>	<u>25,404,708.94</u>	<u>(69,211,539.13)</u>	<u>(69,211,539.13)</u>
<b>Business-type activities</b>						
Food Service	1,659,550.66		912,102.72	751,294.63	3,846.69	3,846.69
Summer Theater	37,437.54		42,640.00		5,202.46	5,202.46
Total business-type activities	<u>1,696,988.20</u>		<u>954,742.72</u>	<u>751,294.63</u>	<u>9,049.15</u>	<u>9,049.15</u>
Total primary government	<u>\$ 96,639,736.47</u>	<u>(0.00)</u>	<u>1,281,242.92</u>	<u>\$ 26,156,003.57</u>	<u>\$ (69,211,539.13)</u>	<u>\$ (69,202,489.98)</u>
<b>General Revenues:</b>						
<b>Taxes:</b>						
Property taxes, levied for general purposes, net					\$ 52,003,125.00	\$ 52,003,125.00
Taxes levied for debt service					2,392,475.00	2,392,475.00
Federal and state aid not restricted					12,965,096.53	12,965,096.53
Federal and state aid restricted					114,329.69	114,329.69
Miscellaneous income					196,963.35	196,966.44
Transfers					(5,962.64)	
Total general revenues					<u>67,666,026.93</u>	<u>67,671,992.66</u>
Change in net position					<u>(1,545,512.20)</u>	<u>(1,530,497.32)</u>
Net Position - beginning (as restated)					<u>38,058,875.52</u>	<u>38,380,956.24</u>
Net Position ending					<u>36,513,363.32</u>	<u>36,850,458.92</u>

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

## **MAJOR FUND FINANCIAL STATEMENTS**

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

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2018

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS:</b>					
Cash and cash equivalents	\$ 1,149,543.96		\$ 8,153,956.65	\$ 62,426.11	\$ 9,365,926.72
Cash, Capital Reserve	2,738,363.41				2,738,363.41
Cash, Emergency Reserve	385,809.57				385,809.57
Cash, Maintenance Reserve	3,063,123.65				3,063,123.65
Other receivables	15,049.69	14,835.77			29,885.46
Due from other funds	635,784.86				635,784.86
Receivables from other governments	509,917.00	223,718.74	391,727.46		1,125,363.20
 Total assets	 \$ 8,497,592.14	 \$ 238,554.51	 \$ 8,545,684.11	 \$ 62,426.11	 \$ 17,344,256.87
<b>LIABILITIES AND FUND BALANCES:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 1,044,308.77	\$ 80,512.06			\$ 1,124,820.83
Payable to state government		189.00			189.00
Payable to federal government		3,927.60			3,927.60
Interfund payables		117,615.99			117,615.99
Unearned revenue	32,134.00	36,309.86	70,345.71		138,789.57
 Total liabilities	 1,076,442.77	 238,554.51	 70,345.71		 1,385,342.99
<b>Fund balances:</b>					
<b>Restricted:</b>					
Capital reserve account	2,738,363.41				2,738,363.41
Emergency Reserve Account	385,809.57				385,809.57
Maintenance Reserve Account	3,063,123.65				3,063,123.65
Excess Surplus designated for subsequent years expenditures	7,261.56				7,261.56
Excess surplus	198,336.21				198,336.21
Capital Projects Fund			4,994,105.26		4,994,105.26
Debt service fund				27,938.11	27,938.11
<b>Committed:</b>					
Encumbrances			3,481,233.14		3,481,233.14
<b>Assigned:</b>					
Encumbrances	694,894.88				694,894.88
Designated for subsequent years expenditures	117,738.44			34,488.00	152,226.44
<b>Unassigned</b>					
General fund	215,621.65				215,621.65
 Total fund balances	 7,421,149.37		 8,475,338.40	 62,426.11	 15,958,913.88
 Total liabilities and fund balances	 \$ 8,497,592.14	 \$ 238,554.51	 \$ 8,545,684.11	 \$ 62,426.11	 \$ 17,344,256.87

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



MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2018

Total Fund Balances (Brought Forward)		\$15,958,913.88
<p>Amounts Reported for Governmental Activities in the Statement  of Net Position (A-1) are different because:</p>		
<p>Capital assets used in governmental activities are not financial  resources and therefore are not reported in the funds.</p>		
Cost of Assets	\$112,369,579.21	
Accumulated Depreciation	<u>(40,411,351.54)</u>	
		71,958,227.67
<p>Long term liabilities, including bonds payable, and other related  amounts that are not due and payable in the current period  and therefore are not reported as liabilities in the funds.</p>		
Net Pension Liability	(14,653,263.00)	
Compensated Absences	(1,685,420.22)	
Capital Leases	(25,944.37)	
Bonds Payable	(35,321,000.00)	
Deferred Amount on Premium on Refunding Bonds	(420,072.77)	
Deferred Amount on Gain on Refunding Bonds	<u>(211,679.49)</u>	
		(52,317,379.85)
<p>Deferred Outflows and Inflows of resources are applicable  to future periods and therefore are not reported in the funds.</p>		
Pensions:		
Deferred Outflows		5,337,151.00
Deferred Inflows		(3,144,829.00)
<p>Certain liabilities are not due and payable in the current period  and therefore, are not reported in the governmental funds.</p>		
Accounts Payable - Pension Related	(638,044.00)	
Accrued Interest Payable	<u>(640,676.38)</u>	
		<u>(1,278,720.38)</u>
Net Position of Governmental Activities		<u><u>\$36,513,363.32</u></u>

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

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 52,003,125.00	\$	\$	2,392,475.00	\$ 54,395,600.00
Tuition from Individuals	165,651.04				165,651.04
Tuition from Other LEAs Within State	54,690.06				54,690.06
Transportation fees from Other LEAs	106,159.10				106,159.10
Interest on Capital Reserve	21,700.75				21,700.75
Interest on Maintenance Reserve	22,075.20				22,075.20
Interest on Emergency Reserve	3,387.26				3,387.26
Miscellaneous	121,863.43	48,583.60	27,936.71		198,383.74
Total - local sources	52,498,651.84	48,583.60	27,936.71	2,392,475.00	54,967,647.15
State sources	21,781,258.23	485,444.68		265,883.00	22,532,585.91
Federal sources	72,127.53	1,321,535.12			1,393,662.65
Total revenues	74,352,037.60	1,855,563.40	27,936.71	2,658,358.00	78,893,895.71
<b>EXPENDITURES:</b>					
Current expense:					
Regular instruction	19,501,968.72				19,501,968.72
Special instruction	5,937,059.15	1,322,675.21			7,259,734.36
Other Instruction	2,954,502.79				2,954,502.79
Support services:					
Tuition	3,603,617.22				3,603,617.22
Student & instruction related services	7,246,501.15	532,888.19			7,779,389.34
General administrative services	1,414,597.64				1,414,597.64
School administrative services	2,585,747.41				2,585,747.41
Central service	588,689.14				588,689.14
Administrative information technology services	280,007.51				280,007.51
Plant operations and maintenance	4,958,730.49				4,958,730.49
Pupil transportation	3,238,708.18				3,238,708.18
Unallocated benefits	21,245,505.09				21,245,505.09
Debt Service:					
Principal				1,145,000.00	1,145,000.00
Interest				1,513,356.65	1,513,356.65
Capital outlay	1,116,287.39		8,138,440.08		9,254,727.47
Total expenditures	74,671,921.88	1,855,563.40	8,138,440.08	2,658,356.65	87,324,282.01
Excess (deficiency) of revenues over (under) expenditures	(319,884.28)		(8,110,503.37)	1.35	(8,430,386.30)
Other financing sources (uses):					
Transfers	(5,962.64)		(27,936.71)	27,936.71	(5,962.64)
Total other financing sources (uses)	(5,962.64)		(27,936.71)	27,936.71	(5,962.64)
Net change in fund balances	(325,846.92)		(8,138,440.08)	27,938.06	(8,436,348.94)
Fund balances, July 1, 2017	7,746,996.29	-0-	16,613,778.48	34,488.05	24,395,262.82
Fund balances, June 30, 2018	\$ 7,421,149.37	\$ -0-	\$ 8,475,338.40	\$ 62,426.11	\$ 15,958,913.88

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

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Total net change in fund balances - governmental funds (from B-2)		(\$8,436,348.94)
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.		
Depreciation expense		(1,963,562.05)
Capital outlays	\$9,254,727.47	
Less: Capital Outlays not capitalized	<u>(104,974.00)</u>	
		9,149,753.47
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of Net Position and is not reported in the statement of activities.		
		1,145,000.00
Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net Position and is not reported in the statement of activities.		
Payment of capital lease payable		25,337.54
In the statement of activities, interest on long-term debt is accrued, regardless of when due. In governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.		
		(407,911.80)
Governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Gain on Refunding Bonds		18,888.37
Premium on Refunding Bonds		(420,072.77)
District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.		
District pension contributions	\$583,145.00	
Less: Pension expense	<u>(1,390,969.00)</u>	
		(807,824.00)
In the statement of activities, certain expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-). When the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
		<u>151,227.98</u>
Change in net position of governmental activities (A-2)		<u><u>(\$1,545,512.20)</u></u>

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

**OTHER FUNDS**

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
COMBINING STATEMENT OF NET POSITION  
PROPRIETARY FUNDS - ENTERPRISE FUNDS  
JUNE 30, 2018

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u>			<u>TOTAL</u>
	<u>FOOD SERVICE</u> <u>FUND</u>	<u>SUMMER THEATER</u> <u>FUND</u>	<u>PAWS</u> <u>FUND</u>	
<b>ASSETS:</b>				
Current assets:				
Cash and cash equivalents	\$261,112.33	\$26,376.44	(\$5,962.64)	\$281,526.13
Accounts receivable:				
State	1,359.87			1,359.87
Federal	50,301.54			50,301.54
Interfunds			5,962.64	5,962.64
Inventories	23,869.56			23,869.56
Total current assets	<u>336,643.30</u>	<u>26,376.44</u>		<u>363,019.74</u>
Noncurrent assets:				
Furniture, machinery and equipment	321,132.24			321,132.24
Less accumulated depreciation	<u>(283,500.42)</u>			<u>(283,500.42)</u>
Total noncurrent assets	<u>37,631.82</u>			<u>37,631.82</u>
Total assets	<u>374,275.12</u>	<u>26,376.44</u>		<u>400,651.56</u>
<b>LIABILITIES:</b>				
Current liabilities:				
Interfund payables	6,185.10			6,185.10
Unearned revenue	21,752.59	17,900.00		39,652.59
Accounts payable	<u>17,718.27</u>			<u>17,718.27</u>
Total current liabilities	<u>45,655.96</u>	<u>17,900.00</u>		<u>63,555.96</u>
Total liabilities	<u>45,655.96</u>	<u>17,900.00</u>		<u>63,555.96</u>
<b>NET POSITION:</b>				
Net investment in capital assets	37,631.82			37,631.82
Unrestricted	<u>290,987.34</u>	<u>8,476.44</u>		<u>299,463.78</u>
Total net position	<u>\$328,619.16</u>	<u>\$8,476.44</u>		<u>\$337,095.60</u>

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

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u>			<u>TOTAL</u>
	<u>FOOD SERVICE</u> <u>FUND</u>	<u>SUMMER THEATER</u> <u>FUND</u>	<u>PAWS</u> <u>FUND</u>	
<b>OPERATING REVENUES:</b>				
Charges for services:				
Daily sales - reimbursable programs	\$553,545.72			\$553,545.72
Daily sales - non-reimbursable programs	330,099.00	-	-	330,099.00
Special functions	28,458.00	-	-	28,458.00
Fees - individuals	-	\$42,640.00	-	42,640.00
<b>Total operating revenues</b>	<b>912,102.72</b>	<b>42,640.00</b>		<b>954,742.72</b>
<b>OPERATING EXPENSES:</b>				
Cost of sales-reimbursable programs	517,738.34			517,738.34
Cost of sales-non-reimbursable programs	159,486.00			159,486.00
Salaries and benefits	508,059.00	36,540.00		544,599.00
Employee benefits	161,997.00			161,997.00
Supplies and materials	5,229.49	897.54		6,127.03
Other purchased services	7,700.00			7,700.00
Management fee	120,000.00			120,000.00
Miscellaneous	174,269.14			174,269.14
Depreciation	5,071.69			5,071.69
<b>Total operating expenses</b>	<b>1,659,550.66</b>	<b>37,437.54</b>		<b>1,696,988.20</b>
<b>Operating (loss)</b>	<b>(747,447.94)</b>	<b>5,202.46</b>		<b>(742,245.48)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
State Sources				
State school lunch program	17,062.22			17,062.22
Federal Sources				
National school lunch program	498,514.11			498,514.11
Supplemental Nutrition Assistance Program	19,638.54			19,638.54
School breakfast program	73,775.06			73,775.06
National food distribution commodities	142,304.70			142,304.70
Interest		3.09		3.09
<b>Total nonoperating revenues (expenses)</b>	<b>751,294.63</b>	<b>3.09</b>		<b>751,297.72</b>
<b>Income (loss) before contributions and transfers</b>	<b>3,846.69</b>	<b>5,205.55</b>		<b>9,052.24</b>
Other financing sources:				
Transfers in			5,962.64	5,962.64
<b>Total other financing sources</b>			<b>5,962.64</b>	<b>5,962.64</b>
<b>Change in net position</b>	<b>3,846.69</b>	<b>5,205.55</b>	<b>5,962.64</b>	<b>15,014.88</b>
<b>Total net position - beginning (deficit)</b>	<b>324,772.47</b>	<b>3,270.89</b>	<b>(5,962.64)</b>	<b>322,080.72</b>
<b>Total net position - ending</b>	<b>\$328,619.16</b>	<b>\$8,476.44</b>		<b>\$337,095.60</b>

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

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
COMBINING STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS - ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND			TOTAL
	FOOD SERVICE FUND	SUMMER THEATER FUND	PAWS FUND	
Cash flows from operating activities:				
Receipts from customers	\$910,251.63	\$40,940.00		\$951,191.63
Payments to employees	(508,059.00)	(36,540.00)	-	(544,599.00)
Payments for employees benefits	(161,997.00)	-	-	(161,997.00)
Payments to suppliers	(822,529.24)	(897.54)	-	(823,426.78)
Net cash provided by (used for) operating activities	<u>(582,333.61)</u>	<u>3,502.46</u>		<u>(578,831.15)</u>
Cash flows from noncapital financing activities:				
State sources	16,970.55			\$16,970.55
Federal sources	595,687.53			595,687.53
Net cash provided by noncapital financing activities	<u>612,658.08</u>			<u>612,658.08</u>
Cash flows from capital and related financing activities:				
Purchases of capital assets	(11,751.62)			(11,751.62)
Net cash provided by (used for) capital and related financing activities	<u>(11,751.62)</u>			<u>(11,751.62)</u>
Cash flows from investing activities:				
Interest and dividends		3.09		3.09
Net cash provided by investing activities		<u>3.09</u>		<u>3.09</u>
Net increase (decrease) in cash and cash equivalents	<u>18,572.85</u>	<u>3,505.55</u>		<u>22,078.40</u>
Cash and cash equivalents, July 1, 2017 (deficit)	<u>242,539.48</u>	<u>22,870.89</u>	<u>(5,962.64)</u>	<u>\$259,447.73</u>
Cash and cash equivalents, June 30, 2018 (deficit)	<u>\$261,112.33</u>	<u>\$26,376.44</u>	<u>(\$5,962.64)</u>	<u>\$281,526.13</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	(\$747,447.94)	\$5,202.46		(\$742,245.48)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	5,071.69			5,071.69
Federal commodities	142,304.70			142,304.70
Change in assets and liabilities:				
Increase (decrease) in accounts payable	15,250.91			15,250.91
Increase (decrease) in unearned revenue	939.19	(1,700.00)		(760.81)
(Increase) decrease in inventories	1,547.84			1,547.84
	<u>165,114.33</u>	<u>(1,700.00)</u>		<u>163,414.33</u>
Net cash provided by (used for) operating activities	<u>(\$582,333.61)</u>	<u>\$3,502.46</u>		<u>(\$578,831.15)</u>

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

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>STATE UNEMPLOYMENT</u> <u>TRUST FUND</u>	<u>SCHOLARSHIP</u> <u>FUND</u>	<u>AGENCY FUND</u>
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 68,315.13	\$ 10,679.38	\$ 1,053,411.57
Other account receivable			12,303.36
	<u>68,315.13</u>	<u>10,679.38</u>	<u>1,065,714.93</u>
Total assets	\$ <u>68,315.13</u>	\$ <u>10,679.38</u>	\$ <u>1,065,714.93</u>
<b>LIABILITIES:</b>			
Interfunds payable	\$	\$	\$ 517,946.41
Payroll deductions and withholdings			383,227.74
Due to student groups			164,540.78
	<u></u>	<u></u>	<u>1,065,714.93</u>
Total liabilities	\$ <u></u>	\$ <u></u>	\$ <u>1,065,714.93</u>
<b>NET POSITION:</b>			
Held in trust for state unemployment insurance claims and other purposes	\$ 68,315.13	\$	
Held in trust for scholarships and other purposes		10,679.38	
	<u>68,315.13</u>	<u>10,679.38</u>	<u>-0-</u>
Total net position	\$ <u>68,315.13</u>	\$ <u>10,679.38</u>	\$ <u>-0-</u>

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



MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>STATE UNEMPLOYMENT</u> <u>INSURANCE FUND</u>	<u>PRIVATE PURPOSE</u> <u>AWARD FUND</u> <u>SCHOLARSHIP FUND</u>	<u>Total</u>
ADDITIONS:			
Contributions:			
Other	\$ 217,334.22	\$	217,334.22
Total contributions	<u>217,334.22</u>		<u>217,334.22</u>
Investment earnings:			
Interest		53.54	53.54
Net investment earnings		<u>53.54</u>	<u>53.54</u>
Total additions	<u>217,334.22</u>	<u>53.54</u>	<u>217,387.76</u>
DEDUCTIONS:			
Unemployment claims	<u>216,068.81</u>		<u>216,068.81</u>
Total deductions	<u>216,068.81</u>		<u>216,068.81</u>
Change in net position	1,265.41	53.54	1,318.95
Net position beginning of year	<u>67,049.72</u>	<u>10,625.84</u>	<u>77,675.56</u>
Net position end of year	<u>\$ 68,315.13</u>	<u>\$ 10,679.38</u>	<u>\$ 78,994.51</u>

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

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2018**

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

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

**Reporting Entity**

The Matawan-Aberdeen Regional School District is a Type II District located in Monmouth County, New Jersey. The School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board of Education of the Matawan-Aberdeen Regional School District, comprised of nine elected individuals, is the primary governing authority of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

The primary criterion for including activities within the District's reporting entity, are set forth in Statement No. 39 of the Governmental Accounting Standards Board entitled "*Determining Whether Certain Organizations are Component Units*" (GASB 39), as codified in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

Organizations that are legally separate, tax-exempt entities and meet *all* of the following criteria should be discretely presented as component units. These criteria are:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government.
2. The primary government, or its component unit, is entitled to, or has the ability to otherwise access, a majority of the economic resources of the organization.
3. The economic resources received or held by an *individual organization* that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Reporting Entity (Continued)**

The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include elementary schools, a middle school and a High School, located in the Matawan and Aberdeen. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

**Basis of Presentation**

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

*District-wide Statements:* The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish generally between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Presentation (Continued)**

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

**Governmental Funds**

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

As required by the New Jersey Statement Department of Education, the District includes budgeted capital outlay in this fund. U.S. Generally Accepted Accounting Principles as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes, and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to 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 the current expense by Board resolution; in certain instances approval by the County Superintendent of Schools may also be required.

**Special Revenue Fund** The special revenue fund is used to account for the proceeds of specific revenue sources from State and Federal Government (other than those for major capital projects, debt service or proprietary funds) and local appropriations that are legally restricted to expenditures for specified purposes.

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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 debt issued to finance major property acquisition, construction and improvement programs.

**Proprietary Funds**

**Enterprise Fund** The enterprise fund accounts for all revenues and expenses pertaining to the District's Food Service and Summer Theater program operations. These funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (*i.e.* expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

**Fiduciary Funds**

**Agency Funds** The agency funds are used to account for assets held by the District on behalf of outside parties, including other governments, or on behalf of other funds within the District. The agency funds included are as follows:

**Payroll and Student Activities Funds** These are agency funds used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

**Unemployment Insurance Trust Funds** An expendable trust fund used to account for unemployment compensation claims as they arise.

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Accounting-Measurement Focus**

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

*District-wide, Proprietary, and Fiduciary Fund Financial Statements:* The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation for expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available.

The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transactions can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from the issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending 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 for approval. In accordance with P.L. 2011, c. 202, which became effective January 17, 2012, the District elected to move the school Board election to the date of the November general election thereby eliminating the vote on the annual base budget. 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. Expenditures may not legally exceed budgeted appropriations at the line item level. All budget amendments and transfers must be approved by School Board resolution.

All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures. Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles (GAAP) with the exception of the legally mandated (NJSA 18A:22-44.2) revenue recognition of one or more deferred State Aid payments for budgetary purposes only due to the State deferral of such payments into the subsequent budget year and the accounting treatment of encumbrances in the special revenue fund as described 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.

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Budgets/Budgetary Control (Continued)**

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 recognized 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 records.

**Encumbrance Accounting**

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditures 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 for which the District has received advances are reflected in the balance sheet as unearned revenues at fiscal year end.

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

**Interfunds**

Interfund receivables and payables arise from transactions between particular funds and are considered short term in duration. The interfund transactions are recorded by all funds affected in the period in which the transactions are executed and are part of the district's available spendable resources.



**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Inventories and Prepaid Expenses**

Inventories of materials and supplies held for consumption in the governmental funds are recorded as expenditures at the time of purchase and year end balances are not reported in the financial statements.

Inventories of food and/or supplies in the food service fund are recorded at cost on a first-in, first-out basis or, in the case of Food Distribution Commodities, at stated value which approximates market.

Prepaid expenses which benefit future periods, other than those recorded in the enterprise fund, are recorded as expenditures in the year of purchase.

**Capital Assets**

The District has an established formal system of accounting for its capital assets. Capital Assets used for governmental purposes, which include land, buildings and improvements and furniture and equipment, are only reported in the district-wide financial statements. The District generally defines capital assets as assets with an initial cost of \$2,000.00 or more and an estimated useful life in excess of one year. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their acquisition value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

In fiscal year 2016, the District implemented GASB 72. The objective of this Statement is to improve financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures about fair value measurements. These improvements are based in part on the concepts and definitions established in Concepts Statement No. 6, Measurement of Elements of Financial Statements, and other relevant literature.

Capital assets are depreciated in the district-wide statements using the straight-line method over the following estimated useful lives:

	<u>Estimated Life</u>
School Buildings	50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office and computer equipment	10
Instructional equipment	10
Grounds equipment	15

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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 amounts of vacation and sick leave in accordance with the District's personnel policy and/or collective bargaining unit contracts. Upon termination, employees are paid for accrued vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after ten years of service and are only paid upon retirement.

The District estimates its accrued compensated absences liability based on the accumulated sick and vacation days at the balance sheet date by those employees who are currently eligible to receive termination payments.

For the district-wide statements, the current portion is the amount estimated to be used in the following year. For the governmental funds in the fund financial statements, a liability is reported only for to the extent of the amount actually due at year end as a result of employee resignations/retirements. Compensated absences are a reconciling item between the fund level and district-wide presentations.

**Fund Equity**

Fund balance restrictions are used to indicate that portion of the fund balance that is not available for expenditures or is legally segregated for a specific future use. Designation of portions of the fund balances are established to indicate tentative plans for financial utilization in a future period. The unassigned fund balances represent the amount available for future budgetary operations.

**Unearned Revenue**

Unearned revenue in the General, Special Revenue and Proprietary funds represents funds which have been received but not yet earned.

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accrued Liabilities and Long-Term Obligations**

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

**Net Position**

Net Position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. 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. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

**Fund Balance Reserves**

In accordance with GASB Statement 54, "Fund Balance Reporting and Governmental Fund Type Definitions" the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation. The District reports the Capital Reserve, Maintenance Reserve, Emergency Reserve and Excess Surplus as Restricted Fund Balance.

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fund Balance Reserves (Continued)**

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District’s highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.

Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District’s policy, amounts may be assigned by the Business Administrator. The District reports Year End Encumbrances and Designated for Subsequent Year’s Expenditure as Assigned Fund Balance.

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

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

**Revenues Exchange and Non-exchange Transactions**

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

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenues, Exchange and Non-exchange Transactions (Continued)**

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from property taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

**Operating Revenues and Expenses**

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

**Allocation of Indirect Expenses**

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

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Extraordinary and Special Items**

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

**Management Estimates**

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

**Accounting and Financial Reporting for Pensions**

In the District-Wide Financial Statements 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 District's proportionate share of the New Jersey Public Employees Retirement System ("PERS") and the Teachers' Pension and Annuity Fund ("TPAF") and the additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they were reported by PERS and 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.

In the Governmental Fund Financial Statements the year end Net pension liability is not required to be reflected. Pension related revenues and expenditures are reflected based on amounts that are normally expected to be liquidated with available financial resources for required pension contributions. Expenditures for PERS are recognized based upon billings made by the State of New Jersey due April 1<sup>st</sup> of each fiscal year. TPAF contributions are paid on the District's behalf by the State of New Jersey. The Governmental Fund Financial Statements reflects both a revenue and expenses for this pension contribution.

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial 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. Currently, the District has two items that qualify for reporting in this category, deferred amounts from an original issue premium on refunding debt and deferred amounts that are pension related. In addition to liabilities, the statement of financial 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 period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the District has two items that qualify for reporting in this category, deferred amounts from an original issue premium on refunding debt and deferred amounts that are pension related.

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS**

The Board considers petty cash, change funds, cash in banks, and short term investments with original maturities of three months or less as cash and cash equivalents. Investments are stated at cost, which approximates market.

**Deposits**

New Jersey statutes permit the deposit of public funds in public depositories which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. Each depository participating in the GUDPA system must pledge collateral equal to 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of 75% of its capital funds. No collateral is required for amounts covered by FDIC insurance. The collateral which may be pledged to support these deposits includes obligations of the State and federal governments, insured securities and other collateral approved by the Department. When the capital position of the depository deteriorates or the depository takes an unusually large amount of public deposits, the Department of Banking and Insurance requires additional collateral to be pledged. Under (GUDPA), 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 the deposits to the governmental unit.

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2018**

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

**Deposits**

The Matawan-Aberdeen Regional School District had the following cash and cash equivalents at June 30, 2018:

<u>Fund Type</u>	<u>Amount</u>
Cash in Bank:	
Governmental Funds	\$ 20,352,184.18
Proprietary Funds	393,113.18
Fiduciary Funds	<u>1,318,215.38</u>
Total Cash in Bank	\$ <u>22,063,512.74</u>
Less: Reconciling Items	<u>(5,096,357.18)</u>
	<u>\$ 16,967,155.56</u>

**Custodial Credit Risk- Deposits** – Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The District does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of June 30, 2018, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank of \$22,063,512.74, \$260,679.34 was covered by Federal Depository Insurance, \$14,648,282.48 was covered under the provisions of NJGUDPA and \$6,854,550.88 was on deposit with the New Jersey Assets Rebate Management (NJARM).

**Investments**

The types of investments which may be purchased by the District are strictly limited by the express authority of the N.J.S.A. 18A:20-37 Education, Administration of School Districts. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;



**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2018**

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a1 et seq., and operated in accordance with 17 C.F.R. § 270.2a7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by School Districts;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:2037. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2018**

**NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
  - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
  - b. the custody of collateral is transferred to a third party;
  - c. the maturity of the agreement is not more than 30 days;
  - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 C. 17:1941); and
  - e. a master repurchase agreement providing for the custody and security of collateral is executed.

As of June 30, 2018, the District has \$6,854,550.88 on deposit with NJARM. Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1, and existing investment practices of NJARM, the District is generally not exposed to credit risks and interest rate risks for its investments, nor is it exposed to foreign currency risk for its deposits and investments.

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2018**

**NOTE 3: CAPITAL ASSETS**

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

	<u>Beginning Balance (As Restated)</u>	<u>Additions</u>	<u>Deletions &amp; Transfers</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$12,323,200.00			\$12,323,200.00
Construction in Progress	<u>8,871,821.81</u>	<u>\$8,965,399.07</u>	<u>(\$2,437,907.98)</u>	<u>15,399,312.90</u>
Total Capital Assets not being depreciated	<u>21,195,021.81</u>	<u>8,965,399.07</u>	<u>(2,437,907.98)</u>	<u>27,722,512.90</u>
Site improvements	3,663,900.59		258,731.12	3,922,631.71
Buildings & Building Improvements	72,029,751.98		2,179,176.86	74,208,928.84
Machinery & Equipment	<u>6,331,151.36</u>	<u>184,354.40</u>		<u>6,515,505.76</u>
Totals at historical cost	<u>82,024,803.93</u>	<u>184,354.40</u>	<u>2,437,907.98</u>	<u>84,647,066.31</u>
Gross Assets (Memo only)	<u>103,219,825.74</u>	<u>9,149,753.47</u>		<u>112,369,579.21</u>
Less: Accumulated Depreciation				
Site improvements	(877,496.23)	(182,683.74)		(1,060,179.97)
Buildings & Building Improvements	(32,551,865.77)	(1,405,840.36)		(33,957,706.13)
Machinery & Equipment	<u>(5,018,427.49)</u>	<u>(375,037.95)</u>		<u>(5,393,465.44)</u>
Total Depreciation	<u>(38,447,789.49)</u>	<u>(1,963,562.05)</u>		<u>(40,411,351.54)</u>
Total capital assets being depreciated, net of depreciation	<u>43,577,014.44</u>	<u>(1,779,207.65)</u>	<u>2,437,907.98</u>	<u>44,235,714.77</u>
Total Governmental Fund Activities	<u>\$64,772,036.25</u>	<u>\$7,186,191.42</u>		<u>\$71,958,227.67</u>
Proprietary Activities:				
Machinery & Equipment	<u>\$305,219.02</u>	<u>\$15,913.22</u>		<u>\$321,132.24</u>
Totals at historical cost	<u>305,219.02</u>	<u>15,913.22</u>		<u>321,132.24</u>
Less: Accumulated Depreciation				
Machinery & Equipment	<u>(278,428.73)</u>	<u>(5,071.69)</u>		<u>(283,500.42)</u>
Total Depreciation	<u>(278,428.73)</u>	<u>(5,071.69)</u>		<u>(283,500.42)</u>
Total Proprietary Fund Activities	<u>\$26,790.29</u>	<u>\$10,841.53</u>		<u>\$37,631.82</u>

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2018**

**NOTE 3: CAPITAL ASSETS (CONTINUED)**

Depreciation expense was charged to functional expenses areas of the District as follows:

Direct Expense of various functions	<u>(\$1,963,562.05)</u>
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**NOTE 4: LONG-TERM LIABILITIES**

Bonds are issued by the District pursuant to the provisions of Title 18A, Education, of the New Jersey Statutes and are required to be approved by the voters of the municipality through referendum. The proceeds of bonds are recorded in the Capital Projects Fund and are restricted to the use for which they were approved in the bond referendum. All bonds are retired in annual installments within the statutory period of usefulness.

School Bonds issued by the District are entitled to and benefit from the provision of the New Jersey School Board Reserve Act P.L. 1980 c.72. Basically, funds are held by the State of New Jersey within its State Fund for the Support of Free Public Schools as a school bond reserve pledged by law to secure payment of principal and interest due on such bonds in the event of the inability of the issuer to make payments.

The following is a summary of transactions that affect long-term liabilities for the year ended June 30, 2018:

	Balance June 30, <u>2017</u>	<u>Reductions</u>	Balance June 30, <u>2018</u>	Amounts Due Within <u>One Year</u>
Bonds Payable	\$36,466,000.00	\$1,145,000.00	\$35,321,000.00	\$1,760,000.00
Unamortized Bond Premium	462,628.99	42,556.23	420,072.76	41,432.68
Capital Leases	51,281.91	25,337.54	25,944.37	25,944.37
Compensated Absences	1,836,648.21	151,227.98	1,685,420.23	
Net Pension Liability	18,179,090.00	3,525,827.00	14,653,263.00	
	<u>\$56,995,649.11</u>	<u>\$4,889,948.75</u>	<u>\$52,105,700.36</u>	<u>\$1,827,377.05</u>

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2018**

**NOTE 4: LONG-TERM LIABILITIES (CONTINUED)**

Debt Service Requirements:

The annual requirements to amortize all debt outstanding as of June 30, 2018, including interest payments on issued debt, are as follows:

Fiscal Year			
<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
FY2019	\$1,760,000.00	\$1,194,317.50	\$2,954,317.50
FY2020	1,825,000.00	1,119,817.50	2,944,817.50
FY2021	1,900,000.00	1,041,817.50	2,941,817.50
FY2022	1,975,000.00	962,942.50	2,937,942.50
FY2023	2,045,000.00	883,492.50	2,928,492.50
FY2024	2,125,000.00	796,730.00	2,921,730.00
FY2025	2,215,000.00	701,980.00	2,916,980.00
FY2026	2,295,000.00	611,705.00	2,906,705.00
FY2027	2,370,000.00	526,655.00	2,896,655.00
FY2028	2,455,000.00	436,155.00	2,891,155.00
FY2029	1,100,000.00	375,180.00	1,475,180.00
FY2030	1,100,000.00	347,680.00	1,447,680.00
FY2031	1,100,000.00	320,180.00	1,420,180.00
FY2032	1,050,000.00	293,305.00	1,343,305.00
FY2033	1,000,000.00	267,680.00	1,267,680.00
FY2034	1,000,000.00	242,680.00	1,242,680.00
FY2035	1,000,000.00	217,680.00	1,217,680.00
FY2036	1,000,000.00	192,680.00	1,192,680.00
FY2037	1,000,000.00	165,180.00	1,165,180.00
FY2038	1,000,000.00	135,180.00	1,135,180.00
FY2039	1,000,000.00	105,180.00	1,105,180.00
FY2040	1,000,000.00	75,180.00	1,075,180.00
FY2041	1,000,000.00	45,180.00	1,045,180.00
FY2042	1,006,000.00	15,090.00	1,021,090.00
	<u>\$35,321,000.00</u>	<u>\$11,073,667.50</u>	<u>\$46,394,667.50</u>

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2018**

**NOTE 4: LONG-TERM LIABILITIES (CONTINUED)**

General obligation school and refunding bonds payable with their outstanding balances are comprised of the following individual issues:

<u>Issue</u>	<u>Amount Outstanding June 30, 2018</u>	<u>Bonds Authorized But Not Issued</u>
\$20,530,000.00 in Refunding School Bonds dated September 15, 2011, due in remaining annual installments ranging between \$1,210,000.00 and \$1,905,000.00 beginning September 15, 2018 and ending September 15, 2027 with interest from 4.00% to 5.00%	<u>\$15,465,000.00</u>	<u>-0-</u>
\$19,856,000.00 in School Bonds dated August 2, 2016, due in remaining annual installments ranging between \$550,000.00 and \$1,100,000.00 beginning August 1, 2018 and ending August 1, 2041 with interest from 2.25% to 3.00%	<u>19,856,000.00</u>	<u>-0-</u>
	<u><u>\$35,321,000.00</u></u>	<u><u>-0-</u></u>

**Refunding School Bonds**

The district issued \$20,530,000.00 in Refunding School bonds to advance refund \$21,400,000.00 of the districts previously issued and outstanding school bonds. The net carrying amount exceeded the reacquisition price by \$870,000.00. The District also received a premium on the sale of \$1,901,399.25. These amounts are being amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued. The current year portion of the gain on the refunding debt charged to the Statement of Activities was \$18,888.37 leaving a balance of \$211,679.49. Under the escrow agreement, the escrow is irrevocably pledged to the payment of principal and interest on the refunded bonds. As a result, the \$21,400,000.00 of the refunded obligations are considered to be defeased and the liability for those bonds has been removed from the financial statements.

**Bonds Authorized But Not Issued**

As of June 30, 2018, the District had no Bonds Authorized but not issued.

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2018**

**NOTE 5: PENSION PLANS**

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

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

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

**Defined Contribution Retirement Program (DCRP)** The Defined Contribution Retirement Program (DCRP) was established under the provision of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 to provide coverage elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one year of membership.

**Significant Legislation**

Effective June 28, 2011, P.L. 2011, c. 78 enacted certain changes in the operations and benefit provisions of the TPAF and the PERS systems.

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2018**

**NOTE 5: PENSION PLANS (CONTINUED)**

**Pension Plan Design Changes**

Effective June 28, 2011, P.L. 2011, c. 78, new members of TPAF and PERS, hired on or after June 28, 2011, will need 30 years of creditable service and have attained the age of 65 for receipt of the early retirement benefit without a reduction of 1/4 of 1% for each month that the member is under age 65. New members will be eligible for a service retirement benefit at age 65.

**Funding Changes**

Under the new legislation, the methodology for calculating the unfunded accrued liability payment portion of the employer's annual pension contribution to the PERS, and TPAF. The unfunded actuarial accrued liability (UAAL) will be amortized for each plan over an open-ended 30 year period and paid in level dollars. Beginning with the July 1, 2019 actuarial valuation (July 1, 2018 for PFRS), the UAAL will be amortized over a closed 30 year period until the remaining period reaches 20, when the amortization period will revert to an open-ended 20 year period.

**COLA Suspension**

The payment of automatic cost-of-living adjustment to current and future retirees and beneficiaries are suspended until reactivated as permitted by this law.

**Vesting and Benefit Provisions** The vesting and benefit provisions of PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after ten years of service, except for post-retirement healthcare benefits that vest after 25 years of service.

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.

**Contribution Requirements** The contribution policy is set by N.J.S.A. 43:15A and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation.

Effective June 28, 2011, P.L. 2011, c. 78 provides for increases in the employee contribution rates: from 5.5% to 6.5% plus an additional 1% phased-in over 7 years beginning in the first year, meaning after 12 months, after the law's effective date for TPAF and PERS.



**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2018**

**NOTE 5: PENSION PLANS (CONTINUED)**

Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of TPAF (i.e. the State of new Jersey makes the employer contribution on behalf of public school districts.

Three Year Trend Information for PERS

<u>Year Ended</u> <u>June 30,</u>	<u>Annual</u> <u>Pension Cost</u> <u>(APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
2018	\$595,201.00	100%	\$595,201.00
2017	\$545,294.00	100%	\$545,294.00
2016	\$489,881.00	100%	\$489,881.00

Three Year Trend Information for TPAF (On-Behalf)

<u>Year Ended</u> <u>June 30,</u>	<u>Annual</u> <u>Pension Cost</u> <u>(APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
2018	\$2,908,324.00	100%	\$2,908,324.00
2017	\$3,020,459.00	100%	\$3,020,459.00
2016	\$2,123,598.00	100%	\$2,123,598.00

In accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District for the years ended June 30, 2018, 2017 and 2016 \$2,072,092.23, \$2,093,110.31, and \$2,031,634.90 respectively for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund statements and schedules as a revenue and expenditure in accordance with GASB 68.

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2018**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**

**Public Employees Retirement System (PERS)**

At June 30, 2018, the District reported a liability of \$14,653,263.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016 which was rolled forward to June 30, 2017. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2017, the District's proportion was 0.0629478929 percent, which was an increase of 0.0015675724 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of \$1,398,845.00 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2017 measurement date.

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>
Differences between expected and actual experience		\$345,034.00
Changes of assumptions	\$2,941,305.00	2,952,128.00
Net difference between projected and actual earnings on pension plan investments		99,779.00
Changes in proportion and differences between District contributions and proportionate share of contributions	203,524.00	1,302,166.00
District contributions subsequent to the measurement date	_____	638,044.00
	\$3,144,829.00	\$5,337,151.00

The \$638,044.00 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2018, the plan measurement date is June 30, 2017) will be recognized as a reduction of the net pension liability in the year ended June 30, 2019.

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2018**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**

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

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	<u>Amount</u>
<u>June 30</u>	
2019	\$ 679,001.00
2020	854,590.00
2021	564,236.00
2022	(267,718.00)
2023	(275,831.00)
	<u>\$1,554,278.00</u>

**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 rolled forward to June 30, 2017. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	2.25 Percent
Salary Increases	
Through 2026	1.65-4.15 Percent (based on age)
Thereafter	2.65-5.15 Percent (based on age)
Investment Rate of Return	7.00 Percent

**Mortality Rate**

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

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2018**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(CONTINUED)**

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

**Actuarial Assumptions (Continued)**

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.

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017 and 7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment 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.

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2018**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(CONTINUED)**

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

**Actuarial Assumptions (Continued)**

**Long-Term Rate of Return (continued)**

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 equivalents	5.50%	1.00%
US 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 estate	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed market 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% and 3.98% as of June 30, 2017 and 2016, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and 7.65%, and a municipal bond rate of 3.58% and 2.85% as of June 30, 2017 and 2016, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2018**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(CONTINUED)**

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

**Actuarial Assumptions (Continued)**

**Discount Rate (Continued)**

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 employer contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the collective net pension liability to changes in the discount rate**

The following presents the collective net pension liability of the participating employers as of June 30, 2017 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease <u>4.00%</u>	At Current Discount Rate <u>5.00%</u>	1% Increase <u>6.00%</u>
District's proportionate share of the pension liability	\$18,178,368.00	\$14,653,263.00	\$11,716,415.00

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2018**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(CONTINUED)**

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

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, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do 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. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2018 was as follows:

Net Pension Liability:	
Districts proportionate share	-0-
State's proportionate share	
associated with the District	<u>\$180,648,893</u>
	<u>\$180,648,893</u>

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 June 30, 2016. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2017, the proportion of the TPAF net pension liability associated with the District was .2679312255% which was an increase of .2652378842 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized on-behalf pension expense and revenue of \$12,514,441.00 in the government-wide financial statements for contributions provided by the State. This pension expense and revenue was based on the pension plans June 30, 2017 measurement date.

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2018**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(CONTINUED)**

**Teachers Pensions and Annuity Fund (TPAF) (Continued)**

**Actuarial Assumptions**

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

Inflation rate	2.25%
Salary increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment rate of return	7.00%

**Mortality Rate**

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

The actuarial assumptions used in the July 1, 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% and 7.65% at June 30, 2017 and June 30, 2016 respectively) 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.



**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2018**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(CONTINUED)**

**Teachers Pensions and Annuity Fund (TPAF) (Continued)**

**Actuarial Assumptions (Continued)**

**Long-Term Expected Rate of Return (Continued)**

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
US 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 estate	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed market equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts venture capital	8.25%	13.08%
	<u>100.00%</u>	

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2018**

**NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68**  
**(CONTINUED)**

**Teachers Pensions and Annuity Fund (TPAF) (Continued)**

**Actuarial Assumptions (Continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 4.25% and 3.22% as of June 30, 2017 and 2016, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and 7.65, and a municipal bond rate of 3.58% and 2.85% as of June 30, 2017 and 2016, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 40% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2036. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2036, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability,

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

Because the District's proportionate share of the net pension liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Teachers Public and Annuity Fund (TPAF). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2018**

**NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS – GASB 75**

**Plan Description and Benefits Provided**

The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan, with 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 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. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. According to N.J.S.A 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

**Employees Covered by Benefit Terms**

The State Health Benefit Local Education Retired Employees Plan Membership covered by the benefit terms consisted of the following:

Active Plan Members	\$223,747
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	142,331
Inactive Plan Members or Beneficiaries	
Not Yet Receiving Benefits	<u>- 0 -</u>
Total Plan Members	<u>\$366,078</u>

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2018**

**NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)**

**Total Nonemployer OPEB Liability**

The portion of the Total Nonemployer OPEB Liability that was associated with the District at June 30, 2018 was as follows:

Nonemployer OPEB Liability:	
Districts proportionate share	-0-
State's proportionate share associated with the District	<u>\$150,536,859.00</u>
	<u><u>\$150,536,859.00</u></u>

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 was determined separately based on actual data of the District.

For the year ended June 30, 2018, the District recognized on-behalf post-employment expense and revenue of \$8,811,059.00 in the government-wide financial statements for contributions provided by the State. This expense and revenue was based on the plans June 30, 2017 measurement date.

At June 30, 2017, the District's proportion was 0.2806437413 percent, which was a increase of .0006377570 from its proportion measured as of June 30, 2016.

The State, a Nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS, TPAF/ABP and PFRS participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Consequently, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position.

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2018**

**NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)**

**Actuarial Assumptions and Other Imputes**

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

Inflation 2.5 percent			
	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
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 of Age
Thereafter	2.00-5.45%	3.15-5.15%	3.10-9.98
	Based on years of Service	Based on Age	Based of 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. Post-Retirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2014 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

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

**Health Care Trend Assumptions**

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

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2018**

**NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)**

**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.

**Changes in the Total Nonemployer OPEB Liability**

Shown below are details regarding the Total Nonemployer OPEB Liability for the Measurement Period from June 30, 2016 to June 30, 2017:

Balance at 6/30/16		\$162,670,109
Changes for the year:		
Service cost	\$6,160,515	
Interest	4,764,152	
Changes in assumptions or other inputs	(19,699,555)	
Benefit payments	(3,486,753)	
Contributions from Members	128,391	
Net change in OPEB Liability		(12,133,250)
Balance at 6/30/17		\$150,536,859

**Sensitivity of the Total Nonemployer OPEB Liability to Changes in the Discount Rate**

The following presents the total nonemployer OPEB liability associated with the District as of June 30, 2017 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:

	June 30, 2017		
	1.00% <u>Decrease (2.58%)</u>	At Discount <u>Rate (3.58)</u>	1.00% <u>Increase (4.58%)</u>
State of New Jersey's Share of Nonemployer OPEB Liability Associated with the District	\$178,698,112	\$150,536,859	\$128,199,085

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2018**

**NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)**

**Sensitivity of the Total Nonemployer OPEB Liability to Changes in Healthcare Trends**

The following presents the total nonemployer OPEB liability associated with the District as of June 30, 2017 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:

	June 30, 2017		
	<u>1.00% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1.00% Increase</u>
State of New Jersey's Share of Nonemployer OPEB Liability Associated with the District	\$123,802,014	\$150,536,859	\$186,040,418

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

At June 30, 2017, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB associated with the District from the following sources:

	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>
Changes of assumptions	\$17,803,391.00	-
Changes in proportion	<u>291,438.00</u>	<u>\$0.00</u>
	<u>\$18,094,829.00</u>	<u>\$0.00</u>

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2018**

**NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)**

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB associated with the District will be recognized in OPEB expense as follows:

Year Ended <u>June 30,</u>	<u>Amount</u>
2019	(\$2,142,994)
2020	(\$2,142,994)
2021	(\$2,142,994)
2022	(\$2,142,994)
2023	(\$2,142,994)
Total Thereafter	<u>(\$7,379,860)</u>
	<u><u>(\$18,094,829)</u></u>

In accordance with GASBS No. 75, the District's proportionate share of school retirees OPEB is zero. There is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources in the financial statements.

**State Health Benefit Local Education Retired Employee Plan Information**

The New Jersey Division of Pension and Benefits issues publicly available reports on the OPEB plan. Those reports may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, NJ 08625-0295 or on their website at <http://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>

**NOTE 8: LITIGATION**

The District's counsel advises that there is no litigation, pending litigation, claims, contingent liabilities, unasserted claims or assessments or statutory violations which involve the District and which might materially affect the District's financial position.



**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2018**

**NOTE 9: CONTINGENCIES**

The District receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2017-2018 fiscal year were subject to the Uniform Guidance and New Jersey OMB Circular 15-08 which mandates that grant revenues and expenditures be audited in conjunction with the District's annual audit if expenditures for federal or state programs exceed \$750,000.00 Findings and questioned costs, if any, relative to federal and state financial assistance programs are discussed in the Single Audit Section, Schedule of Findings and Questioned Costs. In addition, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. The District's management does not believe any such audit would result in material amounts of disallowed costs.

**NOTE 10: RISK MANAGEMENT**

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

**Property and Liability Insurance** The District maintains insurance coverage covering each of those risks of loss. The administration believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded the insurance coverage in any of the past three fiscal years.

**New Jersey Unemployment Compensation Insurance** The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Contributory Method". Under this plan, the District is required to remit an employer's match to the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State.

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2018**

**NOTE 11: COMPENSATED ABSENCES**

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

The liability for vested compensated absences of the governmental fund types are recorded in the district - wide statement of net position. As of June 30, 2018, a liability existed for compensated absences for governmental fund-types in the district- wide Statement of Net Position of \$1,685,420.23.

For additional descriptive information see Note 1, Summary of Significant Accounting Policies.

**NOTE 12: FUND BALANCE APPROPRIATED**

**General Fund** The table below reflects the District's Fund Balance at June 30, 2018 on both a GAAP (Exhibit B-1) and Budgetary (Exhibit C-1) basis including the required adjustment related to the last two state aid payments which under GAAP are not recognized:

	<u>Budgetary</u> <u>Basis (C-1)</u>	<u>Adjustment</u>	<u>GAAP</u> <u>Basis (B-1)</u>
Restricted:			
Excess Surplus:			
Designated for Subsequent			
Year's Expenditures	\$ 7,261.56	\$	\$ 7,261.56
Current Year	198,336.21		198,336.21
Emergency Reserve	385,809.57		385,809.57
Maintenance Reserve	3,063,123.65		3,063,123.65
Capital Reserve	2,738,363.41		2,738,363.41
Assigned:			
Encumbrances	694,894.88		694,894.88
Designated for Subsequent			
Year's Expenditures	117,738.44		117,738.44
Unassigned	<u>1,433,879.65</u>	<u>(1,218,258.00)</u>	<u>215,621.65</u>
	<u>\$ 8,639,407.37</u>	<u>\$ (1,218,258.00)</u>	<u>\$ 7,421,149.37</u>

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2018**

**NOTE 12: FUND BALANCE APPROPRIATED (CONTINUED)**

**Debt Service Fund** Of the \$62,426.11 in Debt Service Fund Balance at June 30, 2018, \$27,938.11 is restricted in accordance with N.J.S.A. 18A:7F-41c(2) and \$34,488.00 is assigned and has been appropriated and included as anticipated revenue for the year ended June 30, 2019.

**NOTE 13: CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS**

**Calculation of Excess Surplus** In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2007, c73 (S1701), the Restricted Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if the District did not appropriate a required minimum amount as budgeted fund balance in the subsequent year's budget.

General Fund Expenditures:		
Fiscal Year Ended, June 30 2018		\$74,671,921.88
Less:		
Reimb. TPAF Social Security Contributions	\$2,072,092.23	
Reimb. TPAF Pension Contributions	4,039,930.00	
Reimb. TPAF Post Retirement Contributions	2,672,626.00	
Reimb. TPAF Non-Contributory Insurance	98,039.00	
Reimb. TPAF Long-Term Disability	<u>5,602.00</u>	
		<u>8,888,289.23</u>
Adjusted General Fund Expenditures		\$65,783,632.65
Excess Surplus Percentage		<u>2.00%</u>
		<u>\$1,315,672.65</u>
Increased by:		
Non-Public Transportation Aid (unbudgeted)	10,730.00	
Extraordinary Aid (unbudgeted)	<u>107,477.00</u>	
		<u>118,207.00</u>
Maximum Unreserved/Undesignated General Fund Balance		\$1,433,879.65
Actual Unassigned General Fund Balance		<u>1,632,215.86</u>
Excess Surplus		<u><u>\$198,336.21</u></u>
Recapitulation of Excess Surplus, June 30, 2018:		
Reserved for Excess Surplus - Designated for Subsequent Year's Expenditure		\$7,261.56
Reserved for Excess Surplus		<u>198,336.21</u>
		<u><u>\$205,597.77</u></u>

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2018**

**NOTE 13: CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS**

Based on the preceding calculation, as of June 30, 2018 \$7,261.56 is reported as Reserved Fund Balance Excess Surplus Designated for Subsequent Year's Expenditure and is required to be appropriated for property tax relief in the 2018-19 budget. \$198,216.95 is reported as Reserved Fund Balance Excess Surplus and is required to be appropriated for property tax relief in the 2019-2020 budget.

**NOTE 14: INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances remained on the balance sheet at June 30, 2018:

<u>Fund</u>	<u>Interfund Balance</u>	
	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 635,784.86	\$
Special Revenue Fund		117,615.99
Capital Projects Fund		
Proprietary Fund		222.46
Fiduciary Fund		517,946.41
	\$ 635,784.86	\$ 635,784.86

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were received.

**NOTE 15: CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the Matawan-Aberdeen Regional Board of Education on October 16, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2018**

**NOTE 15: CAPITAL RESERVE ACCOUNT (CONTINUED)**

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

Balance, July 1, 2017		\$3,166,712.66
Increased by:		
Board Resolution dated 06/18/2018	\$750,000.00	
Unexpended Portion of FY2017 Appropriation	<u>21,650.75</u>	
		<u>771,650.75</u>
		3,938,363.41
Decreased by:		
FY2018 Budget Appropriation	<u>1,200,000.00</u>	
		<u>1,200,000.00</u>
Balance, June 30, 2018		<u><u>\$2,738,363.41</u></u>

**NOTE 16: EMERGENCY RESERVE ACCOUNT**

In accordance with N.J.S.A. 18A:7F-41c(1), an emergency reserve account was established by the District. The emergency reserve account is maintained in the general fund.

The funds in the reserve shall be used to finance unanticipated general fund current expense costs required for T&E. For the purpose of the emergency reserve account “unanticipated” shall mean reasonably unforeseeable and shall not include additional costs caused by poor planning or error.

The account balance is not to exceed \$250,000.00 or one percent of the district’s general fund budget up to a maximum of \$1,000,000.00 whichever is greater. Withdrawals require approval by the Commissioner.

At June 30, 2018, the balance of the Emergency Reserve Account was \$385,809.57 and is within the statutory limitations.

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2018**

**NOTE 16: EMERGENCY RESERVE ACCOUNT (CONTINUED)**

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

Balance, June 30, 2017		\$502,422.31
Increased by:		
Interest	\$3,387.26	
		3,387.26
		505,809.57
Decreased by:		
Budgeted Withdrawal		120,000.00
Balance, June 30, 2018		\$385,809.57

**NOTE 17: MAINTENANCE RESERVE ACCOUNT**

In accordance with N.J.S.A. 18A:7G-13, a Maintenance reserve account was established by the District. The Maintenance reserve account is maintained in the general fund.

A district board of education or board of school estimate, as appropriate, may increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes.

A district board of education or board of school estimate, as appropriate, may by resolution withdraw such funds from the maintenance reserve account and appropriate into the required maintenance account lines at budget time or any time during the year for use on required maintenance activities for a school facility as reported in the comprehensive maintenance plan pursuant to N.J.A.C. 6A:26A-4.

The district board of education shall ensure that the maintenance reserve account balance does not, at any time, exceed four percent of the replacement cost of the school district's school facilities for the current year. If the account exceeds this maximum amount at June 30, the district board of education shall reserve and designate such excess in the subsequent year's budget.

At June 30, 2018, the balance of the Maintenance Reserve Account was \$3,063,123.65 and is within the statutory limitations.

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2018**

**NOTE 17: MAINTENANCE RESERVE ACCOUNT (CONTINUED)**

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

Balance, June 30, 2017		\$3,124,296.45
Increased by:		
Board Resolution dated 06/18/2018	\$800,000.00	
Interest	<u>22,075.20</u>	
		<u>822,075.20</u>
		3,946,371.65
Decreased by:		
FY2018 Budget Appropriation		<u>883,248.00</u>
Balance, June 30, 2018		<u><u>\$3,063,123.65</u></u>

**NOTE 18: INVENTORY**

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

Food and Supplies	<u>\$23,869.56</u>
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The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Amendments of 1996) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

**NOTE 19: TAX ABATEMENTS**

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

**Matawan-Aberdeen Regional School District**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ending June 30, 2018**

**NOTE 19: TAX ABATEMENTS (CONTINUED)**

The District has identified agreements that have been entered into by Matawan Borough and Aberdeen Township that require disclosure under this statement. The gross dollar amount, on an accrual basis, by which the District's property tax revenues were potentially reduced during the reporting period as a result of tax abatement agreements totaled \$659,493.91. It is important to note that the District Tax Levy is guaranteed to be paid in full by the municipalities and that the District collected its full tax levy for FY2018.

**NOTE 20: SUBSEQUENT EVENTS**

The Board of Education has evaluated subsequent events occurring after the financial statement date through February 4, 2019 which is the date the financial statements were available to be issued. The District has determined that there are no material subsequent events need to be disclosed:

**NOTE 21: PRIOR PERIOD ADJUSTMENTS**

The adjustment below was reflected against the beginning Net Assets balance on the District Wide Statements as a result of a reclassification of an expenditure:

	<u>Governmental Activities</u>
Beginning Net Position 06/30/17	\$ 38,067,955.52
Adjustments:	
Reclassification - Capital Assets	\$ <u>(9,080.00)</u>
	<u>(9,080.00)</u>
Beginning Net Position 06/30/17 (As Restated)	\$ <u><u>38,058,875.52</u></u>



**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
GENERAL FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	(GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE)
<b>REVENUES</b>					
Local sources:					
Local tax levy	\$ 52,003,125.00	\$	\$ 52,003,125.00	\$ 52,003,125.00	\$ 35,651.04
Tuition from Individuals	130,000.00		130,000.00	165,651.04	(479.94)
Tuition from Other LEAs Within State	55,170.00		55,170.00	54,690.06	106,159.10
Transportation fees from Other LEAs				106,159.10	21,650.75
Interest on Capital Reserve	50.00		50.00	21,700.75	22,075.20
Interest on Maintenance Reserve				22,075.20	3,387.26
Interest on Emergency Reserve				3,387.26	(6,586.57)
Miscellaneous	128,450.00		128,450.00	121,863.43	
Total-local sources	52,316,795.00		52,316,795.00	52,498,651.84	181,856.84
State sources:					
Equalization Aid	9,261,797.00	124,278.00	9,386,075.00	9,386,075.00	
Categorical Special Education Aid	2,297,673.00		2,297,673.00	2,297,673.00	
Categorical Security Aid	116,557.00		116,557.00	116,557.00	
Categorical Transportation Aid	223,359.00		223,359.00	223,359.00	
Extraordinary Aid	391,710.00		391,710.00	499,187.00	107,477.00
Adjustment Aid	259,694.00		259,694.00	259,694.00	
PARCC Readiness Aid	37,880.00		37,880.00	37,880.00	
Per Pupil Growth Aid	37,880.00		37,880.00	37,880.00	
Professional Learning Community Aid	37,610.00		37,610.00	37,610.00	
Miscellaneous Unrestricted State Aid				10,730.00	10,730.00
On-behalf TPAF Non-Contributory Insurance (non-budgeted)				98,039.00	98,039.00
On-behalf TPAF Pension (non-budgeted)				4,039,930.00	4,039,930.00
On-behalf TPAF Long-Term Disability (non-budget)				5,602.00	5,602.00
On-behalf TPAF Post Retirement Contributions (non-budgeted)				2,672,626.00	2,672,626.00
Reimbursed TPAF Social Security Contributions (non-budgeted)				2,072,092.23	2,072,092.23
Total - state sources	12,664,160.00	124,278.00	12,788,438.00	21,794,934.23	9,006,496.23
Federal sources:					
Medicaid reimbursement	86,808.00		86,808.00	72,127.53	(14,680.47)
Total - federal sources	86,808.00		86,808.00	72,127.53	(14,680.47)
Total revenues	65,067,763.00	124,278.00	65,192,041.00	74,365,713.60	9,173,672.60

MATAWAN-BERDEEN REGIONAL SCHOOL DISTRICT  
GENERAL FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	(GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE)
<b>EXPENDITURES</b>					
<b>CURRENT EXPENSE:</b>					
Instruction - regular programs:					
Salaries of teachers:					
Preschool	\$ 117,260.00	\$ 2,131.00	\$ 119,391.00	\$ 119,269.80	\$ 121.20
Kindergarten	1,075,446.00	(13,487.00)	1,061,959.00	1,060,608.29	1,350.71
Grades 1-5	6,217,619.00	(543,345.00)	5,674,274.00	5,662,466.38	11,807.62
Grades 6-8	3,895,664.00	146,633.00	4,042,297.00	4,037,298.50	4,998.50
Grades 9-12	7,032,528.00	(1,198,968.64)	5,833,559.36	5,643,734.13	189,825.23
<b>Total Teachers Salaries</b>	<b>18,338,517.00</b>	<b>(1,607,036.64)</b>	<b>16,731,480.36</b>	<b>16,523,377.10</b>	<b>208,103.26</b>
Regular Programs - Home Instruction:					
Salaries of teachers	50,000.00	9,766.00	59,766.00	59,765.65	0.35
Purchased professional educational services	8,100.00	71,670.00	79,770.00	79,425.47	344.53
<b>Total Regular Programs - Home Instruction:</b>	<b>58,100.00</b>	<b>81,436.00</b>	<b>139,536.00</b>	<b>139,191.12</b>	<b>344.88</b>
Regular programs - undistributed instruction:					
Other salaries for instruction	198,462.00	97,392.00	295,854.00	281,353.29	14,500.71
Purchased Professional Educational Services	1,153,305.00	194,766.00	1,348,071.00	1,326,071.12	21,999.88
Purchased technical services	80,156.00	(6,479.00)	73,677.00	72,721.85	955.15
Other purchased services(400-500 series)	121,320.00	181.00	121,501.00	64,803.99	56,697.01
General supplies	1,146,276.82	(39,536.85)	1,106,739.97	1,064,963.34	41,776.63
Textbooks	68,049.00	(46,482.15)	21,566.85	21,251.88	314.97
Other Objects	5,034.00	6,106.00	11,140.00	8,235.03	2,904.97
<b>Total regular programs</b>	<b>2,772,602.82</b>	<b>205,947.00</b>	<b>2,978,549.82</b>	<b>2,839,400.50</b>	<b>139,149.32</b>
<b>Total Regular Programs - Instruction</b>	<b>21,169,219.82</b>	<b>(1,319,653.64)</b>	<b>19,849,566.18</b>	<b>19,501,968.72</b>	<b>347,597.46</b>
Special education:					
Cognitive - Moderate	157,875.00	34,343.00	192,218.00	192,217.10	0.90
Salaries of teachers	49,890.00	(8,481.00)	41,409.00	41,408.50	0.50
Other salaries for instruction					
<b>Total Cognitive- Moderate</b>	<b>207,765.00</b>	<b>25,862.00</b>	<b>233,627.00</b>	<b>233,625.60</b>	<b>1.40</b>
Cognitive - Mild					
Other salaries for instruction		8,351.00	8,351.00	8,350.50	0.50
<b>Total Cognitive- Mild</b>		<b>8,351.00</b>	<b>8,351.00</b>	<b>8,350.50</b>	<b>0.50</b>

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
GENERAL FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	(GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE)
Learning and / or Language Disabilities:					
Salaries of teachers	402,409.00 \$	188,669.00 \$	591,078.00 \$	582,532.80 \$	8,545.20
Other salaries for instruction	73,670.00	1,503.00	75,173.00	61,170.60	14,002.40
Total Learning and / or Language Disabilities	476,079.00	190,172.00	666,251.00	643,703.40	22,547.60
Auditory Impairments:					
Salaries of teachers	200.00	690.00	890.00	890.00	
Total Auditory Impairments	200.00	690.00	890.00	890.00	
Behavioral Disabilities:					
Salaries of teachers	144,610.00	(59,810.00)	84,800.00	84,800.00	
Other salaries for instruction	45,635.00	5,803.00	51,438.00	51,438.00	
Total Behavioral Disabilities	190,245.00	(54,007.00)	136,238.00	136,238.00	
Multiple Disabilities:					
Salaries of teachers	56,600.00	34,385.00	90,985.00	90,428.07	556.93
Other salaries for instruction	43,320.00	(19,402.00)	23,918.00	23,917.46	0.54
Total Multiple Impairments	99,920.00	14,983.00	114,903.00	114,345.53	557.47
Resource room/resource center:					
Salaries of teachers	3,205,451.00	52,120.00	3,257,571.00	3,250,070.59	7,500.41
Other salaries for instruction	53,440.00	(2,135.00)	51,305.00	51,305.00	
Total resource room	3,258,891.00	49,985.00	3,308,876.00	3,301,375.59	7,500.41
Autism:					
Salaries of teachers	447,369.00	(9,939.00)	437,430.00	437,232.86	197.14
Other salaries for instruction	356,630.00	48,464.00	405,094.00	405,093.73	0.27
General supplies	3,600.00	(3,600.00)			
Total Autism	807,599.00	34,925.00	842,524.00	842,326.59	197.41

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
GENERAL FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	(GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE)
Preschool disabilities-part -time:					
General supplies	900.00	(900.00)			
Total preschool handicapped - part-time	900.00	(900.00)			
Preschool disabilities-full -time:					
Salaries of teachers	274,620.00	67,747.00	342,367.00	341,719.37	647.63
Other salaries for instruction	243,911.00	70,574.00	314,485.00	314,484.57	0.43
General supplies	900.00	(900.00)			
Total preschool handicapped - part-time	519,431.00	137,421.00	656,852.00	656,203.94	648.06
Total special education	5,561,030.00	407,482.00	5,968,512.00	5,937,059.15	31,452.85
Basic skills/remedial:					
Salaries of teachers	1,032,135.00	362,170.00	1,394,305.00	1,394,305.00	
General supplies	12,576.00	(5,132.00)	7,444.00	7,008.39	435.61
Total basic skills/remedial	1,044,711.00	357,038.00	1,401,749.00	1,401,313.39	435.61
Bilingual education:					
Salaries of teachers	307,898.00	9,105.00	317,003.00	317,002.13	0.87
General supplies	76.00	80.00	156.00	130.13	25.87
Total bilingual education	307,974.00	9,185.00	317,159.00	317,132.26	26.74
School sponsored cocurricular activities:					
Salaries	275,638.00	2,745.00	278,383.00	277,922.00	461.00
Purchased Services(300-500 series)	8,986.00	(1,289.00)	7,697.00	6,884.09	812.91
Supplies and Materials	38,856.00	(22,665.00)	16,191.00	14,977.76	1,213.24
Other Objects	12,153.00	638.00	12,791.00	12,576.00	215.00
Total school sponsored cocurricular activities	335,633.00	(20,571.00)	315,062.00	312,359.85	2,702.15
School sponsored athletics:					
Salaries	561,686.00	132,917.00	694,603.00	683,899.82	10,703.18
Purchased Services(300-500 series)	44,190.00	1,758.75	45,948.75	45,091.17	857.58
Supplies and Materials	104,712.82	(19,756.75)	84,956.07	80,845.22	4,110.85
Other Objects	18,000.00	8,034.00	26,034.00	25,913.82	120.18
Transfers to Cover Deficit (Agency Funds)	36,000.00		36,000.00	36,000.00	
Total school sponsored athletics	764,588.82	122,953.00	887,541.82	871,750.03	15,791.79

MATAWAN-BERDEEN REGIONAL SCHOOL DISTRICT  
GENERAL FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	(GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE)
Before/After School Programs - Instruction	44,895.00	7,486.00	52,381.00	51,947.26	433.74
Salaries of Teacher Tutors	44,895.00	7,486.00	52,381.00	51,947.26	433.74
Total Before/After School Programs	2,497,801.82	476,091.00	2,973,892.82	2,954,502.79	19,390.03
Total other instructional programs	29,228,051.64	(436,080.64)	28,791,971.00	28,393,530.66	398,440.34
Total - instruction					
Undistributed expenditures:					
Instruction:					
Tuition to other LEA's within the state-regular	303,942.00	91,842.00	91,842.00	73,777.49	18,064.51
Tuition to other LEA's within the state-special	286,200.00	(6,864.00)	297,078.00	265,866.51	31,211.49
Tuition to county vocational school district-regular	253,152.00	17,054.00	303,254.00	303,254.00	
Tuition to county vocational school district-special	2,170,244.00	20,798.00	273,950.00	262,155.00	11,795.00
Tuition to CSSD & Reg. D	14,400.00	6,168.00	6,168.00	12,330.00	(6,162.00)
Tuition to private schools for the disabled wi state		586,045.00	2,756,289.00	2,686,234.22	70,054.78
Tuition - Other		(14,400.00)			
Total undistributed expenditures - instruction	3,027,938.00	700,643.00	3,728,581.00	3,603,617.22	124,963.78
Attendance and social work services:					
Salaries	27,009.00	(17,295.00)	9,714.00	9,713.10	0.90
Other purchased services (400-500) series	945.00	(945.00)			
Supplies and materials	180.00	(180.00)			
Total attendance and social work services	28,134.00	(18,420.00)	9,714.00	9,713.10	0.90
Health services:					
Salaries	638,065.00	58,275.00	696,330.00	695,067.04	1,262.96
Purchased professional and technical services	26,817.25	(13,400.00)	13,417.25	12,923.82	493.43
Other Purchased Services (400-500 series)	450.00	983.00	1,433.00	946.97	486.03
Supplies and materials	18,921.00	(8,752.00)	10,169.00	10,075.92	93.08
Total health services	684,243.25	37,106.00	721,349.25	719,013.75	2,335.50

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
GENERAL FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	(GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE)
Other support services - student related services:					
Salaries	\$ 701,281.00	\$ 14,928.00	\$ 716,209.00	\$ 716,208.73	\$ 0.27
Purchased Professional - Educational Services	104,939.00	(121.00)	104,818.00	103,587.25	1,230.75
Supplies and Materials	2,700.00	(2,063.00)	637.00	565.34	71.66
Total other support services - students related services	808,920.00	12,744.00	821,664.00	820,361.32	1,302.68
Other support services- Students- Extra Services					
Salaries	360,562.00	(104,828.00)	255,734.00	251,609.98	4,124.02
Purchased Professional - Educational Services	634,980.25	911,794.00	1,546,774.25	1,481,940.07	64,834.18
Total other support services- Students- Extra Services	995,542.25	806,966.00	1,802,508.25	1,733,550.05	68,958.20
Other support services - students - regular:					
Salaries of other professional staff	802,409.00	115,898.00	918,307.00	918,306.90	0.10
Salaries of secretarial and clerical assistants	70,475.00	10,714.00	81,189.00	81,188.53	0.47
Purchased Professional - Educational Services	83,095.00	33,383.00	116,478.00	116,478.00	
Other Purchased Services (400-500 series)	13,122.00	(3,314.00)	9,808.00	9,155.00	653.00
Supplies and Materials	25,792.00	(17,699.00)	8,093.00	4,792.18	3,300.82
Other objects	5,845.00	(5,095.00)	750.00	740.00	10.00
Total other support services - students - regular	1,000,738.00	133,887.00	1,134,625.00	1,130,660.61	3,964.39
Other support services - students - Child Study Teams:					
Salaries of other professional staff	2,061,728.00	(485,314.00)	1,576,414.00	1,576,413.96	0.04
Salaries of secretarial and clerical assistants	26,900.00	1,785.00	28,685.00	28,684.50	0.50
Purchased Professional - Educational Services	7,200.00	(7,200.00)			
Other Purchased Professional and Tech Services	9,216.00	26,149.00	35,365.00	35,060.15	304.85
Misc. Pur Serv (400-500 series o/ than resid. Costs)	11,109.78	(1,905.00)	9,204.78	7,063.97	2,140.81
Residential Costs	114,000.00	(88,400.00)	25,600.00	19,527.52	6,072.48
Supplies and Materials	3,150.00	(2,015.00)	1,135.00	1,134.66	0.34
Other objects		12.00	12.00	11.99	0.01
Total other support services - students - Child Study Teams	2,233,303.78	(556,888.00)	1,676,415.78	1,667,896.75	8,519.03



MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
GENERAL FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	(GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE)
Improvement of instruction services/ other support services-instructional staff:					
Salaries of Supervisors of Instruction	\$ 237,298.00	\$ (78,571.00)	\$ 158,727.00	\$ 158,726.34	\$ 0.66
Salaries of other professional staff	83,010.00	15,570.00	98,580.00	98,580.00	
Salary Literacy Coach	417,381.00	(339,250.00)	78,131.00	78,130.00	1.00
Purchased Professional	114,480.00	(55,117.00)	59,363.00	56,862.50	2,500.50
Other Purchased Services (400-500)	30,650.00	(17,692.00)	12,958.00	11,948.68	1,009.32
Supplies and Materials	16,020.00	(9,020.00)	7,000.00	6,999.81	0.19
Other Objects	18,000.00	2,915.00	20,915.00	20,914.92	0.08
<b>Total improvement of instruction services/ other support services-instructional staff</b>	<b>916,839.00</b>	<b>(481,165.00)</b>	<b>435,674.00</b>	<b>432,162.25</b>	<b>3,511.75</b>
Educational media services/school library:					
Salaries	408,170.00	5,414.00	413,584.00	413,583.21	0.79
Salaries of Technology Coordinators	125,849.00	(306.00)	125,543.00	125,542.84	0.16
Purchased Professional and Technical Services	12,863.00	(1,951.00)	10,912.00	10,911.39	0.61
Supplies and Materials	27,360.00	(4,442.00)	22,918.00	22,497.10	420.90
<b>Total educational media services/school library</b>	<b>574,242.00</b>	<b>(1,285.00)</b>	<b>572,957.00</b>	<b>572,534.54</b>	<b>422.46</b>
Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	148,510.00	(10,190.00)	138,320.00	138,319.50	0.50
Purchased Professional - Educational Services	6,300.00	1,814.00	8,114.00	8,113.28	0.72
Other Purchased Services (400-500)	18,000.00	(3,974.00)	14,026.00	13,926.00	100.00
Other Objects		250.00	250.00	250.00	
<b>Total instructional staff training services:</b>	<b>172,810.00</b>	<b>(12,100.00)</b>	<b>160,710.00</b>	<b>160,608.78</b>	<b>101.22</b>
Support services general administration:					
Salaries	755,424.00	(7,371.00)	748,053.00	748,050.60	2.40
Legal services	81,245.24	104,998.00	186,243.24	164,083.29	22,159.95
Audit Fees	28,287.00	5,288.00	33,575.00	33,537.50	37.50
Other purchased professional services		18,865.00	18,865.00	8,252.00	10,613.00
Purchased technical services	16,291.00	6,798.00	23,089.00	21,708.53	1,380.47

MATAWAN-BERDEEN REGIONAL SCHOOL DISTRICT  
GENERAL FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	(GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE)
Support services general administration (continued):					
Communications/telephone	\$ 137,332.00	\$ (2,636.00)	\$ 134,696.00	\$ 126,938.02	\$ 7,757.98
Travel	6,435.00	(2,491.00)	3,944.00	3,943.31	0.69
BOE Other purchased services	3,600.00	(778.00)	2,822.00	2,821.43	0.57
Other purchased services (400-500)	433,144.00	(170,815.00)	262,329.00	262,328.94	0.06
General supplies	13,005.00	(4,467.00)	8,538.00	8,443.97	94.03
In house Training/Meeting Supplies	1,800.00	(1,800.00)			
Judgments	39,951.00	(39,951.00)			
Miscellaneous Expenditures	8,640.00	(812.00)	7,828.00	7,827.35	0.65
BOE membership dues and fees	24,300.00	2,363.00	26,663.00	26,662.70	0.30
<b>Total support services general administration</b>	<b>1,549,454.24</b>	<b>(92,809.00)</b>	<b>1,456,645.24</b>	<b>1,414,597.64</b>	<b>42,047.60</b>
Support services school administration:					
Salaries of principals/asst. principals	1,807,969.00	140,130.00	1,948,099.00	1,948,099.00	
Salaries of secretarial and clerical assistants	565,018.00	5,633.00	570,651.00	570,650.93	0.07
Purchased Professional - Technical Services	12,195.00	(5,822.00)	6,373.00	4,958.80	1,414.20
Other Purchased Services (400-500 series)	8,635.00	5,776.50	14,411.50	14,409.60	1.90
Supplies and Materials	50,929.00	(2,783.00)	48,146.00	43,334.08	4,811.92
Other objects	5,400.00	(1,105.00)	4,295.00	4,295.00	
<b>Total support services school administration</b>	<b>2,450,146.00</b>	<b>141,829.50</b>	<b>2,591,975.50</b>	<b>2,585,747.41</b>	<b>6,228.09</b>
Central Services:					
Salaries	446,568.00	(15,289.00)	431,279.00	431,278.00	1.00
Purchased professional services	16,236.00	(236.00)	16,000.00	16,000.00	
Purchased Technical services	65,574.00	(2,657.00)	62,917.00	62,916.21	0.79
Misc. purchased services (400-500 series)	29,182.00	(7,468.00)	21,714.00	19,945.30	1,768.70
Supplies and Materials	16,740.00	859.00	17,599.00	17,341.82	257.18
Misc. Expenditures	4,373.00	36,857.50	41,230.50	41,207.81	22.69
<b>Total central services</b>	<b>578,673.00</b>	<b>12,066.50</b>	<b>590,739.50</b>	<b>588,689.14</b>	<b>2,050.36</b>

MATAWAN-BERDEEN REGIONAL SCHOOL DISTRICT  
GENERAL FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	(GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE)
Admin. Info. Tech.					
Salaries	\$ 128,010.00	\$ 7,846.00	\$ 135,856.00	\$ 135,855.44	\$ 0.56
Purchased technical services	44,914.00	70,370.00	115,284.00	113,508.68	1,775.32
Other Purchased Services ( 400- 500 series)	24,660.00	(21,543.00)	3,117.00	1,240.74	1,876.26
Supplies and Materials	40,724.00	(8,800.00)	31,924.00	29,402.65	2,521.35
Total admin. Info. Technology	238,308.00	47,873.00	286,181.00	280,007.51	6,173.49
Required Maintenance for School Facilities:					
Salaries	525,048.00	8,524.00	533,572.00	528,950.96	4,621.04
Cleaning, Repair and Maintenance Services	756,617.78	(433,187.00)	323,430.78	299,420.45	24,010.33
General supplies	109,005.32	62,403.00	171,408.32	166,285.90	5,122.42
Other Objects	21,359.00	1,500.00	22,859.00	22,723.18	135.82
Total Allowable Maintenance for School Facilities	1,412,030.10	(360,760.00)	1,051,270.10	1,017,380.49	33,889.61
Other operation and maint. of plant :					
Salaries of Non-Instructional Aides	80,947.00	(3,558.00)	77,389.00	77,388.40	0.60
Purchased professional and technical services	18,730.00	(6,400.00)	12,330.00	12,254.65	75.35
Cleaning, repair and maint. services	1,705,624.00	199,734.00	1,905,358.00	1,904,925.39	432.61
Other purchased property services	330,480.00	39,503.00	369,983.00	365,328.52	4,654.48
Insurance	368,494.00	(13,437.00)	355,057.00	354,835.01	221.99
Misc. Purchased Services	2,905.00	(2,905.00)			
General supplies	90,000.00	39,873.00	129,873.00	127,835.38	2,037.62
Energy (heat and electricity)	517,500.00	17,500.00	535,000.00	530,812.77	4,187.23
Energy (Natural Gas)	285,766.00	20,281.00	306,047.00	297,038.52	9,008.48
Energy (Oil)	22,500.00	(7,500.00)	15,000.00	8,353.03	6,646.97
Other objects	2,250.00	(2,250.00)			
Total other operation and maint. of plant	3,425,196.00	280,841.00	3,706,037.00	3,678,771.67	27,265.33
Care & Upkeep of Grounds					
Salaries	20,000.00	1,377.00	21,377.00	21,376.01	0.99
Cleaning, Repair and Maintenance Services	91,350.00	35,115.00	126,465.00	124,155.86	2,309.14
General Supplies	31,500.00	(5,925.00)	25,575.00	25,434.28	140.72
Total Care and Upkeep of Grounds	142,850.00	30,567.00	173,417.00	170,966.15	2,450.85

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
GENERAL FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	(GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE)
Security					
Salaries	\$ 27,009.00	\$ (17,317.00)	\$ 9,692.00	\$ 9,691.40	\$ 0.60
Purchased Professional and Technical Services	4,500.00	1,723.00	6,223.00	6,223.00	
Cleaning, Repair and Maintenance Services	63,000.00	21,416.00	84,416.00	72,500.00	11,916.00
General Supplies	1,800.00	4,481.00	6,281.00	3,197.78	3,083.22
Other Objects	2,520.00	(2,520.00)			
Total Security	98,829.00	7,783.00	106,612.00	91,612.18	14,999.82
Total operation and maintenance of plant services	5,078,905.10	(41,569.00)	5,037,336.10	4,958,730.49	78,605.61
Student transportation services:					
Salaries of Non-Instructional Aides	182,614.00	(5,682.00)	176,932.00	176,931.04	0.96
Salaries for pupil transportation (between home and school)-regular	865,689.00	(90,121.00)	775,568.00	770,516.01	5,051.99
Salaries for pupil transportation (between home and school)-Special Ed	412,154.00	(5,421.00)	406,733.00	406,569.18	163.82
Salaries for pupil transportation (other than between home & school)	64,000.00	(3,546.00)	60,454.00	60,453.79	0.21
Cleaning, Repair and Maintenance Services	212,760.00	(7,651.00)	205,109.00	204,808.62	300.38
Lease Purchase Payments - School Buses	40,360.00	(13,814.00)	26,546.00	26,545.74	0.26
Contracted Services - between home and school vendor	68,824.00	16,918.00	85,742.00	85,740.36	1.64
Contracted services (other than between home and school)-vendors	72,000.00	67,713.00	139,713.00	113,833.00	25,880.00
Jointures- Regular Students	33,521.00	(31,987.00)	1,534.00	1,533.98	0.02
Contracted services (special education students) vendors	472,900.00	623,942.00	1,096,842.00	1,096,841.96	0.04
Contract. Serv - Aid in Lieu Pymts-NonPub Sch	95,400.00	8,926.00	104,326.00	104,326.00	
Miscellaneous purchased services - Transportation	29,290.00		29,290.00	28,787.45	502.55
Transportation Supplies	129,690.00	21,109.00	150,799.00	150,242.01	556.99
Miscellaneous Expenditures	9,900.00	1,800.00	11,700.00	11,579.04	120.96
Total student transportation services	2,689,102.00	582,186.00	3,271,288.00	3,238,708.18	32,579.82

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

GENERAL FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	(GAAP) VARIANCE/FAVORABLE/(UNFAVORABLE)
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	\$ 506,380.00	\$ 88,251.87	\$ 594,631.87	\$ 594,631.87	\$
Other retirement contributions - regular	501,300.00	94,034.00	595,334.00	595,201.20	132.80
Unemployment Compensation	120,541.00	29,949.87	150,490.87	150,490.87	
Workers Compensation	275,371.00	74,200.00	349,571.00	349,570.64	0.36
Health Benefits	11,770,363.00	(1,061,888.74)	10,708,474.26	10,254,780.69	453,693.57
Tuition Reimbursements	90,900.00	2,200.00	93,100.00	85,660.79	7,439.21
Other Employee Benefits	382,178.00	57,102.00	439,280.00	326,879.80	112,400.20
<b>Total Unallocated Benefits - Employee Benefits:</b>	<b>13,647,033.00</b>	<b>(716,151.00)</b>	<b>12,930,882.00</b>	<b>12,357,215.86</b>	<b>573,666.14</b>
On-behalf TPAF Non-Contributory Insurance (non-budgeted)				98,039.00	(98,039.00)
On-behalf TPAF Pension (non-budgeted)				4,039,930.00	(4,039,930.00)
On-behalf TPAF Long-Term Disability (non-budget)				5,602.00	(5,602.00)
On-behalf TPAF Post Retirement Contributions (non-budgeted)				2,672,626.00	(2,672,626.00)
Reimbursed TPAF Social Security Contributions (non-budgeted)				2,072,092.23	(2,072,092.23)
	<b>36,674,331.62</b>	<b>554,914.00</b>	<b>37,229,245.62</b>	<b>45,162,103.83</b>	<b>(7,932,858.21)</b>
<b>Total Undistributed Expenditures</b>	<b>65,902,383.26</b>	<b>118,833.36</b>	<b>66,021,216.62</b>	<b>73,555,634.49</b>	<b>(7,534,417.87)</b>
<b>TOTAL EXPENDITURES - CURRENT EXPENSE FUND 11</b>					
<b>CAPITAL OUTLAY:</b>					
Equipment:					
Grades 1-5	3,600.00	(3,600.00)			
Grades 6-8	6,466.00	(6,466.00)			
Grades 9-12	7,321.00	(7,321.00)			
Preschool Disabilities - Full Time	6,156.00		6,156.00		6,156.00
School-Sponsored and Other Instructional Program	33,582.00	(33,582.00)			
Undistributed Expenditures - Instruction					
Undistributed Expenditures- Students- Extra Services	2,475.00	(2,475.00)			
Undistributed Expenditures - Admin info tech	43,516.00	(43,516.00)			
Undistributed Expenditures - Required Maintenance	4,050.00	16,100.00	20,150.00	8,500.00	11,650.00
Undistributed Expenditures - Care and Unkeep of Grounds		4,500.00	4,500.00		4,500.00
Safety & Security	120,000.00		120,000.00	175,854.40	120,000.00
School Buses - Regular	79,886.00	95,970.00	175,856.00		1,60
School Buses - Special	78,185.00	(78,185.00)			
Total Equipment	<b>385,237.00</b>	<b>(58,575.00)</b>	<b>326,662.00</b>	<b>184,354.40</b>	<b>142,307.60</b>
Facilities acquisition and construction services:					
Architectural/Engineering Services	68,581.00	106,251.00	174,832.00	104,944.00	69,888.00
Construction Services	1,314,851.00	(58,691.00)	1,256,160.00	722,014.99	534,145.01
Assessment for debt service on SDA funding	94,477.00	10,497.00	104,974.00	104,974.00	
<b>Total facilities acquis. and const. services</b>	<b>1,477,909.00</b>	<b>58,057.00</b>	<b>1,535,966.00</b>	<b>931,932.99</b>	<b>604,033.01</b>
<b>TOTAL CAPITAL OUTLAY</b>	<b>1,863,146.00</b>	<b>(518.00)</b>	<b>1,862,628.00</b>	<b>1,116,287.39</b>	<b>746,340.61</b>

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
GENERAL FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	(GAAP) VARIANCE FAVORABLE/ (UNFAVORABLE)
Transfer of Funds to Charter Schools	\$ 18,187.00	\$	18,187.00	\$	18,187.00
TOTAL EXPENDITURES	67,783,716.26	118,315.36	67,902,031.62	74,671,921.88	(6,769,890.26)
Excess (deficiency) of revenues over (under) expenditures	(2,715,953.26)	5,962.64	(2,709,990.62)	(306,208.28)	2,403,782.34
Other financing sources					
Transfer of funds		(5,962.64)	(5,962.64)	(5,962.64)	
Total other financing sources		(5,962.64)	(5,962.64)	(5,962.64)	
Excess of Revenues and other Financing Sources Over Expenditures and Other Expenditures and other Financing Sources	(2,715,953.26)		(2,715,953.26)	(312,170.92)	2,403,782.34
Fund balances, July 1	8,951,578.29		8,951,578.29	8,951,578.29	
Fund balances, June 30	6,235,625.03	\$	6,235,625.03	8,639,407.37	2,403,782.34
Recapitulation:					
Assigned:					
Year End Encumbrances				694,894.88	
Designated for Subsequent Year's Expenditures				117,738.44	
Restricted:					
Excess Surplus - Designated for Subsequent Year's Expenditures				7,261.56	
Excess Surplus				198,336.21	
Emergency Reserve				385,809.57	
Maintenance Reserve				3,063,123.65	
Capital Reserve				2,738,363.41	
Unassigned				1,433,879.65	
				8,639,407.37	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State aid payments not recognized on GAAP basis				(1,218,258.00)	
Fund Balance per Governmental Funds (GAAP)				7,421,149.37	

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
<b>REVENUES:</b>					
Federal sources	\$ 1,155,713.00	\$ 1,611,851.00	\$ 2,767,564.00	\$ 1,345,543.01	\$ (1,422,020.99)
State sources		44,843.00	44,843.00	485,444.68	440,601.68
Other sources		54,967.91	54,967.91	51,967.16	(3,000.75)
<b>Total revenues</b>	<u>1,155,713.00</u>	<u>1,711,661.91</u>	<u>2,867,374.91</u>	<u>1,882,954.85</u>	<u>(984,420.06)</u>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of teachers	1,090,616.00	(325,299.00)	765,317.00	395,832.40	369,484.60
Salaries of principals/asst. principals		7,000.00	7,000.00		7,000.00
Salaries of other professional staff		56,260.00	56,260.00	56,260.00	
Other salaries for instruction		454,908.00	454,908.00	438,981.69	15,926.31
Other Purchased Services		334,780.00	334,780.00	40,759.69	294,020.31
Other purchased professional services		37.45	37.45	37.45	
Other purchase professional and tech services		1,000.00	1,000.00	1,000.00	
Tuition		223,000.00	223,000.00	116,031.06	106,968.94
Supplies and materials		282,092.46	282,092.46	182,092.43	100,000.03
Textbooks		9,313.00	9,313.00	9,146.00	167.00
Miscellaneous Expenditures		96,000.00	96,000.00	91,007.55	4,992.45
<b>Total instruction</b>	<u>1,090,616.00</u>	<u>1,139,091.91</u>	<u>2,229,707.91</u>	<u>1,331,148.27</u>	<u>898,559.64</u>
<b>Support services:</b>					
Salaries of Secretarial and Clerical Assistants	65,097.00	(17.00)	65,080.00	61,040.41	4,039.59
Other salaries for instruction		14,663.00	14,663.00	14,663.00	
Personal services - employee benefits		144,374.00	144,374.00	104,906.00	39,468.00
Purchased professional - educational services		321,099.00	321,099.00	304,419.62	16,679.38
Cleaning, Repair and Maintenance Services		8,500.00	8,500.00	1,652.39	6,847.61
Other purchased services		29,067.00	29,067.00	14,943.72	14,123.28
Supplies and materials		52,175.00	52,175.00	47,472.44	4,702.56
Miscellaneous expenditures		2,709.00	2,709.00	2,709.00	
<b>Total support services</b>	<u>65,097.00</u>	<u>572,570.00</u>	<u>637,667.00</u>	<u>551,806.58</u>	<u>85,860.42</u>
<b>Total expenditures</b>	<u>1,155,713.00</u>	<u>1,711,661.91</u>	<u>2,867,374.91</u>	<u>1,882,954.85</u>	<u>984,420.06</u>
Excess (deficiency) of revenues over (under) expenditures	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
BUDGET TO GAAP RECONCILIATION  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Note A - Explanation of difference between budgetary inflows and outflows and GAAP Revenues and Expenditures

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$74,365,713.60	\$1,882,954.85
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Adjust for encumbrances:		
Add prior year encumbrances		2,638.56
Less current year encumbrances		(30,030.01)
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year	(1,218,258.00)	
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	1,204,582.00	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	\$74,352,037.60	\$1,855,563.40
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule.	\$74,671,921.88	\$1,882,954.85
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Adjust for encumbrances:		
Add prior year encumbrances		2,638.56
Less current year encumbrances		(30,030.01)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$74,671,921.88	\$1,855,563.40



**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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

MATAWAN ABERDEEN REGIONAL SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST TEN YEARS

<u>Ending</u> <u>June 30,</u>	District's Proportion of the Net Pension <u>Liability (Asset)</u>	District's Proportionate Share of the Net Pension <u>Liability (Asset)</u>	District's Covered-Employee <u>Payroll</u>	District's Proportion Share of the Net Pension Liability (Asset) as a percentage of it's Covered- <u>Employee Payroll</u>	Plan Fiduciary Net Position as a percentage of the total <u>Pension Liability</u>
2013	0.0528147030%	\$ 10,093,939	\$ 3,893,593	259.24%	48.72%
2014	0.0592040926%	11,084,625	3,900,890	284.16%	52.08%
2015	0.0569806767%	12,791,020	4,031,866	317.25%	47.92%
2016	0.0613803205%	18,179,090	4,286,208	424.13%	40.14%
2017	0.0629478929%	14,653,263	4,411,152	332.19%	48.10%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

MATAWAN ABERDEEN REGIONAL SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST TEN YEARS

Fiscal Year Ending <u>June 30,</u>	Contractually Required <u>Contribution</u>	Contributions in Relation to the Contractually Required <u>Contributions</u>	Contribution Deficiency ( <u>Excess</u> )	District's Covered- Employee <u>Payroll</u>	Contributions as a Percentage of Covered- Employee <u>Payroll</u>
2014	\$ 397,948	\$ 397,948	-0-	\$ 3,900,890	10.20%
2015	488,070	488,070	-0-	4,031,866	12.11%
2016	489,881	489,881	-0-	4,286,208	11.43%
2017	545,294	545,294	-0-	4,411,152	12.36%
2018	583,145	583,145	-0-	4,474,150	13.03%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

MATAWAN ABERDEEN REGIONAL SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEACHERS PENSION AND ANNUITY FUND  
LAST TEN YEARS

<u>Ending</u> <u>June 30,</u>	District's Proportion of the Net Pension <u>Liability (Asset)</u>	District's Proportionate Share of the Net Pension <u>Liability (Asset)</u>	District's Covered-Employee <u>Payroll</u>	District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of it's Covered- <u>Employee Payroll</u>	Plan Fiduciary Net Position as a percentage of the total <u>Pension Liability</u>
2013	0.2643382202%	-0-	\$ 25,970,782	-0-	33.76%
2014	0.2588708471%	-0-	26,871,307	-0-	33.64%
2015	0.2669482601%	-0-	26,408,945	-0-	28.71%
2016	0.2652378842%	-0-	28,154,845	-0-	22.33%
2017	0.2679312255%	-0-	28,606,062	-0-	25.41%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

MATAWAN-ABERDEEN SCHOOL DISTRICT  
SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSION (GASB 68)  
NOTE TO RSI III  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**Public Employees Retirement System**

Change in benefit terms:     None

Change in assumptions:     The discount rate changed from 3.98% to 5.00% as of June 30, 2017.

**Teacher Pension and Annuity Fund**

Change in benefit terms:     None

Change in assumptions:     The discount rate changed from 3.22% to 4.25% as of June 30, 2017.

**SCHEDULE RELATED TO ACCOUNTING AND REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (GASB 75)**

MATAWAN ABERDEEN REGIONAL SCHOOL DISTRICT  
SCHEDULE OF CHANGES IN THE TOTAL  
OPEB LIABILITY AND RELATED RATIOS  
LAST TEN YEARS

	Fiscal Year Ended June <u>30, 2018</u>
Changes for the year:	
Service cost	\$6,160,515
Interest	4,764,152
Changes in assumptions or other inputs	(19,699,555)
Benefit payments	(3,486,753)
Contributions from Members	128,391
Net changes	(12,133,250)
Beginning Balance	\$162,670,109
Ending Balance	\$150,536,859
Covered Employee Payroll	33,017,214
Total OPEB Liability as a percentage of Covered Employee Payroll	-0-

## Change of Benefit Terms:

No Change in Benefits terms between the June 30, 2016 actuarial valuation and the June 30, 2017 actuarial valuation.

## Change of Assumptions:

The Discount Rate Changed from 2.85% at the June 30, 2016 measurement date to 3.58% at the 6/30/2017 measurement date.

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.



**OTHER SUPPLEMENTARY INFORMATION**

**SPECIAL REVENUE FUND  
DETAIL STATEMENTS**

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>TITLE I</u>	<u>TITLE IIA</u>	<u>TITLE III</u>	<u>TITLE III - IMMIGRANT</u>	<u>TITLE IV</u>	<u>IDEA PART B</u>	<u>IDEA PRESCHOOL</u>
<b>REVENUES:</b>							
Federal sources	\$ 389,941.10	\$ 79,890.67	\$ 29,114.93	\$ 2,510.45	\$ 10,000.00	\$ 813,167.86	\$ 20,918.00
State sources							
Other sources							
<b>Total revenues</b>	<b>\$ 389,941.10</b>	<b>\$ 79,890.67</b>	<b>\$ 29,114.93</b>	<b>\$ 2,510.45</b>	<b>\$ 10,000.00</b>	<b>\$ 813,167.86</b>	<b>\$ 20,918.00</b>
<b>EXPENDITURES:</b>							
Instruction:							
Salaries of teachers	270,643.50		4,600.00				
Salaries of other professional staff						418,063.69	20,918.00
Other salaries for instruction							
Purchased professional-technical services							
Purchased professional-educational services							
Other Purchased Professional and Technical Services							
Other purchased services	14,719.81		13,698.93		10,000.00	88,338.37	
Supplies and materials							
Textbooks							
Miscellaneous Expenditures						3,152.55	
<b>Total instruction</b>	<b>285,363.31</b>		<b>18,298.93</b>		<b>10,000.00</b>	<b>509,554.61</b>	<b>20,918.00</b>
Support services:							
Salaries of Secretarial and Clerical Assistants						61,040.41	
Other Salaries for Instruction	2,413.00	12,000.00	250.00				
Personal services - employee benefits	71,839.00						
Purchased professional - educational services	26,665.00	54,111.95				223,642.67	
Cleaning, Repair and Maintenance Services						1,652.39	
Other purchased services	3,660.79	11,258.72	822.00	2,510.45		2,863.00	
Supplies and materials			9,744.00			14,414.78	
Miscellaneous expenditures		2,520.00					
<b>Total support services</b>	<b>104,577.79</b>	<b>79,890.67</b>	<b>10,816.00</b>	<b>2,510.45</b>		<b>303,613.25</b>	
<b>Total expenditures</b>	<b>\$ 389,941.10</b>	<b>\$ 79,890.67</b>	<b>\$ 29,114.93</b>	<b>\$ 2,510.45</b>	<b>\$ 10,000.00</b>	<b>\$ 813,167.86</b>	<b>\$ 20,918.00</b>

(Continued on next page)

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	RECOVERY HIGH SCHOOL GRANT	NON - PUBLIC TEXTBOOKS	NON - PUBLIC NURSING	NON - PUBLIC TECHNOLOGY	NON - PUBLIC SECURITY	OTHER LOCAL GRANTS	TOTAL
<b>REVENUES:</b>							
Federal sources	\$ 440,790.68	9,146.00	16,490.00	6,285.00	12,733.00	\$	1,345,543.01
State sources							485,444.68
Other sources						51,967.16	51,967.16
<b>Total revenues</b>	<b>\$ 440,790.68</b>	<b>\$ 9,146.00</b>	<b>\$ 16,490.00</b>	<b>\$ 6,285.00</b>	<b>\$ 12,733.00</b>	<b>\$ 51,967.16</b>	<b>\$ 1,882,954.85</b>
<b>EXPENDITURES:</b>							
Instruction:							
Salaries of teachers	120,438.90					150.00	395,832.40
Salaries of other professional staff	55,410.00					850.00	56,260.00
Other salaries for instruction							438,981.69
Purchased professional-technical services	17,984.69		16,490.00	6,285.00			40,759.69
Purchased professional-educational services						37.45	37.45
Other Purchased Professional and Technical Services	116,031.06					1,000.00	1,000.00
Other purchased services	10,004.03				12,733.00		116,031.06
Supplies and materials		9,146.00					182,092.43
Textbooks							9,146.00
Miscellaneous Expenditures	87,855.00						91,007.55
<b>Total instruction</b>	<b>407,723.68</b>	<b>9,146.00</b>	<b>16,490.00</b>	<b>6,285.00</b>	<b>12,733.00</b>	<b>34,635.74</b>	<b>1,331,148.27</b>
Support services:							
Salaries of Secretarial and Clerical Assistants							61,040.41
Other Salaries for Instruction							14,663.00
Personal services - employee benefits	33,067.00						104,906.00
Purchased professional - educational services							304,419.62
Cleaning, Repair and Maintenance Services							1,652.39
Other purchased services							14,943.72
Supplies and materials						17,142.42	47,472.44
Miscellaneous expenditures						189.00	2,709.00
<b>Total support services</b>	<b>33,067.00</b>					<b>17,331.42</b>	<b>551,806.58</b>
<b>Total expenditures</b>	<b>\$ 440,790.68</b>	<b>\$ 9,146.00</b>	<b>\$ 16,490.00</b>	<b>\$ 6,285.00</b>	<b>\$ 12,733.00</b>	<b>\$ 51,967.16</b>	<b>\$ 1,882,954.85</b>

**CAPITAL PROJECTS FUND  
DETAIL STATEMENTS**

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY STATEMENT OF PROJECT EXPENDITURES - BUDGETARY BASIS  
AS OF JUNE 30, 2018

ISSUE/PROJECT TITLE	ORIGINAL DATE	APPROPRIATIONS	EXPENDITURES TO DATE		(MEMO ONLY) UNEXPENDED PROJECT BALANCE
			PRIOR YEAR	CURRENT YEAR	
2014 Capital Improvements:					
Cambridge Park Elementary - HVAC Building Upgrades	6/13/2014	\$ 63,571.34	\$ 46,897.50	\$	16,673.84
Matawan High School - Boiler & Fire Alarm System Replacement	6/13/2014	714,435.79	698,335.79		16,100.00
Matawan Ave Middle School - Boiler & Fire Alarm System Replacement	6/13/2014	618,858.92	578,858.92		40,000.00
Cliffwood Middle School- HVAC, Fire Alarm & Fire Door Replacement	6/13/2014	1,111,897.20	1,109,200.66	(815.00)	3,511.54
Lloyd Road Elementary School - HVAC & Fire Alarm System Replacement	6/13/2014	1,575,162.75	1,563,967.50	(830.00)	12,025.25
Ravine Drive Elementary School - Fire Alarm System Replacement	6/13/2014	134,394.00	130,815.50		3,578.50
Strathmore Elementary School - Fire Alarm System Replacement	6/13/2014	116,680.00	113,101.50		3,578.50
2016 Bond Referendum:					
Various Improvements and Replacements of HVAC					
Question #1:					
Cambridge Park Elementary	3/8/2016	971,316.20	924,790.70	(21,360.00)	67,885.50
Matawan Regional High School	3/8/2016	1,828,380.00	219,780.45	526,880.42	1,081,719.13
Matawan - Aberdeen Middle School	3/8/2016	2,536,980.00	74,680.45	1,883,606.50	578,693.05
Cliffwood Avenue Elementary	3/8/2016	1,502,995.00	1,452,194.70	(19,191.77)	69,992.07
Lloyd Road Elementary School	3/8/2016	2,279,631.00	2,239,830.70	(15,865.57)	55,665.87
Ravine Drive Elementary School	3/8/2016	1,884,622.00	937,185.70	947,088.18	348.12
Strathmore Elementary School	3/8/2016	2,554,880.00	150,580.46	1,080,045.00	1,324,254.54
Question #2					
Cambridge Park Elementary	3/8/2016	978,683.80	636,166.95	0.96	342,515.89
Matawan Regional High School	3/8/2016	1,261,081.00	189,260.45	975,475.00	96,345.55
Matawan - Aberdeen Middle School	3/8/2016	1,925,287.00	229,520.45	902,916.50	792,850.05
Cliffwood Avenue Elementary	3/8/2016	361,544.00	361,543.95		0.05
Lloyd Road Elementary School	3/8/2016	803,400.00	599,801.95	35,853.56	167,744.49
Ravine Drive Elementary School	3/8/2016	526,080.00	49,276.95	476,774.90	28.15
Strathmore Elementary School	3/8/2016	441,120.00	55,619.77	12,000.00	373,500.23
Totals		\$ 24,191,000.00	\$ 12,361,411.00	\$ 6,782,578.68	\$ 5,047,010.32

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

Expenditures and Other Financing Uses:	
Legal Services	
Architectural/Engineering Services	\$54,948.52
Purchased professional and technical services	(1,645.00)
Construction services	6,729,275.16
Total expenditures	<u>\$6,782,578.68</u>
Excess (deficiency) of revenues over (under) expenditures	(\$6,782,578.68)
Fund balance - beginning	<u>11,829,589.00</u>
Fund balance - ending	<u><u>\$5,047,010.32</u></u>
<u>Reconciliation to Governmental Fund Statements (GAAP):</u>	
Fund Balance - budgetary basis	\$5,047,010.32
Add: Current Year Encumbrances	3,481,233.14
Less: ROD Grants not recognized under GAAP	(52,905.06)
Fund Balance - GAAP basis (B-1)	<u><u>\$8,475,338.40</u></u>

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
 CAMBRIDGE PARK ELEMENTARY - HVAC BUILDING UPGRADES - CONTROLS  
 FOR THE YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and other financing sources:				
State sources - ROD grant	\$ 27,058.54	\$	27,058.54	\$ 27,058.54
Transfer from capital reserve	36,512.80		36,512.80	36,512.80
Total revenues	<u>63,571.34</u>		<u>63,571.34</u>	<u>63,571.34</u>
Expenditures and other financing uses:				
Other Purchased Professional & Technical Services	19,897.50		19,897.50	19,897.50
Construction services	27,000.00		27,000.00	43,673.84
Total expenditures	<u>46,897.50</u>		<u>46,897.50</u>	<u>63,571.34</u>
Excess (deficiency) of revenues over (under) expenditures	\$ 16,673.84	\$	16,673.84	\$

Additional project information:

Project Number	3040-040-14-G2CS
Grant Date	6/13/2014
Original Authorized Cost	\$267,500.00
Additional Authorized Cost	(\$199,928.66)
Revised Authorized Cost	\$67,571.34

Percentage Increase over Original Authorized Cost	-74.74%
Percentage completion	100.00%
Original target completion date	FY2016
Revised target completion date	FY2016



MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
MATAWAN HIGH SCHOOL - BOILER & FIRE ALARM SYSTEM REPLACEMENT  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and other financing sources:				
State sources - ROD grant	\$ 285,774.32	\$	285,774.32	285,774.32
Transfer from capital reserve	428,661.47		428,661.47	428,661.47
Total revenues	714,435.79		714,435.79	714,435.79
Expenditures and other financing uses:				
Other Purchased Professional & Technical Services	23,293.93		23,293.93	23,293.93
Construction services	675,041.86		675,041.86	691,141.86
Total expenditures	698,335.79		698,335.79	714,435.79
Excess (deficiency) of revenues over (under) expenditures	\$ 16,100.00	\$	16,100.00	\$

Additional project information:

Project Number	3040-050-14-G2CT	
Grant Date	6/13/2014	
Original Authorized Cost	\$1,150,000.00	
Additional Authorized Cost	(\$435,564.21)	
Revised Authorized Cost	\$714,435.79	
Percentage Increase over Original Authorized Cost	-37.88%	
Percentage completion	97.75%	
Original target completion date	FY2016	
Revised target completion date	FY2016	

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
MATAWAN AVE MIDDLE SCHOOL - BOILER & FIRE ALARM SYSTEM REPLACEMENT  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and other financing sources:				
State sources - ROD grant	\$ 247,543.57	\$	247,543.57	247,543.57
Transfer from capital reserve	371,315.35		371,315.35	371,315.35
Total revenues	618,858.92		618,858.92	618,858.92
Expenditures and other financing uses:				
Other Purchased Professional & Technical Services	21,033.92		21,033.92	21,033.92
Construction services	557,825.00		557,825.00	597,825.00
Total expenditures	578,858.92		578,858.92	618,858.92
Excess (deficiency) of revenues over (under) expenditures	\$ 40,000.00	\$	40,000.00	\$

Additional project information:

Project Number	3040-053-14-G2CU
Grant Date	6/13/2014
Original Authorized Cost	\$879,000.00
Additional Authorized Cost	(\$260,141.08)
Revised Authorized Cost	\$618,858.92

Percentage Increase over Original Authorized Cost	-29.60%
Percentage completion	93.54%
Original target completion date	FY2016
Revised target completion date	FY2016

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
CLIFFWOOD MIDDLE SCHOOL- HVAC VENTILATORS, FIRE ALARM & STAIR TOWER FIRE DOOR REPLACEMENT  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and other financing sources:				
State sources - ROD grant	\$ 292,200.00	\$	292,200.00	292,200.00
Transfer from capital reserve	819,697.20		819,697.20	819,697.20
Total revenues	<u>1,111,897.20</u>		<u>1,111,897.20</u>	<u>1,111,897.20</u>
Expenditures and other financing uses:				
Other Purchased Professional & Technical Services	45,462.00	(815.00)	44,647.00	45,627.25
Construction services	1,063,738.66		1,063,738.66	1,066,269.95
Total expenditures	<u>1,109,200.66</u>	<u>(815.00)</u>	<u>1,108,385.66</u>	<u>1,111,897.20</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 2,696.54</u>	<u>\$ 815.00</u>	<u>\$ 3,511.54</u>	

Additional project information:

Project Number  
 Grant Date  
 Original Authorized Cost  
 Additional Authorized Cost  
 Revised Authorized Cost

Percentage Increase over Original Authorized Cost  
 Percentage completion  
 Original target completion date  
 Revised target completion date

3040-060-14-G2CV  
 6/13/2014  
 \$730,500.00  
 \$381,397.20  
 \$1,111,897.20  
 52.21%  
 99.68%  
 FY2016  
 FY2017

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
LLOYD ROAD ELEMENTARY SCHOOL- HVAC VENTILATORS, FIRE ALARM & STAIR TOWER FIRE DOOR REPLACEMENT  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and other financing sources:				
State sources - ROD grant	\$ 406,000.00	\$	\$ 406,000.00	406,000.00
Transfer from capital reserve	1,169,162.75		1,169,162.75	1,169,162.75
Total revenues	<u>1,575,162.75</u>		<u>1,575,162.75</u>	<u>1,575,162.75</u>
Expenditures and other financing uses:				
Other Purchased Professional & Technical Services	69,842.00	(830.00)	69,012.00	70,037.25
Construction services	1,494,125.50		1,494,125.50	1,505,125.50
Total expenditures	<u>1,563,967.50</u>	<u>(830.00)</u>	<u>1,563,137.50</u>	<u>1,575,162.75</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 11,195.25</u>	<u>\$ 830.00</u>	<u>\$ 12,025.25</u>	

Additional project information:

Project Number 3040-065-14-G2CW  
 Grant Date 6/13/2014  
 Original Authorized Cost \$1,015,000.00  
 Additional Authorized Cost \$560,162.75  
 Revised Authorized Cost \$1,575,162.75

Percentage Increase over Original Authorized Cost 55.19%  
 Percentage completion 99.24%  
 Original target completion date FY2016  
 Revised target completion date FY2016

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
RAVINE DRIVE ELEMENTARY SCHOOL - FIRE ALARM SYSTEM REPLACEMENT  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and other financing sources:				
State sources - ROD grant	\$ 51,200.00	\$	51,200.00	51,200.00
Transfer from capital reserve	83,194.00		83,194.00	83,194.00
Total revenues	<u>134,394.00</u>		<u>134,394.00</u>	<u>134,394.00</u>
Expenditures and other financing uses:				
Other Purchased Professional & Technical Services	1,400.00		1,400.00	1,400.00
Construction services	129,415.50		129,415.50	132,994.00
Total expenditures	<u>130,815.50</u>		<u>130,815.50</u>	<u>134,394.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 3,578.50</u>	<u>\$</u>	<u>3,578.50</u>	<u>\$</u>

Additional project information:

Project Number	3040-075-14-G2CX
Grant Date	6/13/2014
Original Authorized Cost	\$128,000.00
Additional Authorized Cost	\$6,394.00
Revised Authorized Cost	\$134,394.00

Percentage Increase over Original Authorized Cost	5.00%
Percentage completion	97.34%
Original target completion date	FY2016
Revised target completion date	FY2016

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
STRATHMORE ELEMENTARY SCHOOL - FIRE ALARM SYSTEM REPLACEMENT  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and other financing sources:				
State sources - ROD grant	\$ 46,672.00	\$	46,672.00	46,672.00
Transfer from capital reserve	70,008.00		70,008.00	70,008.00
Total revenues	<u>116,680.00</u>		<u>116,680.00</u>	<u>116,680.00</u>
Expenditures and other financing uses:				
Other Purchased Professional & Technical Services	1,830.00		1,830.00	1,830.00
Construction services	111,271.50		111,271.50	114,850.00
Total expenditures	<u>113,101.50</u>		<u>113,101.50</u>	<u>116,680.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 3,578.50</u>	<u>\$</u>	<u>3,578.50</u>	<u>\$</u>

Additional project information:

Project Number  
 Grant Date  
 Original Authorized Cost  
 Additional Authorized Cost  
 Revised Authorized Cost

Percentage Increase over Original Authorized Cost  
 Percentage completion  
 Original target completion date  
 Revised target completion date

3040-080-14-G2CY  
 6/13/2014  
 \$165,000.00  
 (\$48,320.00)  
 \$116,680.00  
  
 -29.28%  
 96.93%  
 FY2016  
 FY2016

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
 CAMBRIDGE ELEMENTARY SCHOOL - VARIOUS IMPROVEMENTS AND REPLACEMENTS OF HVAC - QUESTION #1  
 FOR THE YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and other financing sources:				
Bond proceeds	\$ 988,391.00	\$ (17,074.80)	\$ 971,316.20	\$ 971,316.20
Total revenues	<u>988,391.00</u>	<u>(17,074.80)</u>	<u>971,316.20</u>	<u>971,316.20</u>
Expenditures and other financing uses:				
Legal Services	5,341.64		5,341.64	10,000.00
Architectural/Engineering Services	42,825.31	1,140.00	43,965.31	75,425.20
Construction services	876,623.75	(22,500.00)	854,123.75	885,891.00
Total expenditures	<u>924,790.70</u>	<u>(21,360.00)</u>	<u>903,430.70</u>	<u>971,316.20</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 63,600.30</u>	<u>\$ 4,285.20</u>	<u>\$ 67,885.50</u>	

Additional project information:

Project Number	
Bond Authorization Date	3/8/2016
Bonds Authorized	\$852,000.00
Bonds Issued	-0-
Original Authorized Cost	\$852,000.00
Additional Authorized Cost	\$136,391.00
Revised Authorized Cost	\$988,391.00

Percentage Increase over Original Authorized Cost

Percentage completion

Original target completion date

Revised target completion date

16.01%  
 91.40%  
 FY2020  
 FY2020

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
CAMBRIDGE ELEMENTARY SCHOOL - VARIOUS IMPROVEMENTS AND REPLACEMENTS OF HVAC - QUESTION #2  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and other financing sources:				
Bond proceeds	\$ 961,609.00	\$ 17,074.80	\$ 978,683.80	978,683.80
Total revenues	<u>961,609.00</u>	<u>17,074.80</u>	<u>978,683.80</u>	<u>978,683.80</u>
Expenditures and other financing uses:				
Legal Services	5,341.64		5,341.64	10,000.00
Architectural/Engineering Services	89,825.31		89,825.31	136,574.80
Construction services	541,000.00	0.96	541,000.96	832,109.00
Total expenditures	<u>636,166.95</u>	<u>0.96</u>	<u>636,167.91</u>	<u>978,683.80</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 325,442.05</u>	<u>\$ 17,073.84</u>	<u>\$ 342,515.89</u>	

Additional project information:

Project Number	
Bond Authorization Date	3/8/2016
Bonds Authorized	\$1,098,000.00
Bonds Issued	-0-
Original Authorized Cost	\$1,098,000.00
Additional Authorized Cost	(\$139,391.00)
Revised Authorized Cost	\$958,609.00

Percentage Increase over Original Authorized Cost	-12.69%
Percentage completion	66.36%
Original target completion date	FY2020
Revised target completion date	FY2020



MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
MATAWAN REGIONAL HIGH SCHOOL - VARIOUS IMPROVEMENTS AND REPLACEMENTS OF HVAC - QUESTION #1  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and other financing sources:				
Bond proceeds	\$ 1,911,000.00	\$ (82,620.00)	\$ 1,828,380.00	\$ 1,828,380.00
Total revenues	<u>1,911,000.00</u>	<u>(82,620.00)</u>	<u>1,828,380.00</u>	<u>1,828,380.00</u>
Expenditures and other financing uses:				
Legal Services	5,341.64		5,341.64	10,000.00
Architectural/Engineering Services	50,705.81	21,380.42	72,086.23	102,380.00
Construction services	163,733.00	505,500.00	669,233.00	1,716,000.00
Total expenditures	<u>219,780.45</u>	<u>526,880.42</u>	<u>746,660.87</u>	<u>1,828,380.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,691,219.55</u>	<u>\$ (609,500.42)</u>	<u>\$ 1,081,719.13</u>	

Additional project information:

Project Number	
Bond Authorization Date	3/8/2016
Bonds Authorized	\$1,828,380.00
Bonds Issued	-0-
Original Authorized Cost	\$1,828,380.00
Additional Authorized Cost	-0-
Revised Authorized Cost	\$1,828,380.00

Percentage Increase over Original Authorized Cost	N/A
Percentage completion	40.84%
Original target completion date	FY2020
Revised target completion date	FY2020

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
MATAWAN REGIONAL HIGH SCHOOL - VARIOUS IMPROVEMENTS AND REPLACEMENTS OF HVAC - QUESTION #2  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and other financing sources:				
Bond proceeds	\$ 1,178,461.00	\$ 82,620.00	\$ 1,261,081.00	1,261,081.00
Total revenues	<u>1,178,461.00</u>	<u>82,620.00</u>	<u>1,261,081.00</u>	<u>1,261,081.00</u>
Expenditures and other financing uses:				
Legal Services	5,341.64		5,341.64	10,000.00
Architectural/Engineering Services	183,918.81	2,165.00	186,083.81	269,120.00
Construction services		973,310.00	973,310.00	981,961.00
Total expenditures	<u>189,260.45</u>	<u>975,475.00</u>	<u>1,164,735.45</u>	<u>1,261,081.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 989,200.55</u>	<u>\$ (892,855.00)</u>	<u>\$ 96,345.55</u>	

Additional project information:

Project Number	
Bond Authorization Date	3/8/2016
Bonds Authorized	\$1,488,000.00
Bonds Issued	-0-
Original Authorized Cost	\$1,488,000.00
Additional Authorized Cost	(\$309,539.00)
Revised Authorized Cost	\$1,178,461.00

Percentage Increase over Original Authorized Cost	-20.80%
Percentage completion	98.84%
Original target completion date	FY2020
Revised target completion date	FY2020

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
 MATAWAN-ABERDEEN MIDDLE SCHOOL - VARIOUS IMPROVEMENTS AND REPLACEMENTS OF HVAC - QUESTION #1  
 FOR THE YEAR ENDED JUNE 30, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources:				
Bond proceeds	\$ 2,640,000.00	\$ (103,020.00)	\$ 2,536,980.00	2,536,980.00
Total revenues	<u>2,640,000.00</u>	<u>(103,020.00)</u>	<u>2,536,980.00</u>	<u>2,536,980.00</u>
Expenditures and other financing uses:				
Legal Services	5,341.64		5,341.64	10,000.00
Architectural/Engineering Services	69,338.81	10,039.00	79,377.81	156,480.00
Construction services		1,873,567.50	1,873,567.50	2,370,500.00
Total expenditures	<u>74,680.45</u>	<u>1,883,606.50</u>	<u>1,958,286.95</u>	<u>2,536,980.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 2,565,319.55</u>	<u>\$ (1,986,626.50)</u>	<u>\$ 578,693.05</u>	

Additional project information:

Project Number	
Bond Authorization Date	3/8/2016
Bonds Authorized	\$2,536,980.00
Bonds Issued	-0-
Original Authorized Cost	\$2,536,980.00
Additional Authorized Cost	-0-
Revised Authorized Cost	\$2,536,980.00

Percentage Increase over Original Authorized Cost	N/A
Percentage completion	77.19%
Original target completion date	FY2020
Revised target completion date	FY2020

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
 MATAWAN-ABERDEEN MIDDLE SCHOOL - VARIOUS IMPROVEMENTS AND REPLACEMENTS OF HVAC - QUESTION #2  
 FOR THE YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and other financing sources:				
Bond proceeds	\$ 1,822,267.00	\$ 103,020.00	\$ 1,925,287.00	\$ 1,925,287.00
Total revenues	<u>1,822,267.00</u>	<u>103,020.00</u>	<u>1,925,287.00</u>	<u>1,925,287.00</u>
Expenditures and other financing uses:				
Legal Services	5,341.64		5,341.64	10,000.00
Architectural/Engineering Services	224,178.81	1,604.00	225,782.81	331,520.00
Construction services		901,312.50	901,312.50	1,583,767.00
Total expenditures	<u>229,520.45</u>	<u>902,916.50</u>	<u>1,132,436.95</u>	<u>1,925,287.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,592,746.55</u>	<u>\$ (799,896.50)</u>	<u>\$ 792,850.05</u>	

Additional project information:

Project Number	
Bond Authorization Date	3/8/2016
Bonds Authorized	\$1,855,000.00
Bonds Issued	-0-
Original Authorized Cost	\$1,855,000.00
Additional Authorized Cost	(\$32,733.00)
Revised Authorized Cost	\$1,822,267.00

Percentage Increase over Original Authorized Cost	-1.76%
Percentage completion	62.14%
Original target completion date	FY2020
Revised target completion date	FY2020

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
 CLIFFWOOD ELEMENTARY SCHOOL - VARIOUS IMPROVEMENTS AND REPLACEMENTS OF HVAC - QUESTION #1  
 FOR THE YEAR ENDED JUNE 30, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources:				
Bond proceeds	\$ 1,502,995.00	\$	1,502,995.00	1,502,995.00
Total revenues	<u>1,502,995.00</u>		<u>1,502,995.00</u>	<u>1,502,995.00</u>
Expenditures and other financing uses:				
Legal Services	5,341.64		5,341.64	10,000.00
Architectural/Engineering Services	83,489.31		83,489.31	120,500.00
Construction services	1,363,363.75	(19,191.77)	1,344,171.98	1,372,495.00
Total expenditures	<u>1,452,194.70</u>	<u>(19,191.77)</u>	<u>1,433,002.93</u>	<u>1,502,995.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 50,800.30</u>	<u>\$ 19,191.77</u>	<u>\$ 69,992.07</u>	

Additional project information:

Project Number	
Bond Authorization Date	3/8/2016
Bonds Authorized	\$1,280,000.00
Bonds Issued	-0-
Original Authorized Cost	\$1,280,000.00
Additional Authorized Cost	\$222,995.00
Revised Authorized Cost	\$1,502,995.00

Percentage Increase over Original Authorized Cost	17.42%
Percentage completion	95.34%
Original target completion date	FY2020
Revised target completion date	FY2020

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
CLIFFWOOD ELEMENTARY SCHOOL - VARIOUS IMPROVEMENTS AND REPLACEMENTS OF HVAC - QUESTION #2  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and other financing sources:				
Bond proceeds	\$ 361,544.00	\$	\$ 361,544.00	361,544.00
Total revenues	361,544.00		361,544.00	361,544.00
Expenditures and other financing uses:				
Legal Services	5,341.64		5,341.64	5,341.64
Architectural/Engineering Services	24,375.31		24,375.31	24,375.31
Construction services	331,827.00		331,827.00	331,827.05
Total expenditures	361,543.95		361,543.95	361,544.00
Excess (deficiency) of revenues over (under) expenditures	\$ 0.05	\$	\$ 0.05	

Additional project information:

Project Number	
Bond Authorization Date	3/8/2016
Bonds Authorized	\$275,000.00
Bonds Issued	-0-
Original Authorized Cost	\$275,000.00
Additional Authorized Cost	\$86,544.00
Revised Authorized Cost	\$361,544.00

Percentage Increase over Original Authorized Cost

Percentage completion

Original target completion date

Revised target completion date

31.47%  
 100.00%  
 FY2020  
 FY2020

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
LLOYD ROAD ELEMENTARY SCHOOL - VARIOUS IMPROVEMENTS AND REPLACEMENTS OF HVAC - QUESTION #1  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and other financing sources:				
Bond proceeds	\$ 2,334,631.00	\$ (55,000.00)	\$ 2,279,631.00	2,279,631.00
Total revenues	<u>2,334,631.00</u>	<u>(55,000.00)</u>	<u>2,279,631.00</u>	<u>2,279,631.00</u>
Expenditures and other financing uses:				
Legal Services	5,341.64		5,341.64	10,000.00
Architectural/Engineering Services	130,265.31	5,846.54	136,111.85	148,000.00
Construction services	2,104,223.75	(21,712.11)	2,082,511.64	2,121,631.00
Total expenditures	<u>2,239,830.70</u>	<u>(15,865.57)</u>	<u>2,223,965.13</u>	<u>2,279,631.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 94,800.30</u>	<u>\$ (39,134.43)</u>	<u>\$ 55,665.87</u>	

Additional project information:

Project Number	
Bond Authorization Date	3/8/2016
Bonds Authorized	\$2,094,000.00
Bonds Issued	-0-
Original Authorized Cost	\$2,094,000.00
Additional Authorized Cost	\$240,631.00
Revised Authorized Cost	\$2,334,631.00

Percentage Increase over Original Authorized Cost	11.49%
Percentage completion	95.26%
Original target completion date	FY2020
Revised target completion date	FY2020

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
LLOYD ROAD ELEMENTARY SCHOOL - VARIOUS IMPROVEMENTS AND REPLACEMENTS OF HVAC - QUESTION #2  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and other financing sources:				
Bond proceeds	\$ 808,000.00	\$ (4,600.00)	\$ 803,400.00	\$ 803,400.00
Total revenues	<u>808,000.00</u>	<u>(4,600.00)</u>	<u>803,400.00</u>	<u>803,400.00</u>
Expenditures and other financing uses:				
Legal Services	5,341.64		5,341.64	10,000.00
Architectural/Engineering Services	67,460.31	5,878.56	73,338.87	67,400.00
Construction services	527,000.00	29,975.00	556,975.00	726,000.00
Total expenditures	<u>599,801.95</u>	<u>35,853.56</u>	<u>635,655.51</u>	<u>803,400.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 208,198.05</u>	<u>\$ (40,453.56)</u>	<u>\$ 167,744.49</u>	

Additional project information:

Project Number	
Bond Authorization Date	3/8/2016
Bonds Authorized	\$803,400.00
Bonds Issued	-0-
Original Authorized Cost	\$803,400.00
Additional Authorized Cost	-0-
Revised Authorized Cost	\$803,400.00

Percentage Increase over Original Authorized Cost	N/A
Percentage completion	79.12%
Original target completion date	FY2020
Revised target completion date	FY2020



MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
 RAVINE DRIVE ELEMENTARY SCHOOL - VARIOUS IMPROVEMENTS AND REPLACEMENTS OF HVAC - QUESTION #1  
 FOR THE YEAR ENDED JUNE 30, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources:				
Bond proceeds	\$ 1,837,102.00	\$ 47,520.00	\$ 1,884,622.00	1,884,622.00
Total revenues	<u>1,837,102.00</u>	<u>47,520.00</u>	<u>1,884,622.00</u>	<u>1,884,622.00</u>
Expenditures and other financing uses:				
Legal Services	5,341.64		5,341.64	10,000.00
Architectural/Engineering Services	129,815.31	3,523.50	133,338.81	190,520.00
Construction services	802,028.75	943,564.68	1,745,593.43	1,684,102.00
Total expenditures	<u>937,185.70</u>	<u>947,088.18</u>	<u>1,884,273.88</u>	<u>1,884,622.00</u>
Excess (deficiency) of revenues over (under) expenditures	\$ 899,916.30	\$ (899,568.18)	\$ 348.12	

Additional project information:

Project Number	
Bond Authorization Date	3/8/2016
Bonds Authorized	\$2,045,000.00
Bonds Issued	-0-
Original Authorized Cost	\$2,045,000.00
Additional Authorized Cost	(\$207,898.00)
Revised Authorized Cost	\$1,837,102.00

Percentage Increase over Original Authorized Cost

Percentage completion

Original target completion date

Revised target completion date

-10.17%  
 102.57%  
 FY2020  
 FY2020

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
RAVINE DRIVE ELEMENTARY SCHOOL - VARIOUS IMPROVEMENTS AND REPLACEMENTS OF HVAC - QUESTION #2  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and other financing sources:				
Bond proceeds	\$ 514,000.00	\$ 12,080.00	\$ 526,080.00	\$ 526,080.00
Total revenues	<u>514,000.00</u>	<u>12,080.00</u>	<u>526,080.00</u>	<u>526,080.00</u>
Expenditures and other financing uses:				
Legal Services	5,341.64		5,341.64	10,000.00
Architectural/Engineering Services	43,935.31	826.50	44,761.81	54,080.00
Construction services		475,948.40	475,948.40	462,000.00
Total expenditures	<u>49,276.95</u>	<u>476,774.90</u>	<u>526,051.85</u>	<u>526,080.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 464,723.05</u>	<u>\$ (464,694.90)</u>	<u>\$ 28.15</u>	

Additional project information:

Project Number	
Bond Authorization Date	3/8/2016
Bonds Authorized	\$526,080.00
Bonds Issued	-0-
Original Authorized Cost	\$526,080.00
Additional Authorized Cost	-0-
Revised Authorized Cost	\$526,080.00

Percentage Increase over Original Authorized Cost	N/A
Percentage completion	99.99%
Original target completion date	FY2020
Revised target completion date	FY2020

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
 STRATHMORE DRIVE ELEMENTARY SCHOOL - VARIOUS IMPROVEMENTS AND REPLACEMENTS OF HVAC - QUESTION #1  
 FOR THE YEAR ENDED JUNE 30, 2018

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources:				
Bond proceeds	\$ 2,578,000.00	\$ (23,120.00)	\$ 2,554,880.00	2,554,880.00
Total revenues	<u>2,578,000.00</u>	<u>(23,120.00)</u>	<u>2,554,880.00</u>	<u>2,554,880.00</u>
Expenditures and other financing uses:				
Legal Services	5,341.64		5,341.64	10,000.00
Architectural/Engineering Services	145,238.82	2,545.00	147,783.82	229,380.00
Construction services		1,077,500.00	1,077,500.00	2,315,500.00
Total expenditures	<u>150,580.46</u>	<u>1,080,045.00</u>	<u>1,230,625.46</u>	<u>2,554,880.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 2,427,419.54</u>	<u>\$ (1,103,165.00)</u>	<u>\$ 1,324,254.54</u>	

Additional project information:

Project Number	
Bond Authorization Date	3/8/2016
Bonds Authorized	\$2,554,880.00
Bonds Issued	-0-
Original Authorized Cost	\$2,554,880.00
Additional Authorized Cost	-0-
Revised Authorized Cost	\$2,554,880.00

Percentage Increase over Original Authorized Cost	N/A
Percentage completion	48.17%
Original target completion date	FY2020
Revised target completion date	FY2020

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS  
STRATHMORE DRIVE ELEMENTARY SCHOOL - VARIOUS IMPROVEMENTS AND REPLACEMENTS OF HVAC - QUESTION #2  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and other financing sources:				
Bond proceeds	\$ 418,000.00	\$ 23,120.00	\$ 441,120.00	\$ 441,120.00
Total revenues	<u>418,000.00</u>	<u>23,120.00</u>	<u>441,120.00</u>	<u>441,120.00</u>
Expenditures and other financing uses:				
Legal Services	5,340.96		5,340.96	10,000.00
Architectural/Engineering Services	50,278.81		50,278.81	57,120.00
Construction services		12,000.00	12,000.00	374,000.00
Total expenditures	<u>55,619.77</u>	<u>12,000.00</u>	<u>67,619.77</u>	<u>441,120.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 362,380.23</u>	<u>\$ 11,120.00</u>	<u>\$ 373,500.23</u>	

Additional project information:

Project Number	
Bond Authorization Date	3/8/2016
Bonds Authorized	\$441,120.00
Bonds Issued	-0-
Original Authorized Cost	\$441,120.00
Additional Authorized Cost	-0-
Revised Authorized Cost	\$441,120.00

Percentage Increase over Original Authorized Cost	N/A
Percentage completion	15.33%
Original target completion date	FY2020
Revised target completion date	FY2020

## PROPRIETARY FUND DETAIL STATEMENTS

Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the district's board is that the costs of providing goods or services be financed through user charges.

**FOOD SERVICES FUND:** This fund provides for the operation of Food services within the school district.

**SUMMER THEATER FUND:** This fund provides for the operation of a Summer Theater program within the school district.

**PRESCHOOL AND WRAP (PAWS)  
FUND** This fund provides for the operation of a Preschool program within the school district.

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
COMBINING STATEMENT OF NET POSITION  
PROPRIETARY FUNDS - ENTERPRISE FUNDS  
JUNE 30, 2018

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND</u>			<u>TOTAL</u>
	<u>FOOD SERVICE FUND</u>	<u>SUMMER THEATER FUND</u>	<u>PAWS FUND</u>	
<b>ASSETS:</b>				
Current assets:				
Cash and cash equivalents	\$261,112.33	\$26,376.44	(\$5,962.64)	\$281,526.13
Accounts receivable:				
State	1,359.87			1,359.87
Federal	50,301.54			50,301.54
Interfund receivable			5,962.64	5,962.64
Inventories	23,869.56			23,869.56
	<u>336,643.30</u>	<u>26,376.44</u>		<u>363,019.74</u>
Total current assets				
Noncurrent assets:				
Furniture, machinery and equipment	321,132.24			321,132.24
Less accumulated depreciation	(283,500.42)			(283,500.42)
	<u>37,631.82</u>			<u>37,631.82</u>
Total noncurrent assets				
Total assets				
	<u>374,275.12</u>	<u>26,376.44</u>		<u>400,651.56</u>
<b>LIABILITIES:</b>				
Current liabilities:				
Interfund payables	6,185.10			6,185.10
Unearned revenue	21,752.59	17,900.00		39,652.59
Accounts payable	17,718.27			17,718.27
	<u>45,655.96</u>	<u>17,900.00</u>		<u>63,555.96</u>
Total current liabilities				
Total liabilities				
	<u>45,655.96</u>	<u>17,900.00</u>		<u>63,555.96</u>
<b>NET POSITION:</b>				
Net investment in capital assets	37,631.82			37,631.82
Unrestricted	290,987.34	8,476.44		299,463.78
	<u>\$328,619.16</u>	<u>\$8,476.44</u>		<u>\$337,095.60</u>
Total net position				

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS - ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND			TOTAL
	FOOD SERVICE FUND	SUMMER THEATER FUND	PAWS FUND	
OPERATING REVENUES:				
Charges for services:				
Daily sales - reimburseable programs	\$553,545.72			\$553,545.72
Daily sales - non-reimbursable programs	330,099.00			330,099.00
Special functions	28,458.00			28,458.00
Fees - individuals		\$42,640.00		42,640.00
Total operating revenues	<u>912,102.72</u>	<u>42,640.00</u>		<u>954,742.72</u>
OPERATING EXPENSES:				
Cost of sales-reimbursable programs	517,738.34			517,738.34
Cost of sales-non-reimbursable programs	159,486.00			159,486.00
Salaries and benefits	508,059.00	36,540.00		544,599.00
Employee benefits	161,997.00			161,997.00
Supplies and materials	5,229.49	897.54		6,127.03
Other purchased services	7,700.00			7,700.00
Management fee	120,000.00			120,000.00
Miscellaneous	174,269.14			174,269.14
Depreciation	5,071.69			5,071.69
	<u>1,659,550.66</u>	<u>37,437.54</u>		<u>1,696,988.20</u>
Operating income (loss)	<u>(747,447.94)</u>	<u>5,202.46</u>		<u>(742,245.48)</u>
NONOPERATING REVENUES (EXPENSES):				
State sources				
State school lunch program	17,062.22			17,062.22
Federal Sources				
National school lunch program	498,514.11			498,514.11
Supplemental Nutrition Assistance Program	19,638.54			19,638.54
School breakfast program	73,775.06			73,775.06
National food distribution commodities	142,304.70			142,304.70
Interest		3.09		3.09
Total nonoperating revenues (expenses)	<u>751,294.63</u>	<u>3.09</u>		<u>751,297.72</u>
Income (loss) before contributions and transfers	<u>3,846.69</u>	<u>5,205.55</u>		<u>9,052.24</u>
Other financing sources:				
Transfers			5,962.64	5,962.64
Total other financing sources			<u>5,962.64</u>	<u>5,962.64</u>
Change in net position	3,846.69	5,205.55	5,962.64	15,014.88
Total net position - beginning	<u>324,772.47</u>	<u>3,270.89</u>	<u>(5,962.64)</u>	<u>322,080.72</u>
Total net position - ending	<u>\$328,619.16</u>	<u>\$8,476.44</u>		<u>\$337,095.60</u>

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
 COMBINING STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS - ENTERPRISE FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND			TOTAL
	FOOD SERVICE FUND	SUMMER THEATER FUND	PAWS FUND	
Cash flows from operating activities:				
Receipts from customers	\$910,251.63	\$40,940.00		\$951,191.63
Payments to employees	(508,059.00)	(36,540.00)		(544,599.00)
Payments to employees benefits	(161,997.00)			(161,997.00)
Payments to suppliers	(822,529.24)	(897.54)		(823,426.78)
Net cash provided by (used for) operating activities	(582,333.61)	3,502.46		(578,831.15)
Cash flows from noncapital financing activities:				
State sources	16,970.55			16,970.55
Federal sources	595,687.53			595,687.53
Net cash provided by noncapital financing activities	612,658.08			612,658.08
Cash flows from capital and related financing activities:				
Purchases of capital assets	(11,751.62)			(11,751.62)
Net cash provided by (used for) capital and related financing activities	(11,751.62)			(11,751.62)
Cash flows from investing activities:				
Interest and dividends		3.09		3.09
Net cash provided by investing activities		3.09		3.09
Net increase (decrease) in cash and cash equivalents	18,572.85	3,505.55		22,078.40
Cash and cash equivalents, July 1, 2017 (deficit)	242,539.48	22,870.89	(5,962.64)	259,447.73
Cash and cash equivalents, June 30, 2018 (deficit)	\$261,112.33	\$26,376.44	(\$5,962.64)	\$281,526.13
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	(\$747,447.94)	\$5,202.46		(\$742,245.48)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	5,071.69			5,071.69
Federal commodities	142,304.70			142,304.70
Change in assets and liabilities:				
Increase (decrease) in accounts payable	15,250.91			15,250.91
Increase (decrease) in unearned revenue	939.19	(1,700.00)		(760.81)
(Increase) decrease in inventories	1,547.84	(1,700.00)		1,547.84
	165,114.33			163,414.33
Net cash provided by (used for) operating activities	(\$582,333.61)	\$3,502.46		(578,831.15)



<b>FIDUCIARY FUNDS DETAIL STATEMENTS</b>
--

**Fiduciary Funds are used to account for funds received by the district for a specific purpose:**

**Unemployment Compensation Insurance Trust Fund:**

This expendable trust fund is used to pay unemployment compensation claims as they arise.

**Private Purpose Trust**

These trust funds are used to account for assets held by the district for scholarships and loans to the students where there are no restrictions regarding the use of principal and income.

**Agency Funds are used to account for assets held by the district as an agent for another party:**

**Student Activity Fund :**

This agency fund is used to account for student funds held at the schools.

**Payroll Fund:**

This agency fund is used to account for the payroll transactions of the school district.

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 JUNE 30, 2018

	STUDENT ACTIVITY	AGENCY FUNDS PAYROLL AGENCY	TOTAL AGENCY	PRIVATE PURPOSE AWARD FUND SCHOLARSHIP FUND	STATE UNEMPLOYMENT TRUST FUND	TOTAL TRUST FUNDS	TOTAL JUNE 30 2018
ASSETS:							
Cash and cash equivalents	\$164,540.78	\$988,870.79	\$1,053,411.57	\$10,679.38	\$68,315.13	\$78,994.51	\$1,132,406.08
Other accounts receivable		12,303.36	12,303.36				12,303.36
Total assets	\$164,540.78	\$901,174.15	\$1,065,714.93	\$10,679.38	\$68,315.13	\$78,994.51	\$1,144,709.44
LIABILITIES:							
Interfunds Payable		\$517,946.41	\$517,946.41				\$517,946.41
Payroll deductions and withholdings		383,227.74	383,227.74				383,227.74
Due to student groups	\$164,540.78		164,540.78				164,540.78
Total liabilities	164,540.78	901,174.15	1,065,714.93				1,065,714.93
NET POSITION:							
Held in trust for							
State Unemployment Insurance				\$10,679.38	\$68,315.13	\$68,315.13	\$68,315.13
Awards and other purposes					10,679.38	10,679.38	10,679.38
Total net position	-0-	-0-	-0-	\$10,679.38	\$68,315.13	\$78,994.51	\$78,994.51

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>PRIVATE PURPOSE AWARD FUND SCHOLARSHIP FUND</u>	<u>STATE UNEMPLOYMENT INSURANCE TRUST FUND</u>	<u>TOTAL</u>
ADDITIONS:			
Contributions:			
Other		\$217,334.22	\$217,334.22
Total contributions		<u>217,334.22</u>	<u>217,334.22</u>
Investment earnings:			
Interest	53.54		53.54
Net investment earnings	<u>53.54</u>		<u>53.54</u>
Total additions	<u>53.54</u>	<u>217,334.22</u>	<u>217,387.76</u>
DEDUCTIONS:			
Unemployment claims		216,068.81	216,068.81
Total deductions		<u>216,068.81</u>	<u>216,068.81</u>
Change in net assets	53.54	1,265.41	1,318.95
Net position beginning of year	10,625.84	67,049.72	\$77,675.56
Net position end of year	<u>\$10,679.38</u>	<u>\$68,315.13</u>	<u>\$78,994.51</u>

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>BALANCE</u> <u>JUNE 30, 2017</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSE-</u> <u>MENTS</u>	<u>BALANCE</u> <u>JUNE 30, 2018</u>
Elementary Schools:				
Ravine	\$2,524.35	\$702.36	\$497.25	\$2,729.46
Cliffwood	2,209.46	3,461.95	2,759.27	2,912.14
Strathmore	4,216.66	2,596.64	2,173.00	4,640.30
Lloyd Road	4,187.93	3,038.46	3,340.04	3,886.35
Cambridge Park		341.14	230.02	111.12
Total Elementary Schools	<u>\$13,138.40</u>	<u>\$10,140.55</u>	<u>\$8,999.58</u>	<u>\$14,279.37</u>
Middle School:				
Matawan Avenue	<u>\$47,230.23</u>	<u>\$109,568.55</u>	<u>\$98,726.45</u>	<u>\$58,072.33</u>
Total Middle School	<u>\$47,230.23</u>	<u>\$109,568.55</u>	<u>\$98,726.45</u>	<u>\$58,072.33</u>
High School:				
Matawan Regional	\$100,355.44	\$159,095.65	\$167,708.89	\$91,742.20
Athletic Account		58,085.16	57,638.28	446.88
Total High School	<u>\$100,355.44</u>	<u>\$217,180.81</u>	<u>\$225,347.17</u>	<u>\$92,189.08</u>
Total all schools	<u><u>\$160,724.07</u></u>	<u><u>\$336,889.91</u></u>	<u><u>\$333,073.20</u></u>	<u><u>\$164,540.78</u></u>

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
PAYROLL AGENCY FUNDS  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>BALANCE</u> <u>JULY 1, 2017</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2018</u>
<b>ASSETS:</b>				
Cash and cash equivalents	\$336,724.63	\$60,934,735.73	\$60,382,589.57	\$888,870.79
Other accounts receivable		12,303.36		12,303.36
Total assets	<u>\$336,724.63</u>	<u>\$60,947,039.09</u>	<u>\$60,382,589.57</u>	<u>\$901,174.15</u>
<b>LIABILITIES:</b>				
Interfunds payable		\$42,444,734.29	\$41,926,787.88	\$517,946.41
Payroll deductions and withholdings	\$336,724.63	18,502,304.80	18,455,801.69	383,227.74
Total liabilities	<u>\$336,724.63</u>	<u>\$60,947,039.09</u>	<u>\$60,382,589.57</u>	<u>\$901,174.15</u>

## **LONG-TERM DEBT SCHEDULES**

The Long-Term schedules are used to reflect the outstanding principal balances of the long-term liabilities of the District. This includes obligations under Serial Bonds.

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
 LONG-TERM DEBT  
 SCHEDULE OF SERIAL BONDS  
 JUNE 30, 2018

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	MATURITIES		RATE OF INTEREST	BALANCE JULY 1, 2017	RETIRED	BALANCE JUNE 30, 2018
			DATE	AMOUNT				
2011 Refunding Bonds	9/15/2011	\$ 20,530,000.00	9/15/2018	\$ 1,210,000.00	5.00%			
			9/15/2019	1,275,000.00	5.00%			
			9/15/2020	1,350,000.00	5.00%			
			9/15/2021	1,425,000.00	4.50%			
			9/15/2022	1,495,000.00	4.50%			
			9/15/2023	1,575,000.00	5.00%			
			9/15/2024	1,665,000.00	5.00%			
			9/15/2025	1,745,000.00	4.00%			
			9/15/2026	1,820,000.00	4.00%			
			9/15/2027	1,905,000.00	4.24%	\$	16,610,000.00	\$
2016 School Bonds	8/2/2016	\$ 19,856,000.00	8/1/2018	550,000.00	2.25%			
			8/1/2019	550,000.00	2.25%			
			8/1/2020	550,000.00	2.25%			
			8/1/2021	550,000.00	2.50%			
			8/1/2022	550,000.00	2.50%			
			8/1/2023	550,000.00	2.50%			
			8/1/2024	550,000.00	2.50%			
			8/1/2025	550,000.00	2.50%			
			8/1/2026	550,000.00	2.50%			
			8/1/2027	550,000.00	2.50%			
			8/1/2028	1,100,000.00	2.50%			
		8/1/2029	1,100,000.00	2.50%				
		8/1/2030	1,100,000.00	2.50%				
		8/1/2031	1,050,000.00	2.50%				
		8/1/2032	1,000,000.00	2.50%				
		8/1/2033	1,000,000.00	2.50%				
		8/1/2034	1,000,000.00	2.50%				
		8/1/2035	1,000,000.00	3.00%				
		8/1/2036	1,000,000.00	3.00%				
		8/1/2037	1,000,000.00	3.00%				
		8/1/2038	1,000,000.00	3.00%				
		8/1/2039	1,000,000.00	3.00%				
		8/1/2040	1,000,000.00	3.00%				
		8/1/2041	1,006,000.00	3.00%				
						19,856,000.00		19,856,000.00
						\$ 36,466,000.00	\$ 1,145,000.00	\$ 35,321,000.00

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
 SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
 AS OF JUNE 30, 2018

<u>SERIES</u>	<u>INTEREST RATE PAYABLE</u>	<u>AMOUNT OF ORIGINAL LEASE</u>	<u>AMOUNT OUTSTANDING JUNE 30, 2017</u>	<u>DECREASE</u>	<u>AMOUNT OUTSTANDING JUNE 30, 2018</u>
Governmental Funds					
School Buses	2.395%	134,530.21 \$	51,281.91 \$	25,337.54 \$	25,944.37
		\$	51,281.91 \$	25,337.54 \$	25,944.37



MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$2,392,475.00		\$2,392,475.00	\$2,392,475.00	
State sources:					
Debt service aid type II	265,883.00		\$265,883.00	265,883.00	
<b>Total revenues</b>	<u>2,658,358.00</u>		<u>2,658,358.00</u>	<u>2,658,358.00</u>	
<b>EXPENDITURES:</b>					
Regular debt service:					
Interest	1,513,358.00		1,513,358.00	1,513,356.65	\$1.35
Redemption of principal	1,145,000.00		1,145,000.00	1,145,000.00	
<b>Total regular debt service-expenditures</b>	<u>2,658,358.00</u>		<u>2,658,358.00</u>	<u>2,658,356.65</u>	<u>1.35</u>
Other financing sources:					
Operating Transfers in - Capital Projects				27,936.71	27,936.71
				<u>27,938.06</u>	<u>27,938.06</u>
Fund balance, July 1	34,488.05	-	34,488.05	34,488.05	-
Fund balance, June 30	<u>34,488.05</u>	<u>-</u>	<u>34,488.05</u>	<u>\$62,426.11</u>	<u>\$27,938.06</u>

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**STATISTICAL SECTION - UNAUDITED**

MATAWAN ABERDEEN REGIONAL SCHOOL DISTRICT  
STATISTICAL SECTION

<u>Contents</u>	<u>Page</u>
Financial Trends:	
These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	J-1 to J-4
Revenue Capacity:	
These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	J-5 to J-9
Debt Capacity:	
These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information:	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 to J-15
Operating Information:	
These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20

Sources

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year.

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Government Activities:</b>										
Net Investment in capital assets	\$ 13,836,947.00	\$ 13,951,213.00	\$ 13,897,770.00	\$ 27,216,151.59	\$ 31,011,303.83	\$ 34,718,497.02	\$ 37,599,133.47	\$ 43,378,893.96	\$ 28,033,266.48	\$ 35,979,531.04
Restricted	2,875,586.00	2,509,638.00	6,131,370.00	9,626,184.43	13,792,360.48	8,668,028.44	9,991,342.03	5,361,767.11	18,386,453.46	10,774,261.40
Unrestricted (deficit)	(1,028,813.00)	(71,581.00)	(960,477.00)	(835,518.36)	(2,431,923.11)	1,044,727.93	(9,948,266.80)	(9,346,284.19)	(8,351,764.42)	(10,240,429.11)
<b>Total Government Activities Net Position</b>	<b>\$ 15,683,720.00</b>	<b>\$ 16,369,270.00</b>	<b>\$ 19,068,663.00</b>	<b>\$ 36,006,817.66</b>	<b>\$ 42,371,741.20</b>	<b>\$ 44,431,253.39</b>	<b>\$ 37,642,208.70</b>	<b>\$ 39,394,376.88</b>	<b>\$ 38,067,955.52</b>	<b>\$ 36,513,363.32</b>
<b>Business-Type Activities:</b>										
Net Investment in capital assets	\$ 57,689.00	\$ 56,469.00	\$ 49,040.00	\$ 41,611.43	\$ 34,289.40	\$ 34,937.88	\$ 30,369.58	\$ 24,943.67	\$ 26,790.29	\$ 37,631.82
Unrestricted	173,770.00	211,240.00	239,266.00	211,225.61	136,714.60	205,037.12	251,013.79	243,952.56	295,290.43	299,463.78
<b>Total Business-Type Activities Net Position</b>	<b>\$ 231,459.00</b>	<b>\$ 267,709.00</b>	<b>\$ 288,306.00</b>	<b>\$ 252,837.04</b>	<b>\$ 171,004.00</b>	<b>\$ 239,975.00</b>	<b>\$ 281,383.37</b>	<b>\$ 268,896.23</b>	<b>\$ 322,080.72</b>	<b>\$ 337,095.60</b>
<b>District-wide:</b>										
Net Investment in capital assets	\$ 13,894,636.00	\$ 14,007,682.00	\$ 13,946,810.00	\$ 27,257,763.02	\$ 31,045,593.23	\$ 34,753,434.90	\$ 37,629,503.05	\$ 43,403,837.63	\$ 28,060,056.77	\$ 36,017,162.86
Restricted	2,875,586.00	2,509,638.00	6,131,370.00	9,626,184.43	13,792,360.48	8,668,028.44	9,991,342.03	5,361,767.11	18,386,453.46	10,774,261.40
Unrestricted (Deficit)	(855,043.00)	(139,659.00)	(721,211.00)	(624,292.75)	(2,295,208.51)	1,249,765.05	(9,697,253.01)	(9,102,331.63)	(8,056,473.99)	(9,940,965.33)
<b>Total District Net Position</b>	<b>\$ 15,915,179.00</b>	<b>\$ 16,656,979.00</b>	<b>\$ 19,356,969.00</b>	<b>\$ 36,259,654.70</b>	<b>\$ 42,542,745.20</b>	<b>\$ 44,671,228.39</b>	<b>\$ 37,923,592.07</b>	<b>\$ 39,663,273.11</b>	<b>\$ 38,390,036.24</b>	<b>\$ 36,850,458.92</b>

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Expenses:</b>										
Governmental Activities:										
Instruction:										
Regular	(18,307,683.00)	(18,205,392.00)	(17,468,715.00)	(17,407,671.16)	(18,210,424.22)	(26,402,937.94)	(30,576,986.32)	(32,641,015.65)	(36,006,814.33)	(36,434,721.08)
Special Education	(3,607,136.00)	(4,573,144.00)	(4,895,479.00)	(5,496,733.86)	(5,095,002.80)	(7,433,190.35)	(9,106,753.32)	(11,306,311.52)	(13,469,170.52)	(15,157,440.07)
Other Instruction	(3,391,977.00)	(1,395,431.00)	(2,372,717.00)	(2,222,570.65)	(2,285,794.42)	(3,154,911.27)	(3,737,195.65)	(3,346,289.56)	(3,656,873.31)	(4,004,548.83)
Support Services:										
Tuition	(4,938,097.00)	(4,877,910.00)	(4,396,674.00)	(3,639,959.86)	(3,029,097.85)	(2,396,195.41)	(2,499,060.76)	(2,748,344.69)	(3,245,947.40)	(3,603,617.22)
Student & instruction related services	(5,034,745.00)	(5,008,238.00)	(4,122,057.00)	(5,385,756.83)	(5,788,693.14)	(8,453,847.45)	(9,820,682.85)	(10,733,037.05)	(12,657,596.66)	(13,066,618.80)
General Administrative Services	(3,560,268.00)	(3,536,825.00)	(3,317,299.00)	(884,536.66)	(999,921.92)	(2,069,753.29)	(1,599,392.97)	(1,779,955.48)	(2,116,459.67)	(2,028,360.88)
Central Services	(1,079,096.00)	(912,726.00)	(758,311.00)	(2,257,673.48)	(2,239,359.00)	(2,755,320.65)	(4,019,175.77)	(4,183,763.30)	(4,716,153.73)	(5,073,995.93)
School Administrative Services	(6,587,213.00)	(5,367,081.00)	(4,920,803.00)	(453,032.02)	(484,258.51)	(654,633.85)	(693,080.86)	(769,419.54)	(978,616.18)	(944,264.72)
Admin. Information Technology	(2,570,611.00)	(2,556,743.00)	(2,728,276.00)	(4,372,463.78)	(4,575,267.07)	(150,468.43)	(206,024.95)	(245,699.00)	(273,593.34)	(380,958.13)
Plant Operations and Maintenance	(12,361,396.00)	(13,544,811.00)	(12,524,392.00)	(13,314,815.57)	(14,920,545.76)	(5,310,910.77)	(5,014,146.43)	(5,086,206.80)	(5,742,379.70)	(5,477,751.08)
Student Transportation Services	(1,224,629.00)	(1,153,524.00)	(1,112,819.00)	(105,193.15)	(1,492,545.76)	(3,369,277.60)	(3,434,847.16)	(3,408,230.46)	(4,082,271.75)	(4,369,482.63)
Unallocated Employee Benefits		(88,404.00)	(120,282.00)	(105,193.15)						
Summer School		(1,153,524.00)	(1,112,819.00)	(1,129,037.29)	(1,094,259.82)	(768,949.08)	(964,918.80)	(908,629.48)	(849,265.88)	(2,427,426.85)
Interest on Long-Term Debt		(1,710,066.00)								
ARRA		(1,599,508.00)								
Unallocated Depreciation and Amortization	(3,739,092.00)		(1,520,140.00)	(1,487,444.68)	(1,094,259.82)	(768,949.08)	(964,918.80)	(908,629.48)	(849,265.88)	(2,427,426.85)
Total Governmental Activities Expenses	(66,461,841.00)	(64,529,803.00)	(60,257,964.00)	(61,052,746.10)	(63,535,798.40)	(64,675,541.67)	(73,476,262.13)	(78,959,645.20)	(89,710,982.82)	(94,942,748.27)

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Business-Type Activities:</b>										
Food Service	(1,476,106.00)	(1,600,876.00)	(1,585,102.00)	(1,603,886.92)	(1,598,194.04)	(1,522,971.29)	(1,628,414.71)	(1,670,171.96)	(1,646,864.22)	(1,659,550.66)
Other Activities	(38,887.00)	(47,484.00)	(37,936.00)	(36,554.04)	(35,543.52)	(36,913.92)	(37,748.88)	(33,506.43)	(68,970.33)	(37,437.54)
<b>Total Business-Type Activities Expenses</b>	<b>(1,514,993.00)</b>	<b>(1,648,360.00)</b>	<b>(1,623,038.00)</b>	<b>(1,640,440.96)</b>	<b>(1,633,737.56)</b>	<b>(1,559,885.21)</b>	<b>(1,666,163.59)</b>	<b>(1,703,678.39)</b>	<b>(1,714,834.55)</b>	<b>(1,696,988.20)</b>
<b>Total District Expenses</b>	<b>(67,976,834.00)</b>	<b>(66,178,163.00)</b>	<b>(61,881,002.00)</b>	<b>(62,693,187.06)</b>	<b>(65,169,535.96)</b>	<b>(66,235,425.88)</b>	<b>(75,142,425.72)</b>	<b>(80,663,323.59)</b>	<b>(91,425,817.37)</b>	<b>(96,639,736.47)</b>
<b>Program Revenues:</b>										
Governmental Activities:										
Charges for Services:										
Instruction (Tuition)			121,211.00	105,994.46	90,686.00	105,195.20	113,801.50	115,147.50	136,681.92	220,341.10
Pupil Transportation				99,099.47	122,583.89	106,837.10	88,230.17	78,038.67	164,091.97	106,159.10
Operating Grants and Contributions	1,476,845.00	1,804,257.00	1,769,685.00	6,255,615.07	6,881,736.97	6,237,529.41	13,127,677.98	16,298,456.28	21,687,327.92	25,404,708.94
<b>Total Governmental Activities Program Revenues</b>	<b>1,476,845.00</b>	<b>1,804,257.00</b>	<b>1,890,896.00</b>	<b>6,460,709.00</b>	<b>7,095,006.86</b>	<b>6,449,561.71</b>	<b>13,329,709.65</b>	<b>16,491,642.45</b>	<b>21,988,101.81</b>	<b>25,731,209.14</b>
Business-Type Activities:										
Charges for Services:										
Food Service	1,042,034.00	1,032,201.00	994,623.00	973,945.47	896,275.13	928,747.72	947,758.19	933,213.12	951,243.28	912,102.72
Other Activities	31,348.00	39,525.00	33,869.00	38,756.00	41,433.75	33,600.00	36,452.00	32,430.45	65,895.50	42,640.00
Operating Grants and Contributions	490,791.00	606,561.00	607,815.00	716,882.52	614,195.64	658,373.49	723,361.77	725,547.68	750,880.26	751,294.63
<b>Total Business-Type Activities Program Revenues</b>	<b>1,564,173.00</b>	<b>1,678,287.00</b>	<b>1,636,307.00</b>	<b>1,729,583.99</b>	<b>1,551,904.52</b>	<b>1,620,721.21</b>	<b>1,707,571.96</b>	<b>1,691,191.25</b>	<b>1,768,019.04</b>	<b>1,706,037.35</b>
<b>Total District Program Revenues</b>	<b>3,041,018.00</b>	<b>3,482,544.00</b>	<b>3,527,203.00</b>	<b>8,190,292.99</b>	<b>8,646,911.38</b>	<b>8,070,282.92</b>	<b>15,037,281.61</b>	<b>18,182,833.70</b>	<b>23,756,120.85</b>	<b>27,437,246.49</b>
<b>Net (Expense)/Revenue:</b>										
Governmental Activities	(64,984,996.00)	(62,725,546.00)	(58,367,068.00)	(54,592,037.10)	(56,440,791.54)	(58,225,979.96)	(60,146,552.48)	(62,468,002.75)	(67,722,881.01)	(69,211,539.13)
Business-Type Activities	49,180.00	29,927.00	13,289.00	89,143.03	(81,833.04)	60,836.00	41,406.37	(12,487.14)	53,184.49	9,049.15
<b>Total District-wide Net (Expense)/Revenue</b>	<b>(64,935,816.00)</b>	<b>(62,695,619.00)</b>	<b>(58,353,799.00)</b>	<b>(54,502,894.07)</b>	<b>(56,522,624.58)</b>	<b>(58,165,143.96)</b>	<b>(60,105,144.11)</b>	<b>(62,480,489.89)</b>	<b>(67,669,696.52)</b>	<b>(69,202,489.98)</b>

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Revenues and Other Changes in Net Assets:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net \$	43,826,599.00	43,801,859.00	44,105,926.00	44,850,503.00	45,523,260.00	46,206,109.00	47,130,231.00	48,072,836.00	50,596,991.00	52,003,125.00
Taxes Levied for Debt Service	2,478,605.00	2,471,625.00	2,317,367.00	2,476,720.00	2,443,473.00	2,420,553.00	2,438,530.00	2,448,770.00	1,871,150.00	2,392,475.00
Unrestricted Grants and Contributions	16,795,524.00	16,745,405.00	14,772,491.00	12,092,970.61	12,527,494.95	12,457,914.69	12,695,618.18	12,782,832.47	13,075,588.39	12,965,096.53
Restricted Grants and Contributions				13,352.00	10,630.03	13,512.99	683,036.48	480,000.64	518,057.83	114,329.69
Tuition Received	74,491.00	114,095.00	121,211.00							
Miscellaneous Income	388,685.00	296,007.00	55,711.00	105,755.22	525,902.15	341,192.30	438,502.41	305,979.86	284,555.51	196,963.35
Investment Earnings	39,393.00	7,245.00	3,541.00	6,003.51	11,487.33					
Transfers and Other Adjustments						(8,135.00)	12,000.00		50,116.91	(5,962.64)
Total Governmental Activities	63,603,297.00	63,436,236.00	61,376,247.00	59,545,304.34	61,042,247.46	61,431,146.98	63,397,918.07	64,090,418.97	66,396,459.64	67,666,026.93
Business-Type Activities:										
Other	82,343.00		7,328.00			8,135.00				3.09
Transfers										5,962.64
Total Business-Type Activities	82,343.00		7,328.00			8,135.00				5,965.73
Total District-wide	63,685,640.00	63,436,236.00	61,383,575.00	59,545,304.34	61,042,247.46	61,439,281.98	63,397,918.07	64,090,418.97	66,396,459.64	67,671,992.66
Changes in Net Assets:										
Governmental Activities	(1,381,699.00)	710,690.00	3,009,179.00	4,953,267.24	4,601,455.92	3,205,167.02	3,251,365.59	1,622,416.22	(1,326,421.37)	(1,545,512.20)
Business-Type Activities	131,523.00	29,927.00	20,597.00	89,143.03	(81,833.04)	68,971.00	41,408.37	(12,487.14)	53,184.49	15,014.88
Total District	(1,250,176.00)	740,617.00	3,029,776.00	5,042,410.27	4,519,622.88	3,274,138.02	3,292,773.96	1,609,929.08	(1,273,236.88)	(1,530,497.32)



MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund:										
Restricted	\$	\$	\$	9,938,971.64	14,087,203.56	8,943,379.26	9,183,044.23	7,559,693.02	6,808,046.05	6,392,894.40
Assigned			1,990,219.00	683,066.14	285,498.06	682,422.79	1,320,811.74	493,434.52	375,705.26	694,894.88
Committed						2,609,195.00	0.06	2,252.78	129,646.93	117,738.44
Unassigned			257,969.00	121,177.68	107,964.79	49,560.88	94,491.87	396,546.20	433,598.05	215,621.65
Reserved	2,706,474.00	2,827,016.00								
Unreserved	298,074.00	519,696.00								
Total General Fund	\$ 3,004,548.00	\$ 3,346,712.00	\$ 6,389,335.00	\$ 10,743,215.46	\$ 14,480,666.41	\$ 12,284,557.93	\$ 10,598,347.90	\$ 8,451,926.52	\$ 7,746,996.29	\$ 7,421,149.37
All Other Governmental Funds:										
Committed	\$	\$	\$	12,187.00	\$	\$	\$	2,317,275.42	4,837,094.54	3,481,233.14
Assigned										34,488.00
Reserved	6,378.00									
Unreserved, Reported In:										
Special Revenue Fund				0.27	1.34	1.43	1,064,367.62	(1,952,971.09)	11,776,683.94	4,994,105.26
Capital Projects Fund	162,734.00	162,738.00	4.00				1.43	1.43	34,488.05	27,938.11
Debt Service Fund										
Total All Other Governmental Funds	\$ 169,112.00	\$ 162,738.00	\$ 4.00	\$ 12,187.27	\$ 1.34	\$ 1.43	\$ 1,576,446.70	\$ 364,305.76	\$ 16,648,266.53	\$ 8,537,764.51

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS  
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
 (UNAUDITED)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Revenues:</b>										
Tax Levy	\$ 46,305,204.00	\$ 46,273,484.00	\$ 46,423,293.00	\$ 47,327,223.00	\$ 47,966,733.00	\$ 48,626,662.00	\$ 49,588,761.00	\$ 50,521,606.00	\$ 52,468,141.00	\$ 54,395,600.00
Tuition Charges	74,491.00	114,095.00	121,211.00	105,994.46	90,866.00	105,195.20	113,801.50	115,147.50	136,681.92	220,341.10
Transportation Fees	112,047.00	118,583.00	125,580.00	99,099.47	122,583.89	106,837.10	88,230.17	78,038.67	164,091.97	106,159.10
Miscellaneous	420,577.00	217,960.00	102,300.00	149,687.67	379,687.02	379,395.40	510,801.42	350,066.52	336,024.78	245,546.95
State Sources	16,874,024.00	15,067,138.00	14,803,892.00	16,231,107.43	18,161,978.33	17,322,995.40	19,017,498.29	19,890,641.44	21,178,584.14	22,532,585.91
Federal Sources	1,388,345.00	3,449,233.00	1,690,877.00	2,092,901.31	1,228,286.78	1,347,756.97	1,414,793.34	1,448,119.29	1,394,029.73	1,393,662.65
<b>Total Revenues</b>	<b>65,184,688.00</b>	<b>65,240,493.00</b>	<b>63,267,143.00</b>	<b>66,006,013.34</b>	<b>68,137,254.32</b>	<b>67,888,843.69</b>	<b>70,713,885.72</b>	<b>72,403,619.42</b>	<b>75,677,533.54</b>	<b>78,893,895.71</b>
<b>Expenditures:</b>										
Instruction:										
Regular	18,608,236.00	18,480,986.00	17,321,662.00	17,410,361.25	18,210,424.22	18,954,329.42	18,687,500.03	19,183,784.11	19,629,861.29	19,501,968.72
Special	3,607,136.00	4,573,144.00	4,685,479.00	5,486,733.86	5,085,002.80	5,353,137.75	5,780,109.50	6,072,891.96	6,485,005.75	7,289,734.36
Other	3,391,977.00	1,395,431.00	2,372,717.00	2,222,570.65	2,285,794.42	2,223,951.66	2,689,791.17	2,489,126.45	2,629,321.24	2,954,502.79
Support Services:										
Tuition	4,938,097.00	4,877,910.00	4,396,674.00	3,639,959.86	3,029,097.85	2,396,195.41	2,499,060.76	2,748,344.69	3,245,947.40	3,603,617.22
Student & instruction related services	5,034,745.00	5,008,238.00	4,122,057.00	5,788,693.14	5,788,693.14	6,188,651.98	6,440,672.38	6,640,007.93	7,355,577.65	7,779,389.34
General Administrative Services	1,079,096.00	912,726.00	758,311.00	884,535.66	999,921.92	1,372,841.74	1,339,108.35	1,428,420.10	1,414,597.64	1,414,597.64
School Administrative Services				2,257,673.48	2,239,359.00	2,342,556.71	2,351,340.43	2,347,961.67	2,418,743.75	2,585,747.41
Central Services				453,032.02		484,733.31	517,277.81	567,492.52	609,144.13	588,689.14
Admin. Information Technology				235,185.19	152,443.59	150,468.43	167,293.04	183,549.49	176,200.89	280,007.51
Other Administrative Services	3,560,268.00	3,536,825.00	3,317,299.00							
Plant Operations and Maintenance	6,587,213.00	5,367,081.00	4,920,803.00	4,372,463.78	4,575,267.07	5,023,773.22	4,761,512.64	4,797,563.78	5,258,528.06	4,958,730.49
Student Transportation Services	2,570,611.00	2,556,743.00	2,728,276.00	2,660,672.92	2,749,771.83	2,697,326.83	2,836,086.37	2,759,656.96	3,027,783.29	3,238,708.18
Unallocated Employee Benefits	12,361,936.00	13,544,811.00	12,524,392.00	13,371,312.79	14,880,401.77	14,978,122.25	16,461,597.18	18,219,930.21	20,439,208.65	21,245,505.09
Summer School	59,358.00	88,404.00	120,282.00	105,193.15						
ARRA		1,710,968.00								
Debt Services:										
Principal	1,259,737.00	1,304,737.00	1,354,737.00	1,404,736.84	1,464,736.84	1,484,736.91	1,540,000.00	1,615,000.00	1,095,000.00	1,145,000.00
Interest and Other Charges	1,241,308.00	1,194,327.00	1,143,909.00	1,078,061.38	1,008,939.09	993,568.00	898,530.00	833,770.00	776,150.00	1,513,356.65
Capital Outlay	500,923.00	373,274.00	410,686.00	661,688.86	1,447,877.25	5,479,558.46	4,274,770.92	5,891,976.02	5,316,580.98	9,254,727.47
<b>Total Expenditures</b>	<b>64,800,641.00</b>	<b>64,904,703.00</b>	<b>60,387,254.00</b>	<b>61,639,958.52</b>	<b>64,411,889.30</b>	<b>70,084,952.08</b>	<b>70,823,650.48</b>	<b>75,778,935.88</b>	<b>79,954,503.01</b>	<b>87,324,282.01</b>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	384,047.00	335,790.00	2,879,889.00	4,366,054.82	3,725,265.02	(2,196,108.39)	(109,764.76)	(3,375,316.46)	(4,276,969.47)	(8,430,386.30)
Other Financing Sources/(Uses):										
Transfers	(101,957.00)									
Accounts Receivable Cancelled	(2,589.00)									
Proceeds from Bonds		20,530,000.00							19,856,000.00	
Original Issue Premium		1,901,399.25								
Bonds Refunded		(21,400,000.00)								
Payment to Refunding Escrow Agent		(893,467.38)								
Cost of Issuance of Refunding Bonds		(137,891.87)								
<b>Total Other Financing Sources/(Uses)</b>	<b>(104,546.00)</b>									
<b>Net Change in Fund Balances</b>	<b>279,501.00</b>	<b>335,790.00</b>	<b>2,879,889.00</b>	<b>4,366,054.82</b>	<b>3,725,265.02</b>	<b>(2,196,108.39)</b>	<b>(109,764.76)</b>	<b>(3,375,316.46)</b>	<b>15,579,050.53</b>	<b>(8,436,348.94)</b>
Debt Service as a Percentage of Noncapital Expenditures	3.89%	3.87%	4.17%	4.07%	3.93%	3.77%	3.66%	3.50%	2.51%	3.41%
Source: District records										

Note: Noncapital expenditures are total expenditures less Capital Outlay.

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE

LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Tuition</u>	<u>Transportation</u>	<u>Interest on</u> <u>Investments</u>	<u>Accounts</u> <u>Payable</u> <u>Cancelled</u>	<u>Miscellaneous</u>	<u>Annual</u> <u>Totals</u>
2009	\$74,491.00	\$112,047.00	\$39,393.00	-	\$381,184.00	\$607,115.00
2010	114,095.00	118,583.00	7,245.00	-	210,715.00	450,638.00
2011	121,211.00	125,580.00	3,541.00	-	51,342.00	301,674.00
2012	105,994.46	99,099.47	7,428.13	-	104,330.60	316,852.66
2013	90,686.00	122,583.89	14,856.95	\$390,624.75	131,907.78	750,659.37
2014	105,195.20	106,837.10	8,156.69	-	328,289.37	548,478.36
2015	113,801.50	88,230.17	5,757.03	54,159.57	373,267.06	635,215.33
2016	115,147.50	78,038.67	4,764.52	241.50	297,348.18	495,540.37
2017	136,681.92	164,091.97		8,179.49	166,486.58	475,439.96
2018	220,341.10	106,159.10	10,017.91	1,500.00	110,345.52	448,363.63

Source: District records

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

ABERDEEN TOWNSHIP

LAST TEN FISCAL YEARS  
(UNAUDITED)

Fiscal Year Ending June 30,	ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY				Qfarm	Commercial	Industrial
	Vacant Land	Residential	Farm Reg.	Qfarm			
2008	\$14,636,300	\$713,846,480	\$706,700	\$89,500	\$86,394,000	\$11,849,700	
2009*	50,114,700	1,744,702,500	1,950,700	56,900	234,349,900	9,695,700	
2010	52,040,200	1,743,737,100	1,665,800	59,500	232,811,300	9,695,700	
2011	51,016,100	1,746,861,700	1,665,800	59,500	234,030,300	9,695,700	
2012	36,662,900	1,746,720,800	1,671,200	67,800	233,402,500	9,695,700	
2013	35,814,450	1,745,296,900	1,671,200	54,600	232,175,600	9,695,700	
2014	42,063,400	1,668,574,650	1,622,700	54,900	231,509,900	9,710,700	
2015	34,997,400	1,696,513,500	1,636,300	38,200	225,377,800	9,710,700	
2016	28,970,300	1,733,589,639	1,641,600	31,500	217,896,600	9,178,200	
2017	31,647,700	1,786,771,900	1,678,600	30,800	213,181,500	3,531,000	

Fiscal Year Ending June 30,	Total Assessed Value		Public Utilities <sup>a</sup>	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>b</sup>
	Apartment	Value				
2008	\$15,392,900	\$842,915,580	\$1,069,982	\$843,985,562	\$2,233,718,408	3.685
2009	45,556,600	2,086,427,000	2,922,012	2,089,349,012	2,226,665,921	1.489
2010	45,979,900	2,085,989,500	2,804,792	2,088,794,292	2,190,617,190	1.487
2011	45,979,900	2,089,309,000	2,869,478	2,092,178,478	2,159,909,536	1.508
2012	40,400,800	2,068,621,700	3,160,148	2,071,781,848	2,110,772,680	1.563
2013	40,400,800	2,065,109,250	-0-	2,065,109,250	2,028,395,295	1.598
2014	37,372,000	1,990,908,250	-0-	1,990,908,250	1,999,678,536	1.691
2015	37,386,000	2,005,659,900	-0-	2,005,659,900	2,076,708,282	1.714
2016	37,978,000	2,029,285,839	-0-	2,029,285,839	2,089,869,431	1.723
2017	40,246,700	2,077,088,200	-0-	2,077,088,200	2,228,103,108	1.722

Source: Abstract of Ratables

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation. Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment.

\* Revaluation

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

b Tax rates are per \$100

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
MATAWAN BOROUGH  
LAST TEN FISCAL YEARS  
(UNAUDITED)

Fiscal Year Ending June 30.	Vacant Land	Residential	Commercial	Industrial	Apartment
2008	\$8,867,500	\$803,708,700	\$132,252,700	\$9,729,100	\$79,655,900
2009	14,762,100	803,358,500	133,313,800	9,729,100	78,493,600
2010	13,112,200	811,496,200	133,623,900	9,729,100	77,906,400
2011	8,561,900	821,454,800	136,553,300	8,854,000	76,764,800
2012	6,565,100	821,597,000	133,891,900	8,854,000	71,323,100
2013	5,166,300	822,359,100	133,916,700	8,854,000	69,394,100
2014	4,492,700	733,473,400	131,837,800	8,854,000	67,274,700
2015	10,110,500	737,787,300	136,005,600	5,144,200	76,687,800
2016	9,484,000	775,634,000	139,778,700	5,173,300	81,780,900
2017	10,937,400	788,783,600	140,489,700	3,512,100	84,833,400

	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>b</sup>
2008	\$1,034,213,900	\$1,742,227	\$1,035,956,127	\$1,086,125,096	1.447
2009	1,039,657,100	3,348,712	1,043,005,812	1,089,967,721	1.456
2010	1,045,867,800	1,785,231	1,047,653,031	1,082,020,202	1.459
2011	1,052,188,800	1,978,012	1,054,166,812	1,006,262,445	1.453
2012	1,042,231,100	2,047,771	1,044,278,871	975,095,199	1.463
2013	1,039,690,200	-	1,039,690,200	923,922,687	1.472
2014	945,932,600	-	945,932,600	911,390,885	1.632
2015	965,735,400	-	965,735,400	1,016,280,693	1.622
2016	1,011,850,900	-	1,011,850,900	1,020,927,120	1.633
2017	1,028,556,200	-	1,028,556,200	1,056,101,333	1.718

Source: Abstract of Ratables

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation. Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment.

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

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN FISCAL YEARS  
(RATE PER \$100 OF ASSESSED VALUE)  
(UNAUDITED)

Fiscal Year Ending June 30,	Matawan-Aberdeen Regional School District Direct Rate										Overlapping Rates						Total Direct and Overlapping Tax Rate	
	General Obligation					Total Direct School Tax Rate					Municipality of			Monmouth County			Municipality of	
	Aberdeen Township	Matawan Borough	Aberdeen Township	Matawan Borough	Aberdeen Township	Aberdeen Township	Matawan Borough	Aberdeen Township	Matawan Borough	Aberdeen Township	Aberdeen Township	Matawan Borough	Aberdeen Township	Matawan Borough	Aberdeen Township	Matawan Borough	Aberdeen Township	Matawan Borough
2009	3.685	1.378	**	0.080	0.078	1.489	**	1.456	0.393	**	0.623	0.263	0.260	2.145	2.339			
2010	1.489	**	1.381	0.079	**	0.078	1.487	1.459	0.437	0.673	0.275	0.269	0.269	2.199	2.401			
2011	1.433	1.380	0.075	0.073	1.508	1.508	1.453	0.440	0.707	0.281	0.267	0.267	0.267	2.229	2.427			
2012	1.481	1.386	0.082	0.077	1.563	1.563	1.463	0.487	0.742	0.288	0.263	0.263	0.263	2.338	2.468			
2013	1.517	1.397	0.081	0.075	1.598	1.598	1.472	0.505	0.752	0.297	0.272	0.272	0.272	2.400	2.496			
2014	1.607	1.542	0.084	0.081	1.691	1.691	1.632	0.533	0.832	0.290	0.261	0.261	0.261	2.514	2.725			
2015	1.630	1.555	0.084	0.079	1.723	1.723	1.634	0.536	0.838	0.290	0.284	0.284	0.284	2.549	2.756			
2016	1.639	1.555	0.084	0.061	1.722	1.722	1.718	0.568	0.819	0.275	0.278	0.278	0.278	2.565	2.815			
2017	1.661	1.657	0.076	0.074	1.733	1.733	1.673	0.582	0.820	0.292	0.282	0.282	0.282	2.607	2.775			
2018	1.657	1.599	0.076	0.074	1.733	1.733	1.673	0.582	0.820	0.292	0.282	0.282	0.282	2.607	2.775			

Source: Abstract of Ratables

Note: N.J.S.A. 18A:7F-5d limits the amount that the District can submit for a general fund tax levy. The levy, when added to other components of the District's net budget, may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

- a The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation taxable.
- b Rates for debt service are based on each year's requirements.
- \* The Borough of Matawan underwent a revaluation during 2008.
- \*\* The Township of Aberdeen underwent a revaluation during 2009.

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICTPRINCIPAL PROPERTY TAXPAYERSCURRENT YEAR AND NINE YEARS AGO  
(UNAUDITED)ABERDEEN TOWNSHIP

	2018			2009		
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value
Taxpayer 1	\$ 21,916,000	1	1.06%	\$ N/A	1	0%
Taxpayer 2	20,052,000	2	0.97%	N/A	2	0%
Taxpayer 3	15,489,600	3	0.75%	N/A	3	0%
Taxpayer 4	13,377,300	4	0.64%	N/A	4	0%
Taxpayer 5	12,700,000	5	0.61%	N/A	5	0%
Taxpayer 6	11,512,300	6	0.55%	N/A	6	0%
Taxpayer 7	9,377,100	7	0.45%	N/A	7	0%
Taxpayer 8	9,153,000	8	0.44%	N/A	8	0%
Taxpayer 9	8,510,300	9	0.41%	N/A	9	0%
Taxpayer 10	6,515,100	10	0.31%	N/A	10	0%
Total	<u>\$ 128,602,700</u>		<u>6.19%</u>	<u>\$ N/A</u>		<u>0%</u>

MATAWAN BOROUGH

	2018			2009		
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value
Taxpayer 1	\$ 37,825,000	1	3.68%	\$ N/A	1	0%
Taxpayer 2	22,817,600	2	2.22%	N/A	2	0%
Taxpayer 3	18,990,000	3	1.85%	N/A	3	0%
Taxpayer 4	11,845,000	4	1.15%	N/A	4	0%
Taxpayer 5	10,500,000	5	1.02%	N/A	5	0%
Taxpayer 6	9,474,100	6	0.92%	N/A	6	0%
Taxpayer 7	7,690,800	7	0.75%	N/A	7	0%
Taxpayer 8	6,834,000	8	0.66%	N/A	8	0%
Taxpayer 9	5,379,200	9	0.52%	N/A	9	0%
Taxpayer 10	5,302,200	10	0.52%	N/A	10	0%
Total	<u>\$ 136,657,900</u>		<u>13.29%</u>	<u>\$ N/A</u>		<u>0%</u>

N/A Not Available

Source: Municipal Tax Assessor

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICTPROPERTY TAX LEVIES AND COLLECTIONSLAST TEN FISCAL YEARS(UNAUDITED)

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2009	46,305,204	46,305,204	100.00%	-
2010	46,273,484	46,273,484	100.00%	-
2011	46,423,293	46,423,293	100.00%	-
2012	47,327,223	47,327,223	100.00%	-
2013	47,966,733	47,966,733	100.00%	-
2014	48,571,807	48,516,952	99.00%	\$54,855
2015	49,568,761	49,568,761	100.00%	-
2016	50,521,606	50,521,606	100.00%	-
2017	52,468,141	52,468,141	100.00%	-
2018	54,395,600	54,395,600	100.00%	-

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

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



MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS  
(UNAUDITED)

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Governmental Activities</u>		<u>Total</u> <u>District</u>	<u>Percentage of</u> <u>Personal</u> <u>Income<sup>a</sup></u>	<u>Per</u> <u>Capita<sup>a</sup></u>
	<u>General</u> <u>Obligation</u> <u>Bonds<sup>b</sup></u>	<u>Capital</u> <u>Leases</u>			
2009	28,743,684.00	131,844.00	28,875,528.00	1.85%	1,051.09
2010	27,438,947.00	67,230.65	27,506,177.65	1.77%	1,017.96
2011	26,084,210.00	-	26,084,210.00	1.62%	967.41
2012	23,809,473.68	-	23,809,473.68	1.48%	883.96
2013	22,344,736.88	-	22,344,736.88	1.44%	828.53
2014	20,860,000.00	-	20,860,000.00	1.25%	772.31
2015	19,320,000.00	-	19,320,000.00	1.08%	706.24
2016	17,705,000.00	101,104.44	17,806,104.44	0.92%	654.11
2017	36,466,000.00	51,281.91	36,517,281.91	N/A	1,341.36
2018	35,321,000.00	25,944.37	35,346,944.37	N/A	N/A

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

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

b Includes Early Retirement Incentive Plan ("ERIP") refunding

N/A Not available at the time of audit

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
(UNAUDITED)

Fiscal Year Ending June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2009	27,438,947.00	3,450,000.00	23,988,947.00	0.77%	873.21
2010	26,084,210.00	3,025,000.00	23,059,210.00	0.74%	853.38
2011	23,809,473.68	2,580,000.00	21,229,473.68	0.68%	787.36
2012	23,809,473.68	2,115,000.00	21,694,473.68	0.70%	805.44
2013	22,344,736.88	1,625,000.00	20,719,736.88	0.67%	768.28
2014	20,860,000.00	1,110,000.00	19,750,000.00	0.67%	731.21
2015	19,320,000.00	570,000.00	18,750,000.00	0.63%	685.41
2016	17,705,000.00	-0-	17,705,000.00	0.58%	650.39
2017	36,466,000.00	-0-	36,466,000.00	1.17%	1,339.48
2018	35,321,000.00	-0-	35,321,000.00	N/A	N/A

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

- a See Exhibit NJ J-6 for property tax data.
- b Population data can be found in Exhibit NJ J-14.
- N/A Not available at the time of audit.

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

AS OF DECEMBER 31, 2017  
(UNAUDITED)

<u>Governmental Unit</u>	<u>Debt</u> <u>Outstanding</u>	<u>Estimated</u> <u>Percentage</u> <u>Applicable</u>	<u>Estimated</u> <u>Share of</u> <u>Overlapping</u> <u>Debt</u>
Gross Debt Repaid with Property Taxes:			
Aberdeen Township	\$ 51,924,133	100%	\$ 51,924,133
Matawan Borough	28,852,362	100%	28,852,362
Monmouth County General Obligation Debt -Aberdeen Township	993,875,000	1.766%	17,551,228
Monmouth County General Obligation Debt -Matawan Borough	993,875,000	0.877%	8,713,383
Subtotal, Overlapping Debt			<u>107,041,106</u>
Matawan-Aberdeen Regional School District Direct Debt			<u>35,321,000</u>
Total Direct and Overlapping Debt			<u>\$ 142,362,106</u>

Sources: Assessed value data used to estimate applicable percentages provided by the Monmouth County Board of Taxation.  
Debt Outstanding data provided by each governmental unit.  
Overlapping County Debt provided by the County Finance Department.

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

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS  
(UNAUDITED)

	Fiscal Year		
	2008	2009	2010
Debt Limit	\$ 121,814,306		
Total Net Debt Applicable To Limit	30,003,421	\$ 129,007,984	\$ 130,943,029
Legal Debt Margin	\$ 91,810,885	28,743,684	27,438,947
		\$ 100,264,300	\$ 103,504,082
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	24.63%	22.28%	20.95%
			18.39%
			20.95%
Debt Limit	\$ 122,590,699		
Total Net Debt Applicable To Limit	19,750,000	\$ 119,253,965	\$ 119,418,352
Legal Debt Margin	\$ 102,840,699	18,750,000	36,466,000
		\$ 100,503,965	\$ 82,952,352
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	18.39%	16.50%	30.54%
			46.64%
			27.92%

Legal Debt Margin Calculation for Fiscal Year 2017	
Equalized Valuation Basis	
2017	\$ 3,284,204,441
2016	3,109,922,760
2015	3,092,988,975
(A)	\$ 9,487,116,176
(A/3)	\$ 3,162,372,059
(B)	126,494,882
(C)	35,321,000
(B-C)	\$ 91,173,882

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

- a Limit set by N.J.S.A. 18A:24-19 for a K through 12 District; other percentage limits would be applicable for other District types.
- b Equalized valuations utilized are from the annual debt statements as of December 31, 2015

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS  
(UNAUDITED)

<u>Year</u>	<u>Population</u> <sup>a</sup>	<u>Personal Income</u> <sup>b</sup>	<u>Per Capita Personal Income</u> <sup>c</sup>	<u>Unemployment Rate</u> <sup>d</sup>	
				<u>Matawan</u>	<u>Aberdeen</u>
2008	27,127	1,606,325,305	59,215	5.30%	4.00%
2009	27,472	1,564,942,480	56,965	8.70%	6.60%
2010	27,021	1,550,654,127	57,387	8.80%	6.70%
2011	26,963	1,614,409,625	59,875	8.90%	6.80%
2012	26,935	1,669,889,195	61,997	9.20%	7.10%
2013	26,969	1,696,377,069	62,901	8.40%	8.30%
2014	27,010	1,783,173,190	66,019	6.60%	6.20%
2015	27,356	1,898,779,960	69,410	5.40%	5.00%
2016	27,222	1,939,213,614	71,237	4.80%	4.60%
2017	27,224	N/A	N/A	4.10%	4.30%

Source:

<sup>a</sup> Population information provided by the NJ Department of Labor and Workforce Development.

<sup>b</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented.

<sup>c</sup> Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis and includes both the Borough of Matawan And Township of Aberdeen

<sup>d</sup> Unemployment data provided by the NJ Department of Labor and Workforce Development.

N/A - Not Available

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

PRINCIPAL EMPLOYERS

CURRENT YEAR AND TEN YEARS AGO  
(UNAUDITED)

ABERDEEN TOWNSHIP

<u>Employer</u>	<u>2017</u>			<u>2007</u>		
	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Municipal Employment</u>
UNAVAILABLE		1			1	
		2			2	
		3			3	
		4			4	
		5			5	
		6			6	
		7			7	
		8			8	
		9			9	
		10			10	
Total						

MATAWAN BOROUGH

<u>Employer</u>	<u>2017</u>			<u>2007</u>		
	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Municipal Employment</u>
UNAVAILABLE		1			1	
		2			2	
		3			3	
		4			4	
		5			5	
		6			6	
		7			7	
		8			8	
		9			9	
		10			10	
Total						

Information not available at time of CAFR preparation

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS  
(UNAUDITED)

<u>Function/Program</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Instruction:										
Regular	304	308	316	300	310	306	309	306	310	305
Special Education	39	33	60	57	62	64	67	81	77	85
Other Instruction										
Support Services:										
Student and Instruction Related Services	92	65	59	58	58	65	63	73	73	75
General Administration	7	13	18	20	19	21	21	19	19	16
School Administrative Services	38	38	28	34	33	34	38	39	37	37
Central Services	7	3	2	2	2	2	2	2	2	2
Administrative Information Technology	6	2	2	4	3	3	3	7	7	4
Plant Operations and Maintenance	43	38	6	6	7	7	7	4	4	9
Pupil Transportation	26	33	29	34	28	33	27	30	30	27
<b>Total</b>	<b>562</b>	<b>533</b>	<b>520</b>	<b>515</b>	<b>522</b>	<b>535</b>	<b>537</b>	<b>561</b>	<b>559</b>	<b>560</b>

Source: District Personnel Records

MATAWAN-BERDEEN REGIONAL SCHOOL DISTRICT

OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
(UNAUDITED)

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>d</sup>	Percentage Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2009	3,861.0	61,798,673	16,006	-0.39%	374	1:10	1:11	1:10	3,740.3	3,524.8	0.72%	94.24%
2010	3,860.0	62,032,365	16,071	0.40%	374	1:10	1:11	1:10	3,802.2	3,551.6	1.65%	93.41%
2011	3,871.5	57,477,952	14,846	-7.62%	376	1:10	1:11	1:10	3,783.0	3,625.6	-0.50%	95.84%
2012	3,839.5	58,495,451	15,235	2.62%	357	1:9	1:10	1:9	3,863.2	3,598.4	2.12%	93.15%
2013	3,841.5	60,490,436	15,747	3.36%	372	1:11	1:10	1:10	3,770.0	3,689.5	-2.41%	97.86%
2014	3,783.0	62,167,089	16,433	4.36%	370	1:11	1:9	1:9	3,803.6	3,595.8	0.89%	94.54%
2015	3,824.0	64,110,350	16,765	2.02%	376	1:11	1:10	1:9	3,846.9	3,631.4	1.14%	94.40%
2016	3,767.5	67,438,190	17,900	6.77%	387	1:10	1:10	1:10	3,770.3	3,597.5	-1.99%	95.42%
2017	3,712.0	72,766,772	19,603	9.51%	387	1:10	1:10	1:10	3,716.1	3,533.5	-1.44%	95.09%
2018	3,720.0	75,411,198	20,272	3.41%	390	1:10	1:10	1:10	3,702.6	3,514.6	-0.36%	94.92%

Source: District records

Note: Enrollment based on annual October District count.

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



MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS  
(UNAUDITED)

<u>District/Building</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Elementary:								
Cambridge Park Elementary								
Square Feet	21,800	21,800	21,800	21,800	21,800	21,800	21,800	21,800
Capacity (Students)	86	120	120	120	120	120	120	120
Enrollment	86	118	80	82	79	80	80	80
Cliffwood Elementary School								
Square Feet	66,376	66,376	66,376	66,376	66,376	67,300	67,300	67,300
Capacity (Students)	342	342	342	342	342	342	342	342
Enrollment	340	337	325	318	364	353	353	353
Lloyd Road School								
Square Feet	70,581	70,581	70,581	70,581	70,581	102,300	102,300	102,300
Capacity (Students)	621	621	621	621	621	621	621	621
Enrollment	556	592	586	596	563	593	593	593
Ravine Drive School								
Square Feet	46,879	46,879	46,879	46,879	46,879	48,600	48,600	48,600
Capacity (Students)	355	400	400	400	400	400	400	400
Enrollment	352	390	390	398	408	377	377	377
Strathmore Elementary School								
Square Feet	58,513	58,513	58,513	58,513	58,513	63,000	63,000	63,000
Capacity (Students)	463	463	463	463	463	463	463	463
Enrollment	470	516	504	502	516	464	464	464
Middle School:								
Matawan Avenue Middle School								
Square Feet	136,032	136,032	136,032	136,032	136,032	136,000	136,000	136,000
Capacity (Students)	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225
Enrollment	903	847	870	866	898	888	888	888
High School:								
Matawan Regional High School								
Square Feet	161,388	161,388	161,388	161,388	161,388	153,900	153,900	153,900
Capacity (Students)	1,509	1,509	1,509	1,509	1,509	1,509	1,509	1,509
Enrollment	1,153	1,047	1,073	1,040	1,034	1,030	1,030	1,030
Number of Schools at June 30, 2018								
Elementary = 5								
Middle School = 1								
Senior High School = 1								

Source: District Facilities Office

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

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT

SCHEDULE OF REQUIRED MAINTENANCE

LAST TEN FISCAL YEARS  
(UNAUDITED)

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES

	*School Facilities Project # (s)	Cliffwood Elementary	Lloyd Road Elementary	Ravine Drive Elementary	Strathmore Elementary	Matawan Avenue Middle School	Matawan Regional High School	Other Facilities	Total
2009	N/A	87,584.00	95,547.00	63,698.00	79,622.00	183,131.00	222,942.00	63,697.00	\$ 796,221.00
2010	N/A	99,357.00	108,390.00	72,260.00	90,325.00	207,747.00	252,909.00	72,259.00	903,247.00
2011	N/A	83,739.00	88,881.00	58,765.00	73,456.00	171,151.00	203,472.00	55,091.00	734,555.00
2012	N/A	68,347.00	72,544.00	47,962.00	59,953.00	139,691.00	166,071.00	44,965.00	599,533.00
2013	N/A	111,099.00	117,921.00	77,964.00	97,455.00	227,070.00	269,951.00	73,091.00	974,551.00
2014	N/A	111,495.00	118,341.00	78,242.00	97,803.00	227,880.00	270,913.00	73,352.00	978,026.00
2015	N/A	96,823.00	102,769.00	67,946.00	84,933.00	197,893.00	235,263.00	63,699.00	849,326.00
2016	N/A	104,430.00	159,040.00	75,688.00	97,723.00	210,777.00	238,561.00	71,856.00	958,075.00
2017	N/A	137,813.00	209,484.00	99,520.00	129,008.00	278,493.00	315,148.00	95,220.00	1,264,686.00
2018	N/A	110,864.00	168,520.00	80,059.00	103,781.00	224,035.00	253,521.00	76,600.00	1,017,380.00
Total School Facilities		\$ 1,011,551.00	\$ 1,241,437.00	\$ 722,104.00	\$ 914,059.00	\$ 2,067,868.00	\$ 2,428,751.00	\$ 689,830.00	\$ 9,075,600.00

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

Source: District records

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICTINSURANCE SCHEDULEJUNE 30, 2018(UNAUDITED)

	<u>Carrier</u>	<u>Coverage</u>	<u>Deductible</u>
School Package Policy:			
Property - Blanket Building and Contents	(1)	\$ 170,751,729	\$ 5,000
EDP Hardware/Software	(1)	2,250,000	1,000
Extra Expense	(1)	50,000,000	5,000
Valuable Papers and Records	(1)	10,000,000	5,000
Flood Zones A&V	(1)	75,000,000	500,000
Flood Zone B	(1)	75,000,000	10,000
Earthquake	(1)	50,000,000	5,000
CRIME Public Employee Dishonesty	(1)	1,000,000	1,000
Loss of Money & Securities	(1)	50,000	500
Money Orders & Counterfeit	(1)	50,000	500
Forgery or Alteration	(1)	1,000,000	1,000
Computer Fraud	(1)	1,000,000	1,000
GENERAL LIABILITY - Each Occurrence	(1)	11,000,000	
Products/Completed Operations	(1)	11,000,000	
Sexual Abuse	(1)	11,000,000	
Personal & Advertising Injury	(1)	11,000,000	
Employee Benefits	(1)	11,000,000	1,000
Medical Payments	(1)	10,000	
Boiler & Machinery - Energy Systems	(1)	100,000,000	5,000
Automobile Policy - Auto Liability - General Security	(1)	11,000,000	
Garage Liability	(1)	Included	
Collision & Comprehensive	(1)		1,000
Uninsured/Underinsured	(1)	1,000,000	
Personal Injury Protection	(1)	250,000	
Medical Payments	(1)	10,000	
Hired Car Physical Damage	(1)	110,000	
Hired & Non-Owned Auto Liability	(1)	1,000,000	
School Board Legal Liability (E&O)	(1)	11,000,000	10,000
Extended Reporting Option	(1)		
Workers' Compensation - ERIC/NJSBAIG	(1)	Statutory	
Bodily Injury By Accident	(1)	2,000,000	
Bodily Injury By Disease	(1)	2,000,000	
Supplemental Workers' Compensation Policy	(1)	52 weeks	7 days
Pollution Legal Liability - Environmental Impairment	(1)	1,000,000	10,000
Catastrophic Excess Umbrella Policy	(3)	50,000,000	
Compulsory Student Accident - Incl Athletics	(2)	5,000,000	
Surety Bonds:			
Treasurer	(1)	350,000	1,000
Board Secretary/Business Administrator	(4)	150,000	
List Insurance Company:			
(1)	NJSBAIG		
(2)	Bollinger Insurance Co.		
(3)	Fireman's Fund		
(4)	Selective		
(4)	Selective		

Source: District records

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**SINGLE AUDIT SECTION**



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

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

Honorable President and Members  
of the Board of Education  
Matawan-Aberdeen Regional School District  
County of Monmouth  
Aberdeen, New Jersey 07747

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and in compliance with 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 Matawan-Aberdeen Regional School District (the "District") as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 4, 2019.

### ***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Matawan-Aberdeen Regional 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 District'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.

# SUPLEE, CLOONEY & COMPANY

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 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. We noted instances of noncompliance that we have reported to the Board of Education of the Matawan-Aberdeen Regional School District in a separate Auditor's Management Report on Administrative Finding – Finance and Compliance dated February 4, 2019.

## ***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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
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CERTIFIED PUBLIC ACCOUNTANTS

  
\_\_\_\_\_  
PUBLIC SCHOOL ACCOUNTANT NO. 948

February 4, 2019



# SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL  
AND STATE FINANCIAL ASSISTANCE PROGRAMS AND ON  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH THE UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08**

Honorable President and Members  
of the Board of Education  
Matawan-Aberdeen Regional School District  
County of Monmouth  
Aberdeen, New Jersey 07747

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

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

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Matawan-Aberdeen Regional School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey *OMB 15-08*. Those standards, the Uniform Guidance and New Jersey *OMB 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 federal or state program occurred. An audit includes examining, on a test basis, evidence about the Matawan-Aberdeen Regional School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.



## SUPLEE, CLOONEY & COMPANY

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

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

In our opinion, the Matawan-Aberdeen Regional School District, County of Monmouth, State of New Jersey complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2018.

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

Management of the Matawan-Aberdeen Regional 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 Matawan-Aberdeen Regional School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with *the Uniform Guidance* and New Jersey OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Matawan-Aberdeen Regional School District's internal control over compliance.

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

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

SUPLEE, CLOONEY & COMPANY

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

  
\_\_\_\_\_  
CERTIFIED PUBLIC ACCOUNTANTS

  
\_\_\_\_\_  
PUBLIC SCHOOL ACCOUNTANT NO. 948

February 4, 2019

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEARS ENDED JUNE 30, 2018

FEDERAL CFDA NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD FROM TO	AWARD AMOUNT	BALANCE AT JUNE 30, 2017	PRIOR YEAR ADJUSTMENT	ADJUSTED BALANCE AT JUNE 30, 2018	CASH RECEIVED	BUDGETARY EXPENDITURES	(ACCOUNTS RECEIVABLE)	BALANCE JUNE 30, 2018	DUE GRANTOR
93.778	1605NLSMAP	N/A	7/1/2017 6/30/2018	72,127.53	\$	\$	\$	72,127.53	(72,127.53)	\$	\$	\$
General Fund:												
U.S. Department of Education												
Passed-through State Department of Education:												
Medical Assistance Program (SEM)												
Total General Fund												
Special Revenue Fund:												
U.S. Department of Education												
Passed-through State Department of Education:												
84.010	S010A150030	NCLB304016	9/1/14 8/31/15	319,756.00	1,948.60		1,948.60					1,948.60
84.010	S010A150030	NCLB304016	9/1/16 8/31/17	422,495.00	(60,832.00)		(60,832.00)	60,832.00				
84.010	S010A150030	NCLB304016	9/1/17 8/31/18	415,003.00				287,813.00	(389,941.10)	(102,128.10)		1,397.00
84.367	S367A150029	NCLB304016	9/1/14 8/31/15	128,373.00	1,397.00		1,397.00					
84.367	S367A150029	NCLB304016	9/1/16 8/31/17	76,952.00	(29,035.00)		(29,035.00)	29,035.00				
84.367	S367A150029	NCLB304016	9/1/17 8/31/18	87,264.00				67,063.00	(79,890.67)	(12,827.67)		582.00
84.365	S365A150030	NCLB304016	9/1/14 8/31/15	31,502.29	582.00		582.00					
84.365	S365A150030	NCLB304016	9/1/16 8/31/17	22,820.00	4,558.00		4,558.00					
84.365	S365A150030	NCLB304016	9/1/17 8/31/18	31,490.00				18,492.00	(29,114.93)	(10,622.93)		4,558.00
84.365	S365A150030	NCLB304016	9/1/16 8/31/17	2,915.00	(207.00)		(207.00)	207.00				
84.365	S365A150030	NCLB304016	9/1/17 8/31/18	5,532.00				694.00	(2,510.45)	(1,816.45)		
84.424a	S424A170026	NCLB236017	9/1/17 8/31/18	10,000.00				10,000.00	(10,000.00)			
84.027	S027A151100	IDEA304016	9/1/16 8/31/17	835,887.00	(242,326.00)	743.00	(241,583.00)	241,583.00				
84.027	S027A151100	IDEA304016	9/1/17 8/31/18	823,661.00	(8,794.00)		(8,794.00)	730,866.00	(813,167.86)	(82,281.86)		
84.173	S173A150114	IDEA304016	9/1/16 8/31/17	21,137.00				8,794.00				
84.173	S173A150114	IDEA304016	9/1/17 8/31/18	20,918.00	(251,120.00)		(250,377.00)	14,385.00	(20,918.00)	(6,533.00)		
					(251,120.00)		(250,377.00)	995,646.00	(834,085.86)	(88,814.86)		
					(332,708.40)		(331,965.40)	1,469,784.00	(1,345,543.01)	(216,210.01)		3,927.60
					(332,708.40)		(331,965.40)	1,469,784.00	(1,345,543.01)	(216,210.01)		3,927.60
Enterprise Fund:												
U.S. Department of Agriculture												
Passed-through State Department of Education:												
Child Nutrition Cluster:												
10.555	16161NJ304N1099	N/A	7/1/16 6/30/17	147,333.63	13,551.58		13,551.58					
10.555	16161NJ304N1099	N/A	7/1/17 6/30/18	142,304.70				145,094.98	(13,551.58)			16,341.86
10.553	16161NJ304N1099	N/A	7/1/16 6/30/17	70,446.78	(8,175.12)		(8,175.12)	8,175.12				
10.553	16161NJ304N1099	N/A	7/1/17 6/30/18	73,775.06				66,319.26	(73,775.06)	(7,455.80)		
10.555	16161NJ304N1099	N/A	7/1/16 6/30/17	517,547.86	(44,074.58)		(44,074.58)	44,074.58				
10.555	16161NJ304N1099	N/A	7/1/17 6/30/18	518,152.65				457,230.41	(488,514.11)	(41,283.70)		
10.556	16161NJ304N1099	N/A	7/1/16 6/30/17	2,108.51	(198.44)		(198.44)	198.44				
					(38,886.56)		(38,886.56)	721,092.79	(714,593.87)	(48,739.50)		16,341.86
10.551	16161NJ304N1099	N/A	7/1/16 6/30/17	19,968.78	(1,613.22)		(1,613.22)	1,613.22				
10.551	16161NJ304N1099	N/A	7/1/17 6/30/18	19,638.54				18,076.50	(19,638.54)	(1,562.04)		
					(40,509.78)		(40,509.78)	740,782.51	(734,232.41)	(50,301.54)		16,341.86
					(373,218.18)		(372,475.18)	2,282,694.04	(2,151,802.95)	(266,511.55)		20,899.86
					(373,218.18)		(372,475.18)	2,282,694.04	(2,151,802.95)	(266,511.55)		20,899.86
Total Federal Financial Assistance												

See accompanying notes to schedules of financial assistance.

MATAWAN-ABERDEEN REGIONAL SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE JUNE 30, 2017		CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS/ REPAYMENT OF PRIOR YEAR'S BALANCES	BALANCE JUNE 30, 2018		BUDGETARY RECEIVABLE	MEMO CUMULATIVE TOTAL EXPENDITURES
				DUPLICATE (ACCTS REC)	DUPLICATE GRANTOR				UNEARNED REVENUE	DUPLICATE GRANTOR		
				\$	\$				\$	\$		
State Department of Education General Funds:												
State Aid Public - Cluster												
Equalization Aid	17-485-034-5120-078	7/1/16-6/30/17	9,261,797.00	\$	\$	99,075.00	\$	(99,075.00)	\$	\$	\$	9,261,797.00
Categorical Special Education Aid	17-485-034-5120-088	7/1/16-6/30/17	2,297,673.00		225,524.00	(225,524.00)						2,297,673.00
Categorical Security Aid	17-485-034-5120-084	7/1/16-6/30/17	116,557.00		11,440.00	(11,440.00)						116,557.00
Adjustment Aid	17-485-034-5120-086	7/1/16-6/30/17	259,684.00		25,480.00	(25,480.00)						259,684.00
Per Pupil Growth Aid	17-485-034-5120-097	7/1/16-6/30/17	37,880.00		3,719.00	(3,719.00)						37,880.00
PARCC Readiness	17-485-034-5120-098	7/1/16-6/30/17	37,880.00		3,719.00	(3,719.00)						37,880.00
Professional Learning Communication Aid	17-485-034-5120-101	7/1/16-6/30/17	37,610.00		3,692.00	(3,692.00)						37,610.00
Equalization Aid	18-495-034-5120-078	7/1/17-6/30/18	9,386,075.00		8,463,683.00	(9,386,075.00)					922,392.00	9,386,075.00
Categorical Special Education Aid	18-495-034-5120-088	7/1/17-6/30/18	2,297,673.00		207,187.00	(2,297,673.00)					225,798.00	2,297,673.00
Categorical Security Aid	18-495-034-5120-084	7/1/17-6/30/18	116,557.00		105,103.00	(116,557.00)					11,454.00	116,557.00
Adjustment Aid	18-495-034-5120-086	7/1/17-6/30/18	259,684.00		234,173.00	(259,684.00)					25,521.00	259,684.00
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17-6/30/18	37,880.00		3,417.00	(37,880.00)					3,723.00	37,880.00
PARCC Readiness	18-495-034-5120-098	7/1/17-6/30/18	37,880.00		3,417.00	(37,880.00)					3,723.00	37,880.00
Professional Learning Community Aid	18-495-034-5120-101	7/1/17-6/30/18	37,610.00		3,319.00	(37,610.00)					3,696.00	37,610.00
Total State Aid - Public Cluster				12,159,721.00	(12,173,369.00)			13,648.00			1,196,307.00	24,222,460.00
Categorical Transportation Aid	17-485-034-5120-014	7/1/16-6/30/17	223,359.00		21,923.00	(21,923.00)						223,359.00
Categorical Transportation Aid	18-495-034-5120-014	7/1/17-6/30/18	223,359.00		201,408.00	(223,359.00)					21,951.00	223,359.00
Extraordinary Aid	17-100-034-5120-473	7/1/17-6/30/17	725,359.00	(725,359.00)	725,359.00					(499,187.00)	499,187.00	725,359.00
Non-Public Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	5,964.00	(5,964.00)	5,934.00						5,964.00	5,964.00
Non-Public Transportation Aid	18-495-034-5120-014	7/1/17-6/30/18	10,730.00	(10,550.41)	10,550.41						10,730.00	10,730.00
Reimbursed TPAF Social Security Contributions	17-495-034-5094-003	7/1/16-6/30/17	2,093,110.31		2,072,092.23	(2,072,092.23)						2,093,110.31
Reimbursed TPAF Social Security Contributions	18-495-034-5094-003	7/1/17-6/30/18	2,031,634.90		98,039.00	(98,039.00)						2,031,634.90
On-behalf TPAF Non-Contributory Insurance (non-budgeted)	18-495-034-5094-002	7/1/17-6/30/18	98,039.00		4,039,930.00	(4,039,930.00)						98,039.00
On-behalf TPAF Pension (non-budgeted)	18-495-034-5094-004	7/1/17-6/30/18	4,039,930.00		5,602.00	(5,602.00)						4,039,930.00
On-behalf TPAF Long-Term Disability (non-budgeted)	18-495-034-5094-001	7/1/17-6/30/18	5,602.00		2,672,626.00	(2,672,626.00)						5,602.00
On-behalf TPAF Post Retirement Contributions (non-budgeted)	18-495-034-5094-001	7/1/17-6/30/18	2,672,626.00	(836,873.41)	22,108,184.84	(21,794,934.23)		13,676.00	(498,019.00)	1,728,175.00		30,035,163.21
Total General Funds												
Special Revenue Funds:												
Non-Public Textbooks	17-100-034-5120-064	7/1/16-6/30/17	10,375.00	4,610.00	9,313.00		(4,610.00)					9,146.00
Non-Public Textbooks	18-100-034-5120-064	7/1/17-6/30/18	9,146.00									9,146.00
Non-Public Corrective Speech	17-100-034-5120-066	7/1/16-6/30/17	3,534.00	3,534.00			(3,534.00)		167.00			3,534.00
Non-Public Examination & Classification	17-100-034-5120-066	7/1/16-6/30/17	1,260.00	1,260.00			(1,260.00)					1,260.00
Non-Public Nursing	17-100-034-5120-070	7/1/16-6/30/17	16,200.00	1,213.00			(1,213.00)					16,200.00
Non-Public Nursing	18-100-034-5120-070	7/1/17-6/30/18	16,490.00		16,490.00							16,490.00
Non-Public Technology	18-100-034-5120-373	7/1/17-6/30/18	6,285.00		6,285.00				5.00			6,285.00
Non-Public Security	17-100-034-5120-509	7/1/16-6/30/17	9,000.00	229.00	6,230.00		(229.00)					9,000.00
Non-Public Security	18-100-034-5120-509	7/1/17-6/30/18	12,750.00		12,750.00				17.00			12,750.00
Recovery High Schools Grant	18-100-034-5120-107	7/1/17-6/30/18	440,790.68	10,846.00	433,334.00	(440,790.68)	(10,846.00)					440,790.68
Total Special Revenue Fund					478,177.00	(485,444.68)			189.00			516,455.69
Capital Projects Funds:												
State of New Jersey School Development Authority												
Cambridge Park Elementary - HVAC Building Upgrades	3040-040-14-G2CS	7/1/14-6/30/16	107,000.00	672.00						672.00	87,569.00	48,897.60
Matawan High School - Boiler & Fire Alarm System Replacement	3040-050-14-G2CCT	7/1/14-6/30/16	460,000.00	32,409.60						32,409.60	148,255.08	698,335.79
Cliffwood Middle School - Boiler & Fire Alarm System Replacement	3040-055-14-G2CCT	7/1/14-6/30/16	551,600.00	31,274.00						31,274.00	88,726.43	578,858.92
Lloyd Road Elementary School - HVAC & Fire Alarm System Replacement	3040-060-14-G2CCT	7/1/14-6/30/16	282,200.00	(203,558.28)	43,830.00		(159,728.28)				4,610.00	1,093,285.66
Rowe Drive Elementary School - HVAC & Fire Alarm System Replacement	3040-065-14-G2CCT	7/1/14-6/30/16	406,000.00	(975,973.00)	345,100.00		(230,673.00)				20,300.00	1,841,432.50
Strathmore Elementary School - Fire Alarm System Replacement	3040-075-14-G2CCT	7/1/14-6/30/16	51,200.00	(1,126.20)			(1,126.20)					130,615.50
Strathmore Elementary School - Fire Alarm System Replacement	3040-080-14-G2CCT	7/1/14-6/30/16	66,000.00	(710,311.75)	388,930.00		(391,727.46)				14,726.30	113,101.50
Debt Service Fund:												
Debt Service Aid Type II	18-100-034-5120-125	7/1/17-6/30/18	\$265,883.00		265,883.00		(265,883.00)					265,883.00
Total Debt Service Fund					265,883.00	(265,883.00)						265,883.00
Enterprise Fund:												
National School Lunch Program (State Share)	17-100-034-5120-122	7/1/16-6/30/17	15,450.84	(1,288.20)	1,288.20		(17,062.22)				1,359.87	15,450.84
National School Lunch Program (State Share)	18-100-034-5120-122	7/1/17-6/30/18	16,088.58		15,702.35		(17,062.22)					16,593.16
Total Enterprise Fund					16,970.55	(17,062.22)						32,044.00
Total State Financial Assistance				\$ (1,537,607.36)	\$ 23,258,145.19	\$ (22,563,324.13)		\$ 2,830.00	\$ (698,563.01)	\$ 70,345.71	\$ 189.00	\$ 2,103,821.68
Less: On-behalf amounts not utilized for determination of Major Programs:												
On-behalf TPAF Non-Contributory Insurance (non-budgeted)			\$		(98,039.00)		98,039.00					
On-behalf TPAF Pension (non-budgeted)					(4,039,930.00)		4,039,930.00					
On-behalf TPAF Long-Term Disability (non-budgeted)					(5,602.00)		5,602.00					
On-behalf TPAF Post Retirement Contributions (non-budgeted)					(2,672,626.00)		2,672,626.00					
Total State Financial Assistance Subject to Single Audit				\$	\$16,441,948.19		(\$15,747,127.13)					\$ 35,051,283.26

See accompanying notes to schedules of financial assistance.

**Matawan-Aberdeen Regional School District**  
**Notes to the Schedules of Expenditures of Federal Awards**  
**and State Financial Assistance**  
**Year Ended June 30, 2018**

**NOTE 1: GENERAL**

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state activity of the Matawan-Aberdeen Regional School District ("the District"). The District is defined in Note 1 to the basic financial statements. All federal and state awards received directly from the federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

**NOTE 2: BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exceptions of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 of the District's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

**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 schedule (RSI) are presented for the general fund and special revenue fund to demonstrate finance-regulated legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The General fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the deferred state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP accounting purposes, those payments are not recognized until the subsequent budget year due to the state deferral and recording of the 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 revenue, whereas GAAP basis does not. The special revenue fund also recognizes the deferred state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

**Matawan-Aberdeen Regional School District**  
**Notes to the Schedules of Expenditures of Federal Awards**  
**and State Financial Assistance**  
**Year Ended June 30, 2018**

**NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$13,676.00 for the general fund. The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$24,007.89 for the special revenue fund. See the notes to the required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Federal awards and state financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$72,127.53	\$21,781,258.23	\$21,853,385.76
Special Revenue Fund	1,321,535.12	485,444.68	1,806,979.80
Debt Service Fund		265,883.00	265,883.00
Food Service Fund	734,232.41	17,062.22	751,294.63
	<u>\$2,127,895.06</u>	<u>\$22,549,648.13</u>	<u>\$24,677,543.19</u>
GAAP Adjustment	<u>24,007.89</u>	<u>13,676.00</u>	<u>37,683.89</u>
Total Awards & Financial Assistance	<u><u>\$2,151,902.95</u></u>	<u><u>\$22,563,324.13</u></u>	<u><u>\$24,677,543.19</u></u>

**NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 5: OTHER**

Revenues and expenditures reported in the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF pension contributions, post-retirement medical benefits and long-term disability insurance represents the amount paid by the state on behalf of the district for the year ended June 30, 2018. TPAF Social Security contributions represent the amount reimbursed by the state for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2018.

**Matawan-Aberdeen Regional School District**  
**Monmouth County, New Jersey**

**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2018**

**Section I – Summary of Auditor’s Results**

**Financial Statements**

- |     |  |            |
|-----|--|------------|
| (1) | Type of Auditor’s Report Issued:   | Unmodified |
| (2) | Internal Control Over Financial Reporting:   |            |
|     | (a) Material weakness(es) identified?  | No         |
|     | (b) Significant deficiencies identified that are not considered to be material weaknesses? | No         |
| (3) | Noncompliance material to the basic financial statements noted during the audit?           | No         |

**Federal Program(s)**

- |     |  |            |
|-----|--|------------|
| (1) | Internal Control Over Major Federal Programs:  |            |
|     | (a) Material weaknesses identified?  | No         |
|     | (b) Significant deficiencies identified that are not considered to be material weaknesses?   | No         |
| (2) | Type of Auditor’s Report issued on compliance for major federal program(s)?  | Unmodified |
| (3) | Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular OMB Uniform Guidance? | No         |

- (4) Identification of Major Federal Program(s):

<u>Program</u>	<u>CFDA</u>
IDEA Part B	84.027
IDEA Preschool	84.173
Title I	84.010

- |     |   |     |
|-----|---|-----|
| (5) | Program Threshold Determination:<br>Type A Federal Program Threshold > \$750,000.00<br>Type B Federal Program Threshold <= \$750,000.00 |     |
| (6) | Auditee qualified as a low-risk auditee under OMB Circular Uniform Guidance?  | Yes |

**Matawan-Aberdeen Regional School District**  
**Monmouth County, New Jersey**

**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2018**

**Section I – Summary of Auditor’s Results (Continued)**

**State Program(s)**

- | (1)                                 | Internal Control Over Major State Programs:  |                      |                       |                  |                     |                                   |                     |                          |                     |                |                     |                      |                     |                 |                     |                                     |                     |                          |                     |  |
|-------------------------------------|--|----------------------|-----------------------|------------------|---------------------|-----------------------------------|---------------------|--------------------------|---------------------|----------------|---------------------|----------------------|---------------------|-----------------|---------------------|-------------------------------------|---------------------|--------------------------|---------------------|--|
|                                     | (a) Material weakness(es) identified?  | No                   |                       |                  |                     |                                   |                     |                          |                     |                |                     |                      |                     |                 |                     |                                     |                     |                          |                     |  |
|                                     | (b) Significant deficiencies identified that are not considered to be material weaknesses?   | No                   |                       |                  |                     |                                   |                     |                          |                     |                |                     |                      |                     |                 |                     |                                     |                     |                          |                     |  |
| (2)                                 | Type of Auditor’s Report issued on compliance for major state program(s)?  | Unmodified           |                       |                  |                     |                                   |                     |                          |                     |                |                     |                      |                     |                 |                     |                                     |                     |                          |                     |  |
| (3)                                 | Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08?  | No                   |                       |                  |                     |                                   |                     |                          |                     |                |                     |                      |                     |                 |                     |                                     |                     |                          |                     |  |
| (4)                                 | Identification of Major State Program(s):  |                      |                       |                  |                     |                                   |                     |                          |                     |                |                     |                      |                     |                 |                     |                                     |                     |                          |                     |  |
|                                     | <table border="0"> <thead> <tr> <th style="text-align: left;"><u>Program Title</u></th> <th style="text-align: left;"><u>Project Number</u></th> </tr> </thead> <tbody> <tr> <td>Equalization Aid</td> <td>18-495-034-5120-078</td> </tr> <tr> <td>Categorical Special Education Aid</td> <td>18-495-034-5120-089</td> </tr> <tr> <td>Categorical Security Aid</td> <td>18-495-034-5120-084</td> </tr> <tr> <td>Adjustment Aid</td> <td>18-495-034-5120-085</td> </tr> <tr> <td>Per Pupil Growth Aid</td> <td>18-495-034-5120-097</td> </tr> <tr> <td>PARCC Readiness</td> <td>18-495-034-5120-098</td> </tr> <tr> <td>Professional Learning Community Aid</td> <td>18-495-034-5120-101</td> </tr> <tr> <td>Debt Service Aid Type II</td> <td>18-100-034-5120-125</td> </tr> </tbody> </table> | <u>Program Title</u> | <u>Project Number</u> | Equalization Aid | 18-495-034-5120-078 | Categorical Special Education Aid | 18-495-034-5120-089 | Categorical Security Aid | 18-495-034-5120-084 | Adjustment Aid | 18-495-034-5120-085 | Per Pupil Growth Aid | 18-495-034-5120-097 | PARCC Readiness | 18-495-034-5120-098 | Professional Learning Community Aid | 18-495-034-5120-101 | Debt Service Aid Type II | 18-100-034-5120-125 |  |
| <u>Program Title</u>                | <u>Project Number</u>  |                      |                       |                  |                     |                                   |                     |                          |                     |                |                     |                      |                     |                 |                     |                                     |                     |                          |                     |  |
| Equalization Aid                    | 18-495-034-5120-078  |                      |                       |                  |                     |                                   |                     |                          |                     |                |                     |                      |                     |                 |                     |                                     |                     |                          |                     |  |
| Categorical Special Education Aid   | 18-495-034-5120-089  |                      |                       |                  |                     |                                   |                     |                          |                     |                |                     |                      |                     |                 |                     |                                     |                     |                          |                     |  |
| Categorical Security Aid            | 18-495-034-5120-084  |                      |                       |                  |                     |                                   |                     |                          |                     |                |                     |                      |                     |                 |                     |                                     |                     |                          |                     |  |
| Adjustment Aid                      | 18-495-034-5120-085  |                      |                       |                  |                     |                                   |                     |                          |                     |                |                     |                      |                     |                 |                     |                                     |                     |                          |                     |  |
| Per Pupil Growth Aid                | 18-495-034-5120-097  |                      |                       |                  |                     |                                   |                     |                          |                     |                |                     |                      |                     |                 |                     |                                     |                     |                          |                     |  |
| PARCC Readiness                     | 18-495-034-5120-098  |                      |                       |                  |                     |                                   |                     |                          |                     |                |                     |                      |                     |                 |                     |                                     |                     |                          |                     |  |
| Professional Learning Community Aid | 18-495-034-5120-101  |                      |                       |                  |                     |                                   |                     |                          |                     |                |                     |                      |                     |                 |                     |                                     |                     |                          |                     |  |
| Debt Service Aid Type II            | 18-100-034-5120-125  |                      |                       |                  |                     |                                   |                     |                          |                     |                |                     |                      |                     |                 |                     |                                     |                     |                          |                     |  |
| (5)                                 | Program Threshold Determination:<br>Type A State Program Threshold > \$750,000.00<br>Type B State Program Threshold <= \$750,000.00  |                      |                       |                  |                     |                                   |                     |                          |                     |                |                     |                      |                     |                 |                     |                                     |                     |                          |                     |  |
| (6)                                 | Auditee qualified as a low-risk auditee under OMB Circular 15-08?  | Yes                  |                       |                  |                     |                                   |                     |                          |                     |                |                     |                      |                     |                 |                     |                                     |                     |                          |                     |  |



**Matawan-Aberdeen Regional School District**  
**Monmouth County, New Jersey**

**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2018**

**Section II – Financial Statement Audit – Reported Findings Under Government Auditing Standards**

**Internal Control Findings** – None Reported

**Compliance Findings** – None Reported

**Section III – Findings and Questioned Costs Relative to Major Federal and State Programs**

Federal Programs – None Reported

State Programs – None Reported

**Matawan-Aberdeen Regional School District**  
**Monmouth County, New Jersey**

**Schedule of Prior Year Audit Findings**

**Not Applicable**

