

SCHOOL DISTRICT
OF
TOWNSHIP OF MAURICE RIVER

COMPREHENSIVE ANNUAL
Financial Report

of the

Township of Maurice River Board of Education

Port Elizabeth, New Jersey

or the Fiscal Year Ended June 30, 2018

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

Township of Maurice River Board of Education

Port Elizabeth, New Jersey

For the Fiscal Year Ended June 30, 2018

Prepared by

Maurice River Township Board of Education

Finance Department

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OF THE MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
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INTRODUCTORY SECTION



MAURICE RIVER TOWNSHIP SCHOOL DISTRICT

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January 24, 2019

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

Dear Board Members:

The Comprehensive Annual Financial Report of the Maurice River Township Public School District for the fiscal year ended June 30, 2018, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly 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 basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 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" and the State Treasury Circular Letter 15-08 OMB, "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 and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

The Maurice River Township Public School District is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14. All funds of the District are included in this report. The Maurice River Township Board of Education and its school constitute the District's reporting entity.

The District is limited in its ability to fund a full range of educational services appropriate to grade levels PK through 8. These limitations in programs and services apply to both regular as well as special education for handicapped children. The District completed the 2017-2018 fiscal year with a June enrollment of 398 students, which is 17 students less than the previous year. The following details the changes in the student enrollment of the district over the last ten years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2017-18	398.0	(4.10)%
2016-17	415.0	1.71%
2015-16	408.0	(3.77)%
2014-15	424.0	.24%
2013-14	423.0	(2.34%)
2012-13	436.2	11.64%
2011-12	393.4	5.72%
2010-11	372.1	(3.97%)
2009-10	387.5	(2.64%)
2008-09	398.0	.63%

2. ECONOMIC CONDITION AND OUTLOOK:

Maurice River Township is not experiencing any measurable growth in development or expansion. There are no large businesses located in the Township, but the small industry stores, restaurants, and antique stores continue to thrive. There is some potential for growth at the major intersections drawing traffic to the shore areas. The Township is seeking clean industry in harmony with the environmentally sensitive areas. It is significant to note that the Township is approximately 95 square miles, with about 50% of the land either state-owned or state-managed. This helps promote the appeal for water related activities, conservation activities with the bay area and pristine river ecosystem, and preserves the ruralness and provinciality unique to the Township. There are three prison sites located in the Township, which provide major employment for local residents. A state prison in nearby Fairfield Township provides employment opportunities at that site. The net valuation taxable of Maurice River Township for 2018 is \$295,307,895, which is less than the prior year by \$3,537,821.

Sand mining was a major industry in the Township through the 1970's, but because of the shift from glass bottles to plastic, the need for sand in glass manufacturing has been in steady decline since that time. Rail service connected to this industry has also declined. Other industry includes several marinas, one shipyard industry, and several cottage stores and restaurants. Developers who are interested in sites in the Township must seek state approval from various regulatory agencies, such as Pinelands, Wetlands, and/or the Department of Environmental Protection.

However, the District continues it's "Choice" District status and will receive additional funding for students who choose to participate in this program. The District is hopeful that it will continue to attract choice students, thereby increasing its enrollment and state aid. The school district receives nearly \$2.00 in state aid for every \$1.00 levied by local taxes.

3. MAJOR INITIATIVES:

Maurice River Township School District prepares all students for success at the high school level. Technology, Professional Staff Development, Inter-district Collaboration and N.J. Common Core Standards play a major role in this initiative. Technology plays an increasingly important role in the curriculum, including Smartboard Technology for grades PK-8 with laptops and professional development training for all teachers, influx of chromebooks at the middle school grade levels, two state of the art computer labs; a wireless network, and an IPOD Program. The district continues to implement a "bring your own device" program. Students may conduct research through controlled access to the Internet, enhancing research and writing skills.

In addition to Smartboard Technology, each classroom at the Maurice River Township Elementary School has its own television, VCR and communications system to enhance the curriculum in areas, such as, distance learning, science, geography, and foreign language. The students broadcast daily on the MRT-TV station.

3. MAJOR INITIATIVES (CONT'D):

The school district continues to implement “The Marzano Teaching Evaluation Method”, a web-based teacher evaluation program required by the State of New Jersey; as well as the Aims web student assessment program in combination with the “RTI” program for struggling students.

The District is now beginning to once again update its curriculum through the purchase of new math and science texts and corresponding resource materials, for implementation in the 2018-2019 school year. Additional cameras were added to the state of the art interior and exterior surveillance system. The transportation fleet was also expanded and equipped with an updated surveillance system. The Board of Education has succeeded in allocating resources to positively improve student achievement by focusing upon improvements in the delivery of instruction, professional development programs, and providing the most current instructional materials, technology and other resources for its teachers. The district has now begun to move in the direction of facility improvement to maintain the functionality of its current facility. With 2015-2016 surplus monies, the district re-tiled a large portion of the school hallways and abated asbestos and re-tiled three classrooms. The cafeteria has been renovated with graphic designs and a new kitchen serving line has been purchased. Finally, additional landscaping has been completed to improve the look of the front of the school. The District hopes to continue these facility/grounds improvements.

The district also provides adequate medical and student services, including guidance and counseling programs for at-risk, special education and Title One students. Special education services are provided through self-contained settings and in class support. The district has trained two staff members in the FAST hands-on science program, for grades five through eight. Grades K-4 use a hands-on program. Peer mediation and conflict resolution are taught through leadership training activities in an on-going manner through the school year.

The Board of Education has established a mission and philosophy for the district and promotes a global, multi-curriculum. The mission includes the concept of community as it relates to students. The Board of Education attempts to plan budgets in a prudent fiscal manner, but the unknown variables are the future of school funding from the State of New Jersey and the payments of tuition to the Millville School District.

The District’s “Choice” status has partially offset the effect of these variables. The limitations placed on Choice continues to be concerning.

In summary, the district, despite economic constraints, has succeeded in providing a state of the art innovative, integrated curriculum, with current technology and resources. The provision of these resources has positively and beneficially impacted student achievement. The district looks forward to continuing its “Choice District” status to increase enrollment and ensure its future existence.

4. INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining internal control designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control process 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 awards and state financial assistance, the District also is responsible for ensuring that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control process is also subject to periodic evaluation by the District management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of internal control, including that portion related to federal awards and state financial assistance programs, 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 reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2018.

6. ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements," Note 2.

7. DEBT ADMINISTRATION:

On January 1, 1998 the District incurred bond indebtedness for \$1,950,000 for a facility project to be amortized over the next 15 years. The balance in bonds payable at June 30, 2018 is \$580,000.

8. RISK MANAGEMENT:

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

9. 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 3. 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.

10. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nightlinger, Colavita and Volpa, Pa. was appointed by the Board. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the Title 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and State of New Jersey Treasury Circular 15-08 OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. The auditor's report on the basic financial statements and combining and individual fund statements and schedules are included in the financial section of this report. The auditor's report, related specifically to the single audit, is included in the single audit section of this report.

11. ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Maurice River Township School Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the public 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,

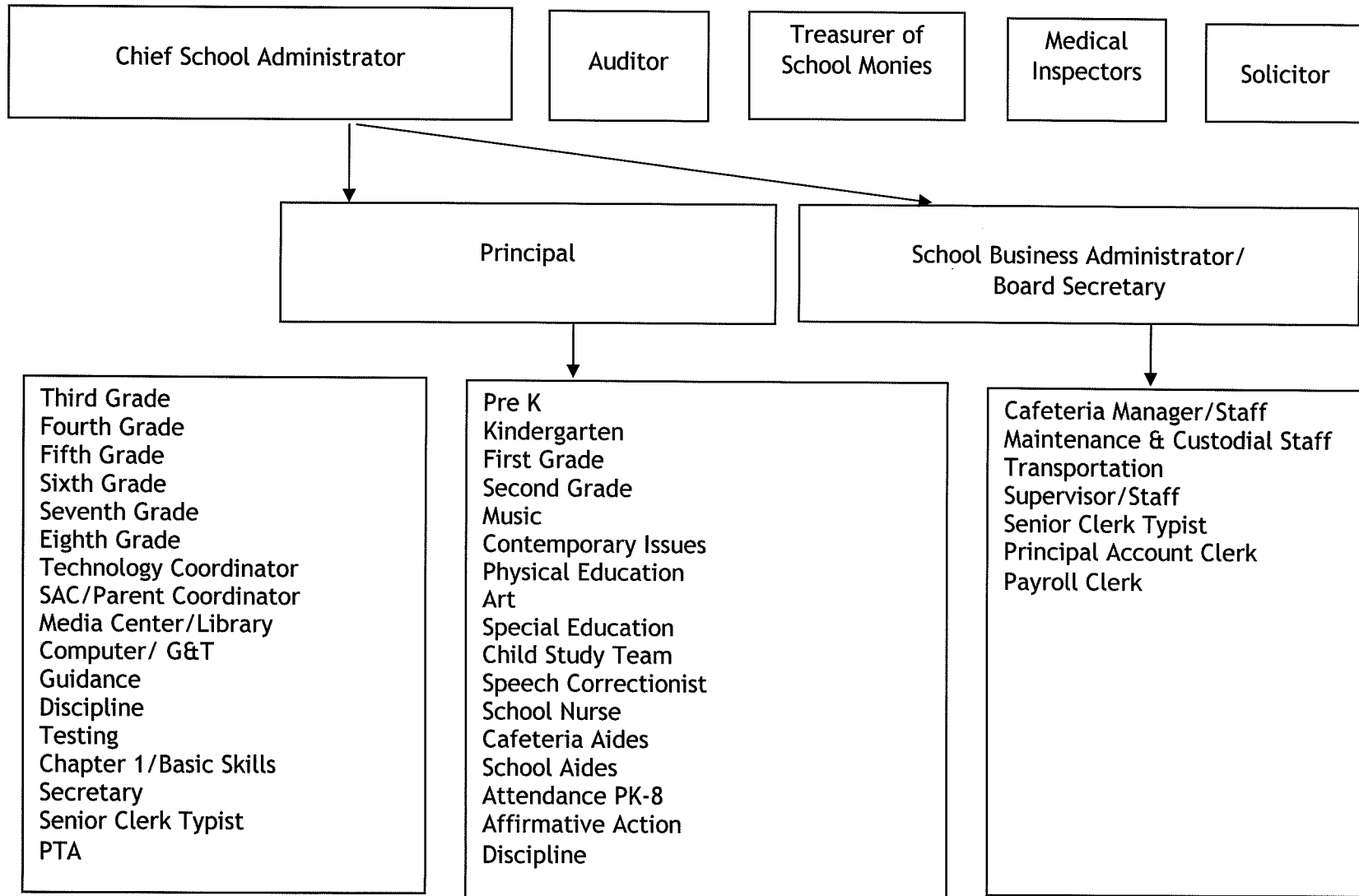


Mr. Walter Kappeler, Jr., Superintendent of Schools



Patricia Powell, School Business Administrator/Board Secretary

Township of Maurice River School District
Organizational Chart



TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
PORT ELIZABETH, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2018

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
Penny Wells, President	2018
Donna Justis, Vice President	2018
Robert Chard	2020
Charles Ciaurelli	2020
Stephen Kudia	2018
Brandy Woolson	2019

OTHER OFFICIALS

Mr. Walter Kappeler, Jr., Chief School Administrator

Patricia A. Powell, School Business Administrator/Board Secretary

Lynn Burshtin, Custodian of School Monies

Frank DiDomenico, Esq., Solicitor

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
CONSULTANTS AND ADVISORS

AUDIT FIRM

Raymond Colavita, C.P.A., R.M.A.
Nightlinger, Colavita and Volpa
Certified Public Accountants
991 S. Black Horse Pike
P.O. Box 799
Williamstown, NJ 08094

ATTORNEY

Frank DiDomenico, Esquire
8 LaSalle Drive
Vineland, NJ 08360

OFFICIAL DEPOSITORY

Bank of America
Commerce and Laurel Streets
Bridgeton, NJ 08302

Branch Offices in Millville, NJ 08332

INSURANCE AGENT

Conner Strong & Buckelew Companies, Inc.
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Marlton, New Jersey 08053

FINANCIAL SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

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Williamstown, NJ 08094

(856) 629-3111
Fax (856) 728-2245
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INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Maurice River Township School District
County of Cumberland, New Jersey

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

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

Other Information

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

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


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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated January 24, 2019 on our consideration of the Maurice River Township Board of Education's internal control over financial reporting and 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 the effectiveness of the Maurice River Township Board of Education's of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governments Auditing Standards* in considering Maurice River Township Board of Education's internal control over financial reporting and compliance.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.



Raymond Colavita, C.P.A., R.M.A.
Licensed Public School Accountant
No. 915
January 24, 2019

REQUIRED SUPPLEMENTARY INFORMATION - PART I

**MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
MAURICE RIVER TOWNSHIP**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

UNAUDITED

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

Financial Highlights

Key financial highlights for 2018 are as follows:

- ❖ General revenues accounted for \$7,863,023 in revenue or 78% percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$2,231,896 or 22% percent to total revenues of \$10,094,919.
- ❖ Total net position of governmental activities increased by a net amount of \$33,935 in various asset areas.
- ❖ The School District had \$10,066,497 in expenses, of which \$2,231,896 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes and Federal and State Aid not restricted) were adequate to provide for these programs.
- ❖ The General Governmental Fund had \$8,432,351 in revenues, \$8,433,375 in expenditures, \$25,000 in transfers to the Food Service Fund and \$2,994 to the Internal Service Fund. The General Fund's balance decreased by \$29,018 over 2017. This increase was anticipated by the Board of Education.

Using this Comprehensive Annual Financial Report (CAFR)

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

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of Maurice River Township School District, the General Fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

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

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

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

- ❖ **Governmental Activities** - All of the School District's programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- ❖ **Business-type Activities** - This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major (all) funds begins on page 23. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School district's general government operations and the basic services it provides.

Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund

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

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole, which includes the Business-type Activities.

Table 1 provides a summary of the School District’s net position for the years ended in 2018 and 2017.

Table 1
Net Position

	2018	2017
Assets		
Current and Other Assets	\$ 1,190,817	\$ 1,257,824
Capital Assets, Net	2,695,810	2,726,049
Total Assets	3,886,627	3,886,627
Deferred Outflows of Resources		
Deferred Pension Outflows	481,352	693,820
Liabilities		
Long-term Liabilities	626,832	778,749
Other Liabilities	1,883,141	2,463,747
Total Liabilities	2,509,973	3,242,496
Deferred Outflows of Resources		
Deferred Pension Inflows	497,633	100,252
Net Position		
Invested in Capital Assets, Net of Debt	2,115,810	1,996,049
Restricted	786,427	1,306,393
Unrestricted (Deficit)	(1,541,864)	(1,967,497)
Total Net Position	\$ 1,360,373	\$ 1,334,945

Table 2 shows the changes in net position from fiscal year's 2018 and 2017.

Table 2
Changes in Net Position

	2018	2017
Revenues		
Programs Revenues		
Charges for Services	\$ 58,879	\$ 51,215
Operating Grants and Contributions	2,173,017	2,641,841
General Revenues		
Property Taxes	2,947,472	2,887,702
Grants and Entitlements	4,868,590	4,743,462
Other	43,967	32,886
Total Revenues	10,091,925	10,357,106
Program Expenses		
Instruction	2,328,162	2,264,774
Support Services		
Tuition	2,092,085	2,388,242
Pupils and Instructional Staff	726,901	706,178
General Administration, School		
Administration, Business	484,393	471,623
Operations and Maintenance of		
Facilities	587,221	541,727
Pupil Transportation	543,261	439,029
Employee Benefits	2,898,086	3,140,096
Interest on Debt	27,020	33,013
Food Service	208,238	186,955
Other	171,130	175,970
Total Expenses	10,066,497	10,347,607
Increase in Net Position	\$ 25,428	\$ 9,499

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. The District’s total revenues from governmental activities were \$7,860,029 for the fiscal year ended June 30, 2018 and property taxes made up 37% percent of revenues for governmental activities for the Maurice River Township School District for fiscal year 2018. Federal, state and local grants accounted for another 62%. Miscellaneous revenues made up the remainder. The net cost of all Governmental Activity programs and services was \$7,801,094. Instruction of \$2,036,682 comprises 26% of these expenses.

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

Table 3

	<u>Total Cost of Services 2018</u>	<u>Net Cost of Services 2018</u>	<u>Total Cost of Services 2017</u>	<u>Net Cost of Services 2017</u>
Instruction	\$ 2,328,162	\$ 2,036,682	\$ 2,264,774	\$ 1,975,987
Support Services				
Tuition	2,092,085	2,092,085	2,388,242	2,388,242
Pupils and Instructional Staff	726,901	535,553	706,178	497,722
General Administration, School				
Administration, Business	484,393	484,393	471,623	471,623
Operation and Maintenance of Facilities	587,221	587,221	541,727	541,727
Security				
Pupil Transportation	543,261	543,261	439,029	439,029
Employee Benefits	2,898,086	1,323,749	3,140,096	1,117,676
Interest and Fiscal Charges	27,020	27,020	33,013	33,013
Other	171,130	171,130	175,970	175,970
Total Expenses	<u>\$ 9,858,259</u>	<u>\$ 7,801,094</u>	<u>\$ 10,160,652</u>	<u>\$ 7,640,989</u>

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

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

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

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

Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

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

Extracurricular activities includes expenses related to student activities provided by the School District which are designated to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

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

Other includes unallocated depreciation and amortization.

Business-Type Activities

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

- ❖ Food service expenses of \$208,238 were more than revenues by \$33,507. This decrease in net position resulted in an ending balance of \$82,342, which includes a transfer \$25,000 from the general fund.
- ❖ Charges for services represent \$58,879 of revenue. This represents the total amount paid by patrons for daily food services.
- ❖ Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities were \$115,852.

The School District's Funds

Information about the School District's major funds starts on page 23. These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., general fund, special revenue fund, capital projects and debt service fund presented in the fund-based statements) had total revenues of \$9,140,348 and expenditures of \$9,139,466. The net positive/negative change in fund balance was \$27,112. There was also a board contribution to the Food Service Fund, in the amount of \$25,000 and \$2,994 to the Internal Service Fund. The School District is, therefore, able to meet current operating costs with no urgent need for additional funds. Availability of surplus funds in the future will be an important factor in budgeting.

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

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2017</u>	<u>Percent Increase/ (Decrease)</u>
Local Sources	\$ 2,994,433	32.8%	\$ 73,845	2.5%
State Sources	5,858,312	64.1%	65,219	1.1%
Federal Sources	287,603	3.1%	2,751	1.0%
Total	\$ 9,140,348	100.0%	\$ 141,815	1.6%

The increase in Local Sources is attributed to increases in the local tax levy of \$59,770 along with \$4,824 in miscellaneous and interest earnings and \$9,251 in transportation charges of.

The increase in State Sources is attributed to increases in general fund state aid of \$72,284, offset by decreases in special projects grants of \$6,676 and debt service of 389.

The increase in Federal Sources is attributed to various net increases in special revenue awards of \$2,813, offset by a decrease in general fund federal aid of \$62.

The following schedule presents a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal year ended June 30, 2018.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2017</u>	<u>Percent Increase/ (Decrease)</u>
Current:				
Instruction	\$ 2,328,162	25.5%	\$ 63,388	2.8%
Undistributed Expenditures	6,535,726	71.6%	149,427	2.3%
Capital Outlay	95,465	1.0%	(17,155)	-15.2%
Debt Service:				
Principal	150,000	1.6%	5,000	3.4%
Interest	30,113	0.3%	(5,800)	-16.2%
Total	\$ 9,139,466	100.0%	\$ 194,860	2.2%

The increase in instruction is attributed to increases in regular instruction costs of \$62,991 and special education costs of \$1,603, offset by a decrease in other special instruction costs of \$1,206.

The increase in Undistributed Expenditures is attributed to \$12,770 in school administration and central services, \$45,494 in plant operations, student & instruction related services of \$20,723, transportation of \$104,232 and \$262,365 in employee benefits, offset by decreases of \$296,157 in tuition.

The decrease in Capital Outlay expenditures is attributed to less expenditures for both vehicle and other support equipment of \$17,155.

The decrease in Debt Service of \$10,800 is attributed to a decrease in principle of \$5,000, combined with a reduction in interest payments of \$5,800 on the bond issue.

General Fund Budgeting Highlights

The School District’s Budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting. The most significant budgeted fund is the General Fund.

During the course of the fiscal year 2018, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

- ❖ Staffing changes based on student needs.
- ❖ Additional costs for student transportation both in regular education and special education.
- ❖ Accounting changes in maintenance and operations
- ❖ Changes in appropriations to prevent budget overruns.

While the District’s final budget for the General Fund anticipated that revenues, along with surplus anticipated of \$485,318, would roughly equal expenditures, the actual results for the year shows a \$33,070 decrease in revenue over expenditures. The overall positive variance, combining budgeted and actual revenues with expenditures was \$924,997 as shown on Exhibit C-1.

- ❖ Actual revenues were \$46,768 more than expected, excluding contributions for On-Behalf Pension and Social Security State Aid of \$733,145. This was due to additional state and federal aid of \$26,007, along with miscellaneous revenue of \$20,761. The result is the positive variance, as shown on Exhibit C-1.
- ❖ The actual expenditures were \$881,223 lower than expected, offset by the state On-Behalf Pension and Social Security aid of \$733,145, resulting in the reported favorable variance of \$148,078, as shown on Exhibit C-1.

Capital Assets

At June 30, 2018, the School District had \$2,695,810 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2018 balances compared to 2017.

	<u>2018</u>	<u>2017</u>
Land	\$ 62,441	\$ 62,441
Work In Progress	47,624	
Land Improvements	58,126	61,355
Building and Improvements	2,205,393	2,288,800
Equipment	322,226	313,453
Totals	<u>\$ 2,695,810</u>	<u>\$ 2,726,049</u>

Overall capital assets decreased \$30,239 in fiscal year 2018. There were increases of \$143,089, offset by depreciation expense of \$173,328.

Debt Administration

At June 30, 2018, the School District had \$621,773 as outstanding debt. Of this amount \$41,773 is for compensated absences and the balance of \$580,000 for bonds related to school construction.

At June 30, 2018, the School District's overall legal debt margin was \$8,657,935 and the unvoted debt margin was \$8,077,935 or 93.30%.

	<u>Date Of Issue</u>	<u>Amount of Issue</u>	<u>Balance at June 30, 2018</u>
Addition to the Elementary School Building Refunding Issue	1/1/2007	\$ 1,950,000	\$ 580,000

For the Future

The Maurice River Township School District hopes to continue its "Choice" status to increase its student enrollment and Choice Aid funding. Through the use of Choice Aid funding, the district hopes to upgrade its facility and expand the services provided to students

In conclusion, the Maurice River Township School District has committed itself to excellence in education for many years despite its financial struggle to survive. The School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenge of the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact Patricia A. Powell, School Business Administrator/Board Secretary at Maurice River Township Board of Education, P.O. Box 464, 3593 S. Delsea Drive, Port Elizabeth, NJ 08348.

BASIC FINANCIAL STATEMENTS

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.

TOWNSHIP OF MAURICE RIVER 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>
ASSETS			
Cash and Cash Equivalents	\$ 1,056,376	\$ 48,631	\$ 1,105,007
Receivables, Net	59,206	23,746	82,952
Inventory		2,858	2,858
Capital Assets, Net (Note 5):	2,629,503	66,307	2,695,810
Total Assets	<u>3,745,085</u>	<u>141,542</u>	<u>3,886,627</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Pension Outflows	481,352		481,352
LIABILITIES			
Accounts Payable	45,159	51,711	96,870
Accrued Interest	11,963		11,963
Unearned Revenue	3,370	2,430	5,800
Net Pension Liability	1,768,508		1,768,508
Non-current Liabilities (Note 6):			
Due Within One Year	150,000		150,000
Due Beyond One Year	471,773	5,059	476,832
Total Liabilities	<u>2,450,773</u>	<u>59,200</u>	<u>2,509,973</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred Pension Inflows	497,633		497,633
NET ASSETS			
Invested in Capital Assets, Net of Related D Restricted For:	2,049,503	66,307	2,115,810
Capital Reserve	90,000		90,000
Tuition Reserve	318,535		318,535
Maintenance Reserve	127,892		127,892
Emergency Reserve	250,000		250,000
Unrestricted (Deficit)	(1,557,899)	16,035	(1,541,864)
Total Net Position	<u>\$ 1,278,031</u>	<u>\$ 82,342</u>	<u>\$ 1,360,373</u>

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

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

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 1,830,530	\$	\$ 291,480	\$ (1,539,050)		\$ (1,539,050)
Special Education	433,965			(433,965)		(433,965)
Other Special Instruction	63,667			(63,667)		(63,667)
Support Services:						
Tuition	2,092,085			(2,092,085)		(2,092,085)
Student & Instruction Related Services	726,900		191,348	(535,552)		(535,552)
General and Business Administrative Serv	146,261			(146,261)		(146,261)
School Administrative Services	126,100			(126,100)		(126,100)
Central Services	212,031			(212,031)		(212,031)
Plant Operations and Maintenance	587,222			(587,222)		(587,222)
Pupil Transportation	543,262			(543,262)		(543,262)
Employee Benefits	2,898,086		1,574,337	(1,323,749)		(1,323,749)
Interest on Long-term Debt	27,020			(27,020)		(27,020)
Unallocated Depreciation	171,130			(171,130)		(171,130)
Total Governmental Activities	9,858,259		2,057,165	(7,801,094)		(7,801,094)
Business-type Activities:						
Food Service	208,238	58,879	115,852		(33,507)	(33,507)
Total Business-type Activities	208,238	58,879	115,852		(33,507)	(33,507)
Total Primary Government	\$ 10,066,497	\$ 58,879	\$ 2,173,017	(7,801,094)	(33,507)	(7,834,601)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				2,855,065		2,855,065
Taxes Levied for Debt Service				92,407		92,407
Federal and State Aid Not Restricted				4,868,590		4,868,590
Transportation Charges				35,440		35,440
Investment Earnings				1,002		1,002
Miscellaneous Income				10,519		10,519
Transfer				(27,994)	25,000	(2,994)
Total General Revenues, Special Items, Extraordinary Items and Transfers				7,835,029	25,000	7,860,029
Change in Net Position				33,935	(8,507)	25,428
Net Position—Beginning (Restated)				1,244,096	90,849	1,334,945
Net Position—Ending				\$ 1,278,031	\$ 82,342	\$ 1,360,373

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

FUND FINANCIAL STATEMENTS

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

GOVERNMENTAL FUNDS

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 1,052,706	\$ 2,058	\$	\$ 1,054,764
Receivables from Other Governments	10,691			10,691
Federal Aid Receivable		13,832		13,832
State Aid Receivable	34,363			34,363
Total Assets	\$ 1,097,760	\$ 15,890	\$	\$ 1,113,650
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 3,660	\$ 39,728	\$	\$ 43,388
Interfunds Payable	3,209			3,209
Total Liabilities	6,869	39,728		46,597
Fund Balances:				
Restricted for:				
Maintenance Reserve	127,892			127,892
Emergency Reserve	200,000			200,000
Tuition Reserve	150,000			150,000
Assigned:				
Year-end Encumbrances	262,640			262,640
Capital Reserve - Designated for Subsequent Year's Expenditu	90,000			90,000
Emergency Reserve - Designated for Subsequent Year's Expen	50,000			50,000
Tuition Reserve - Designated for Subsequent Year's Expenditu	168,535			168,535
Designated for Subsequent Year's Expenditures	250,000			250,000
Unassigned, Reported In:				
General Fund (Deficit)	(208,176)			(208,176)
Special Revenue Fund (Deficit)		(23,838)		(23,838)
Total Fund Balances	1,090,891	(23,838)		1,067,053
Total Liabilities and Fund Balances	\$ 1,097,760	\$ 15,890	\$	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$6,545,479 and the accumulated depreciation is \$3,915,976 (Note 5).	2,629,503
Accrued interest is not due and payable in the current period and are therefore not reported as liabilities.	(11,963)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (Note 6).	(621,773)
Deferred Outflow of Resources - Deferred Pension Contribution.	481,352
Deferred Inflows of Resources - Pension Actuarial Gains.	(497,633)
Long Term Net Pension Liability	(1,768,508)
Net position of governmental activities	\$ 1,278,031

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

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

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
REVENUES				
Local Sources:				
Local Tax Levy	\$ 2,855,065	\$	\$ 92,407	\$ 2,947,472
Transportation Charges	35,440			35,440
Interest Earned	1,002			1,002
Miscellaneous	10,519			10,519
Total - Local Sources	2,902,026		92,407	2,994,433
State Sources	5,530,325	240,281	87,706	5,858,312
Federal Sources		287,603		287,603
Total Revenues	8,432,351	527,884	180,113	9,140,348
EXPENDITURES				
Current:				
Regular Instruction	1,539,050	291,480		1,830,530
Special Education Instruction	433,965			433,965
Other Special Instruction	63,667			63,667
Support Services:				
Tuition	2,092,085			2,092,085
Student & Instruction Related Services	535,552	191,348		726,900
General Administrative Services	146,261			146,261
School Administrative Services	126,100			126,100
Central Services	212,031			212,031
Plant Operations and Maintenance	587,222			587,222
Pupil Transportation	543,262			543,262
Employee Benefits	2,058,715	43,150		2,101,865
Capital Outlay	95,465			95,465
Debt Service:				
Principal			150,000	150,000
Interest and Other Charges			30,113	30,113
Total Expenditures	8,433,375	525,978	180,113	9,139,466
Excess (Deficiency) of Revenues Over Expenditures	(1,024)	1,906		882
OTHER FINANCING SOURCES (USES)				
Transfers Out - Food Service Deficit	(25,000)			(25,000)
Transfers Out - Internal Service Fund	(2,994)			(2,994)
Total Other Financing Sources and Uses	(27,994)			(27,994)
Net Change in Fund Balances	(29,018)	1,906		(27,112)
Fund Balance—July 1 (Deficit)	1,119,909	(25,744)		1,094,165
Fund Balance—June 30 (Deficit)	\$ 1,090,891	\$ (23,838)	\$	\$ 1,067,053

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

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

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ (27,112)

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	\$ (171,130)	
Capital Outlays	95,465	(75,665)

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. 150,000

Payment of capital leases is an expenditure in the governmental funds but the payment reduces long-term liabilities in the Statement of Net Position and is not reported in the Statement of Activities.

In the Statement of Activities, interest on long-term debt in the Statement of Activities is accrued, regardless of when due. In the government funds, interest is reported when due. 3,093

Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period. (18,850)

In the Statement of Activities, certain operating expenses, e. g. compensated absences are measured by the amount earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid).

Compensated Absences		2,469

Change in Net Position of Governmental Activities (A-2) **\$ 33,935**

PROPRIETARY FUNDS

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2018

	<u>Business-Type Activities - Enterprise Fund Food Service</u>	<u>Governmental Activities - Internal Service Fund</u>	<u>Totals</u>
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 48,416	\$ 1,827	\$ 50,243
Accounts Receivable	23,746	320	24,066
Due From General	215	2,994	3,209
Inventories	2,858		2,858
Total Current Assets	<u>75,235</u>	<u>5,141</u>	<u>80,376</u>
Fixed Assets:			
Work in Progress	47,624		47,624
Equipment	64,557		64,557
Accumulated Depreciation	(45,874)		(45,874)
Total Fixed Assets	<u>66,307</u>		<u>66,307</u>
Total Assets	<u>\$ 141,542</u>	<u>\$ 5,141</u>	<u>\$ 146,683</u>
LIABILITIES AND FUND EQUITY:			
Current Liabilities:			
Unearned Revenue	\$ 2,430	\$ 3,370	\$ 5,800
Compensated Absences	5,059		5,059
Accounts Payable	51,711	1,771	53,482
Total Current Liabilities	<u>59,200</u>	<u>5,141</u>	<u>64,341</u>
Net Position:			
Investment in Fixed Assets	66,307		66,307
Unrestricted	16,035		16,035
Total Fund Equity	<u>82,342</u>		<u>82,342</u>
Total Liabilities and Net Position	<u>\$ 141,542</u>	<u>\$ 5,141</u>	<u>\$ 146,683</u>

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

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Business-Type Activities - Enterprise Fund Food Service	Governmental Activities - Internal Service Fund	Total Enterprise
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 43,681	\$	\$ 43,681
Daily Sales - Non-reimbursable Programs	15,198		15,198
Summer School Tuition		13,954	13,954
Total Operating Revenue:	<u>58,879</u>	<u>13,954</u>	<u>72,833</u>
Operating Expenses:			
Cost of Sales - Reimbursable Programs	69,829		69,829
Cost of Sales - Non Reimbursable Programs	7,505		7,505
Salaries	99,725	14,604	114,329
Employee Benefits	12,693	1,150	13,843
Repairs & Other Expenses	4,744		4,744
General Supplies	11,544		11,544
Miscellaneous		770	770
Depreciation	2,198		2,198
Support Salaries - Transportation		424	424
Total Operating Expenses	<u>208,238</u>	<u>16,948</u>	<u>225,186</u>
Operating Income (Loss)	<u>(149,359)</u>	<u>(2,994)</u>	<u>(152,353)</u>
Non-operating Revenues (Expenses):			
State Sources:			
State School Lunch Program	1,513		1,513
Federal Sources:			
National School Breakfast Program	26,421		26,421
National School Lunch Program	68,581		68,581
Food Distribution Program	19,337		19,337
Total Non-Operating Revenues (Expenses)	<u>115,852</u>		<u>115,852</u>
Income (Loss) Before Contributions & Transfers	<u>(33,507)</u>	<u>(2,994)</u>	<u>(36,501)</u>
Transfers In (Out)	25,000	2,994	27,994
Change in Net Position	<u>(8,507)</u>	<u>(2,994)</u>	<u>(8,507)</u>
Total Net Position—Beginning	<u>90,849</u>		<u>90,849</u>
Total Net Position—Ending	<u>\$ 82,342</u>	<u>\$</u>	<u>\$ 82,342</u>

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

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Business-Type Activities - Enterprise Fund Food Service	Governmental Activities - Internal Service Fund	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 58,879	\$ 13,954	\$ 72,833
Payments to Employees	(99,725)	(14,604)	(114,329)
Payments for Employee Benefits	(12,693)	(1,150)	(13,843)
Payments to Suppliers	(42,771)	(2,205)	(44,976)
Net Cash Provided by (used for) Operating Activities	(96,310)	(4,005)	(100,315)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
State Sources	1,513		1,513
Federal Sources	95,002		95,002
Operating Subsidies and Transfers to Other Funds	25,000		25,000
Net Cash Provided by (used for) Non-Capital Financing Activities	121,515		121,515
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of Capital Assets	(47,624)		(47,624)
Net Cash Provided by (used for) Capital and Related Financing Activities	(47,624)		(47,624)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and Dividends			
Net Cash Provided by (used for) Investing Activities			
Net Increase (Decrease) in Cash and Cash Equivalents	(22,419)	(4,005)	(26,424)
Balances—Beginning of Year	70,835	5,832	76,667
Balances—End of Year	\$ 48,416	\$ 1,827	\$ 50,243
Reconciliation of Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:			
Operating Income (Loss) Provided by	\$ (149,359)	\$ (2,994)	(152,353)
(used for) Operating Activities			-
Food Distribution Program	19,337		19,337
Depreciation and Net Amortization	2,198		2,198
(Increase) Decrease in Accounts Receivable	(18,018)	(320)	(18,338)
(Increase) Decrease in Interfund Receivable	(215)		(215)
(Increase) Decrease in Inventory	865		865
Increase (Decrease) in Unearned Revenue	(1,237)	1,337	100
Increase (Decrease) in Compensated Absences	552		552
Increase (Decrease) in Accounts Payable	49,567	(2,028)	47,539
Total Adjustments	53,049	(1,011)	52,038
Net Cash Provided by (used for) Operating Activities	\$ (96,310)	\$ (4,005)	\$ (100,315)

Noncash Noncapital Financing Activities:

During the Year, the District Received \$13,386 of Food Commodities from the U. S. Department of Agriculture

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

FIDUCIARY FUNDS

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

	<u>Unemployment Compensation Trust</u>	<u>Agency Fund</u>
ASSETS		
Cash and Cash Equivalents	\$ 242,166	\$ 28,795
Total Assets	<u>242,166</u>	<u>28,795</u>
LIABILITIES		
Payroll Deductions Payable		375
Payable to Student Groups		28,420
Total Liabilities	<u>\$</u>	<u>\$ 28,795</u>
NET POSITION		
Held in Trust for Unemployment Claims and other Purposes	<u>\$ 242,166</u>	

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

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

	<u>Unemployment Compensation Trust</u>
ADDITIONS	
Contributions:	
Plan Member	\$ 11,650
Total Additions	<u>11,650</u>
DEDUCTIONS	
Unemployment Claims	<u>6,128</u>
Total Deductions	<u>6,128</u>
Change in Net Position	5,522
Net Position—Beginning of the Year	<u>236,644</u>
Net Position—End of the Year	<u><u>\$ 242,166</u></u>

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

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Maurice River Township School District (District) is organized under the Constitution of the State of New Jersey. It is located in Cumberland County and provides educational services for all of Maurice River Township's grades K through 8 as authorized by state and federal guidelines.

The District serves an area of approximately seventy square miles. The District currently operates one instructional building and an administrative building. The Maurice River Township School District had an approximate enrollment at June 30, 2018 of 398 students.

A. Reporting Entity:

The Maurice River Township School District is a Type II District as provided by statute of the State of New Jersey. As a Type II District, it functions independently and operates under a locally elected Board form of government consisting of nine members elected to three-year terms, which are staggered.

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

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

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

New Accounting Standards:

The School District has adopted the following GASB statements:

- GASB No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*: The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. The requirements of this Statement will be effective for reporting periods beginning after June 15, 2017. The adoption of GASB 75 will impact the financial statements of the School District.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Standards (Continued):

- GASB No. 85 - *Omnibus 2017*: The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The requirements of Statement will be effective for reporting periods beginning after June 15, 2017. The adoption of GASB 85 is not expected to impact the financial statements of the School District.

- GASB No. 86 - *Certain Debt Extinguishment Issues*: The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of Statement will be effective for reporting periods beginning after June 15, 2017. The adoption of GASB 86 is not expected to impact the financial statements of the School District.

Other accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB No. 83 - *Certain Asset Retirement Obligations*: This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of Statement will be effective for reporting periods beginning after June 15, 2018. Management is evaluating the potential impact of the adoption of GASB 83 on the School District's financial statements.

- GASB No. 84 - *Fiduciary Activities*: The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of Statement will be effective for reporting periods beginning after December 15, 2018. Management is evaluating the potential impact of the adoption of GASB 84 on the School District's financial statements.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

New Accounting Standards (Continued):

- GASB No. 87 - *Leases*: The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of Statement will be effective for reporting periods beginning after periods beginning after December 15, 2019. Management is evaluating the potential impact of the adoption of GASB 87 on the School District's financial statements.

- GASB No. 88 - *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*: The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Management is evaluating the potential impact of the adoption of GASB 88 on the School District's financial statements.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

New Accounting Standards (Continued):

- GASB No. 89 - *Accounting for Interest Cost Incurred before the End of a Construction Period*: The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Management is evaluating the potential impact of the adoption of GASB 89 on the School District's financial statements.

- GASB Statement - No. 90 - *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*: The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Management is evaluating the potential impact of the adoption of GASB 90 on the School District's financial statements.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

A. 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 statements of activities display information about 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. 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 the fiscal year end while the statement of activities presents a comparison between direct expenses and program revenues for each different 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. Indirect expenses-expenses of the District related to the administration and support of the District's programs, such as personnel and accounting-are not allocated to programs.
- Program revenues include (a) 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 requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and state formula aid, are presented as general revenues.

Fund Financial Statements: During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - *governmental*, *proprietary*, and *fiduciary* - are presented. The New Jersey Department of Education (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 believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting.

B. Fund Accounting:

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the financial statements in this report as follows:

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Fund Accounting (Cont'd):

GOVERNMENTAL FUND TYPE

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

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

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

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

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

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

PROPRIETARY FUND TYPE

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

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

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

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Fund Accounting (Cont'd):

Enterprise (Food Service) Funds (Cont'd)

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

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

Food Service Fund Equipment	7 - 20 Years
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Internal Service Fund

The Maurice River Township School District does not maintain an Internal Service whereby services would be provided on a cost-reimbursement basis.

FIDUCIARY FUND TYPE

Fiduciary Funds include Expendable Trust, Nonexpendable Trust and Agency Funds. The measurement focus of the Expendable Trust Funds is the same as for governmental funds. The measurement focus of the Nonexpendable Trust Funds is similar to Proprietary Funds. Agency Funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations. The following is a description of the Fiduciary Funds of the School District:

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

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

Nonexpendable Trust Fund - A Nonexpendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. The District does not maintain a Nonexpendable Trust Fund.

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

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

C. Basis of Accounting and Measurement Focus:

Basis of accounting determines when transactions are recorded in the financial records and reported on 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; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under the 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 is 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 transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds, which are submitted to the county office. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012 and to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

D. Budgets/Budgetary Control (Cont'd):

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:23A-16.2 (f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3. The Board of Education did not make any material supplemental budgetary appropriations during the fiscal year.

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

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

A reconciliation of the special revenue funds from the budgetary basis of accounting (as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue and Debt Service Funds) to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types is shown on Exhibit C-2.

E. Encumbrance Accounting:

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

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

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

F. Tuition Receivable:

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

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

G. Tuition Payable:

Tuition charges for the fiscal years 2017-18, 2016-17, and 2015-16 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Inventories and Prepaid Expenses:

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

On District-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2018.

I. Short -Term Interfund Receivables/Payables:

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

J. Assets, Liabilities and Equity:

Transactions

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

Inventories

On District-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method and is expended when used. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2018.

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1986, as revised) 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.

Capital Assets

General fixed assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The general fixed assets acquired or constructed prior to June 30, 2018 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. General fixed assets are reflected as expenditures in the applicable governmental funds, and the related assets are reported in the general fixed assets. Expenditures that enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the fixed asset's currently capitalized cost. The cost of normal repairs and maintenance are not capitalized. Assets in general fixed assets are not depreciated.

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

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

J. Assets, Liabilities and Equity (Cont'd):

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Building	50
Building Improvements	20
Vehicles	8
Office and Computer Equipment	5-10
Instructional Equipment	10
Grounds Equipment	15

K. Compensated Absences:

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

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as expenditure and fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the Statement of Net Position. In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

L. Unearned Revenue:

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

M. Operating Revenues and Expenses:

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

N. 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 not reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the 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. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

O. Extraordinary and Special Items:

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

P. Fund Equity:

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

Q. Comparative Data/Reclassifications:

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations. Also, certain immaterial amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

R. Management Estimates:

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

S. Accrued Liabilities and Long-term Obligations:

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the Statement of Net Position.

T. Net Position:

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding 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 School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

U. Fund Balance Reserves:

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances.

V. 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 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.

Non-exchange transactions, in which the School 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 income 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 for the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from 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.

W. Lease Acquisition Costs:

As part of any long-term lease agreement, providing for the use of school buildings, payments constituting professional lease acquisition and other related professional fees will expensed when incurred in accordance with GASB Statement No. 65. There were no such leases for the year ended June 30, 2018.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value. New Jersey School Districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey School Districts. Investments are stated at cost, or amortized cost, which approximates market.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

The amortized cost method involves valuing a security at its cost on the date of purchase and thereafter assuming a constant amortization to maturity for any discount or premium. The Board classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

Deposits:

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

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

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

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

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

Investments:

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

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives, which have a maturity date no greater than twelve months from the date of purchase.
- c. Bonds of other obligations of the school district

As of June 30, 2018, cash and cash equivalents in the fund financial statements of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>
Checking accounts	\$ 1,298,860
N.J. Cash Management Fund	77,108
Total	<u>\$ 1,375,968</u>

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 t seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local government agencies. The program is administered by the Commissioner of the NJ Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. As of June 30, 2018, \$1,371,920 of the School District's bank balance of \$1,699,028 was uninsured and exposed to custodial credit risk.

New Jersey Cash Management Fund - All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis.

As of June 30, 2018, the District had \$77,108 of funds on deposit with the New Jersey Cash Management Fund.

NOTE 4. CAPITAL RESERVE ACCOUNT

Capital reserve accounts may be established by New Jersey School Districts for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. A 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 Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 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.

The LRFP balance of local support costs of uncompleted capital projects at June 30, 2018 is \$423,728.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 5. CAPITAL ASSETS

Capital Asset Activity for the Year Ended June 30, 2018 was as Follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets that are not Being Depreciated:				
Land	\$ 62,441	\$	\$	\$ 62,441
Total Capital Assets not Being Depreciated	62,441			62,441
Land Improvements	364,858			364,858
Building and Building Improvements	4,473,281			4,473,281
Machinery and Equipment	1,549,434	95,465		1,644,899
Totals at Historical Cost	6,387,573	95,465		6,483,038
Less Accumulated Depreciation for :				
Land Improvements	(303,503)	(3,229)		(306,732)
Building and Improvements	(2,184,481)	(83,407)		(2,267,888)
Equipment	(1,256,862)	(84,494)		(1,341,356)
Total Accumulated Depreciation	(3,744,846)	(171,130)		(3,915,976)
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	2,642,727	(75,665)		2,567,062
Government Activities Capital Assets, Net	\$ 2,705,168	\$ (75,665)	\$	\$ 2,629,503
	<u>To A-1</u>			<u>To A-1</u>
Business-type Activities:				
Equipment	\$ 64,557	\$	\$	\$ 64,557
Work in Progress		47,624		47,624
Less Accumulated Depreciation	(43,676)	(2,198)		(45,874)
Business-type Activities Capital Assets, Net	\$ 20,881	\$ 45,426	\$	\$ 66,307

Depreciation Expense was Charged to Governmental Functions as Follows:

Unallocated	To A-2	\$ 171,130
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MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 6. GENERAL LONG-TERM DEBT

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due within One Year</u>	<u>Long-term Portion</u>
Governmental Activities:						
Bonds Payable:						
General Obligation Debt	\$ 730,000		\$ 150,000	\$ 580,000	\$ 150,000	\$ 430,000
Total Bonds Payable	730,000		150,000	580,000	150,000	430,000
Other Liabilities:						
Obligations Under Capital Lease						
Compensated Absences Payable	44,242		2,469	41,773		41,773
Total Other Liabilities	\$ 44,242		\$ 152,469	\$ 621,773	\$ 150,000	\$ 471,773
					To A-1	
Business-Type Activities:						
Compensated Absences Payable						

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

Principal and interest due on bonds outstanding is as follows:

Year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 150,000	\$ 23,925	\$ 173,925
2020	145,000	17,738	162,738
2021	145,000	11,756	156,756
2022	140,000	5,775	145,775
	\$ 580,000	\$ 59,194	\$ 639,194

B. Bonds Authorized But Not Issued - As of June 30, 2018, the District had no authorized but not issued bonds.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 7. OPERATING LEASES

The District had commitments to lease a mailing system under operating leases that expires in 2020. The future minimum lease payments are as follows:

<u>Year</u>	<u>Amount</u>
2019	\$ 1,788
2020	1,490
	<u>\$ 3,278</u>

NOTE 8. PENSION PLANS

Description of Plans - All required employees of the School District are covered by either the Public Employees' Retirement System (PERS) or the Teachers' Pension and Annuity Fund (TPAF) 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 both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. For additional information about PERS or TPAF, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at <http://www.nj.gov/treasury/pensions/financial-reports.shtml>.

The following represents the membership tiers for PERS and TPAF:

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

Public Employees' Retirement System

The PERS is a cost sharing multiple-employer defined benefit pension plan that was established in 1955. The PERS provides retirement, death and disability, and medical benefits to qualified members. The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A. All benefits vest after ten years of service, except for medical benefits that vest after 25 years of service or under the disability provisions of PERS.

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

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 8. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

Contributions - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provides for employee contributions of 7.34% of employees' annual compensation through June 30, 2018. Employers are required to contribute at an actuarially determined rate in PERS. The current PERS rate is 13.37% of covered payroll. The District's contributions to PERS for the years ended June 30, 2018, and 2017, were \$71,375 and \$71,206 respectively, equal to the required contributions for each year. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

The total payroll for the year ended June 30, 2018 was \$3,528,599. Payroll covered by PERS was \$546,116 for fiscal year 2018. Contributions to the system for the year ended June 30, 2018 were as follows:

	<u>PERS</u>
Employees	\$ 40,085
District	<u>71,375</u>
Total	<u>\$ 111,460</u>

The District is billed annually for its normal contribution plus any accrued liability. These contributions were equal to the required contributions for 2018, as follows:

Public Employees Retirement System					
<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Funded by State</u>	<u>Paid by District</u>
<u>2018</u>	<u>\$ 9,263</u>	<u>\$ 57,686</u>	<u>\$ 71,375</u>	<u>\$ N/A</u>	<u>\$ 71,375</u>

Components of Net Pension Liability - At June 30, 2018, the District's proportionate share of the PERS net pension liability was \$1,768,508. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2016, to the measurement date of June 30, 2017. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2017. The District's proportion measured as of June 30, 2017 was 0.007597% which was a decrease of 0.00037% from its proportion measured as of June 30, 2016.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 8. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

Pension Expense and Deferred Outflows/Inflows of Resources - The District's 2018 PERS pension expense, with respect to GASB 68, was \$91,267. The District's 2018 deferred outflows of resources and deferred inflows of resources were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 41,642	\$
Changes of assumptions	356,293	354,987
Net difference between projected and actual earnings on pension plan investments	12,042	
Changes in proportion		142,646
Contributions subsequent to the measurement date	71,375	
Total	\$ 481,352	\$ 497,633

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

Year	PERS
2018	\$ (13,755)
2019	11,125
2020	(8,013)
2021	(69,945)
2022	(7,068)
Thereafter	
Total	\$ (87,656)

Additional Information - Collective Balances at June 30, 2018 and 2017 are as follows:

Year	6/30/2018	6/30/2017
Collective deferred outflows of resources	\$ 481,352	\$ 693,820
Collective deferred inflows of resources	\$ 497,633	\$ 100,252
Collective Net Pension Liability	\$ 1,768,508	\$ 2,359,507
District's Proportion	0.007597%	0.007967%

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 8. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (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:

	<u>PERS</u>
Measurement Date	June 30, 2017
Actuarial Valuation Date	July 1, 2016
Investment Rate of Return	7.00%
Salary Scale (Based on Age):	
Through 2026	1.65% - 4.15%
Thereafter	2.65% - 5.15%
Inflation	2.25%

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

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

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 8. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments 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. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2017 are summarized in the following table:

	PERS	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
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%
Client oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%
Total	100.00%	

Discount Rate - The discount rate as of June 30, 2017 used to measure the total pension liability was 5.00% for PERS. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of 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 for PERS. 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.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 8. PENSION PLANS (CONTINUED)

Public Employees' Retirement System (Continued)

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, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.00%) or 1-percentage-point higher (6.00%) than the current rate:

	1% Decrease (4.00%)	Current Discount (5.00%)	1% Increase (6.00%)
District's proportionate share of the net pension liability	\$ 2,193,954	\$ 1,768,508	\$ 1,414,059

Teachers' Pension and Annuity Fund

The TPAF 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 defined benefit pension 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.

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

Contributions - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.34% in State fiscal year 2018. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2017, the State's pension contribution was less than the actuarial determined amount. Under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and all other related non-contributing employers. No normal or accrued liability contribution by the District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, Accounting and Financial Reporting for Pensions.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 8. PENSION PLANS (CONTINUED)

Teachers' Pension and Annuity Fund (Continued)

The District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2018 because of the 100% special funding situation with the State of New Jersey.

Trend Information for TPAF (Paid on-behalf of the District)

<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
6/30/18	\$ 339,839	100 %	\$ N/A
6/30/17	197,065	100	N/A
6/30/16	197,065	100	N/A

During the fiscal year ended June 30, 2018, the State of New Jersey contributed \$339,839 to the TPAF for pension contributions, \$219,495 for post-retirement benefits on behalf of the School, and \$648 for long-term disability. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$173,163 during the year ended June 30, 2018 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

Components of Net Pension Liability - At June 30, 2018, the District was not required to report a liability for its proportionate share of the net pension liability because of a 100% reduction for State of New Jersey pension support provided to the District.

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

Pension Expense - For the year ended June 30, 2018, the District recognized pension expense of \$1,119,679 and revenue of \$1,119,679 for support provided by the State.

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:

	<u>TPAF</u>
Measurement Date	June 30, 2017
Actuarial Valuation Date	July 1, 2016
Investment Rate of Return	7.00%
Salary Scale (Based on Age):	
Through 2026	Varies based
Thereafter	on experience
Inflation	2.25%

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 8. PENSION PLANS (CONTINUED)

Teachers' Pension and Annuity Fund (Continued)

Long-Term Expected Rate of Return - 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:

Asset Class	TPAF Target Allocation	Long-Term Expected Real Rate of Return
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%
Client oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real asset	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed markets	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%
Total	100.00%	

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

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate - As indicated above, TPAF has a special funding situation where the State pays 100% of the District's annual required contribution.

Pension Plan Fiduciary Net Position - Detailed information about each pension plan's fiduciary net position is available in the separately issued New Jersey Division of Pension and Benefits financial report. Information on where to obtain the report is indicated at the beginning of this note.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General Information about the OPEB Plan

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

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

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

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

TPAF participant retirees

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

PERS participant retirees

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

Basis of Presentation

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

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Total OPEB Liability

The State of New Jersey's total OPEB liability, as of the measurement date of June 30, 2017, was \$53,639,841,858. Of this amount, the total OPEB liability attributable to the School District was \$18,948,772. The State of New Jersey's proportionate share of the total OPEB liability is 100%, including the proportion attributable to the School District of 0.03533%. The total OPEB liability for the School District measured as of June 30, 2017 is zero as a result of the Special Funding Situation with the State of New Jersey. The School District's proportionate share of the total OPEB liability measured as of June 30, 2017 is 0.00%. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position.

Total Nonemployer OPEB Liability

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

	TPAF/ABP	PERS
Inflation Rate	2.50%	2.50%
	Based on	Based on
Salary Increases:	Years of Service	Age
Through 2026	1.55% - 4.55%	2.15% - 4.15%
Thereafter	2.00% - 5.45%	3.15% - 5.15%

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

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 - June 30, 2015, July 1, 2010 - June 30, 2013, and July 1, 2011 - June 30, 2014 for TPAF 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 Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Discount rate

The discount rate for June 30, 2017 was 3.58%. 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 OPEB Liability

	Total OPEB Liability
Balance as of June 30, 2016 Measurement Date	\$ 20,490,865
Changes for the year:	
Service cost	715,478
Interest cost	598,399
Changes of benefit terms	
Differences between expected and actual	
Changes in assumptions or other inputs	(2,433,237)
Member contributions	16,161
Gross benefit payments	(438,894)
Net changes	(1,542,093)
Balance as of June 30, 2017 Measurement Date	\$ 18,948,772

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

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

	June 30, 2017		
At 1.00% Decrease 2.58%	At Discount Rate 3.58%	At 1.00% Increase 4.58%	
\$	63,674,362,200	53,639,841,858	45,680,364,953

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

The following presents the total nonemployer OPEB liability as of June 30, 2017, 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		
1.00% Decrease	Healthcare Cost Trend Rate	1.00% Increase	
\$	44,113,584,560	53,639,841,858	66,290,599,457

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

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

For the year ended June 30, 2018, the School District recognized OPEB expense of \$1,047,742. The School District reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$
Changes of assumptions		2,240,995
Net difference between projected and actual earnings on OPEB plan investments		
Changes in proportion		48,399
Contributions subsequent to the measurement date		
Total	\$	\$ 2,289,394

OPEB Expense, 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 OPEB will be recognized in OPEB expense as follows.

Measurement Period Ending June 30,		OPEB
2018	\$	234,905
2019		234,905
2020		234,905
2021		234,905
2022		234,905
Thereafter		831,564
Total	\$	2,006,089

Special Funding Situation

The participating local education employer allocations included in the supplemental Schedule of special funding amounts by employer are provided as each local education employer is required to record in their financial statements, as an expense and corresponding revenue, their respective amount of total OPEB expense attributable to the State of New Jersey under the special funding situation and to include their respective amount of total OPEB liability in their notes to their financial statements. The total OPEB liability and service cost for each employer was determined separately based on actual data for each employer's participants.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 10. COMPENSATED ABSENCES

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

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

In the District wide-Statement of Net Position, the liabilities whose average maturities are greater than one year should be reported in two components-the amount due within one year and the amount due in more than one year.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2018, a liability existed for compensated absences in the General Fund of \$41,773 and \$5,059 in the Food Service Fund.

NOTE 11. DEFERRED COMPENSATION

The Board offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators during the year ended June 30, 2018 were AXA Equitable, Metlife, VOYA, Lincoln Investment and State of NJ - SACT through employee pension. The district also converted from a pre-taxed disability plan to a post-tax plan with AFLAC under Section 125 of the Internal Revenue Service.

NOTE 12. RISK MANAGEMENT

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

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

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 12. RISK MANAGEMENT (Continued)

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017-2018	\$ 0	\$ 11,650	\$ 6,128	\$ 242,166
2016-2017	0	11,052	6,440	236,644
2015-2016	0	10,342	14,118	232,032

NOTE 13. INTERFUND RECEIVABLES AND PAYABLES

All interfund balances were cleared from the records before June 30, 2018.

NOTE 14. INVENTORY

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

Food	\$	2,606
Supplies		252
	\$	<u>2,858</u>

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements. The ending commodity inventory value as of June 30, 2018 was \$800.

NOTE 15. FUND BALANCE APPROPRIATED

General Fund - Of the \$1,090,891 Fund balance at June 30, 2018, \$262,640 is Assigned for encumbrances; \$0 is restricted as excess surplus in accordance with N.J.S.A. 18A:7F-7 and none has been appropriated and included as anticipated revenue for the year ending June 30, 2018); \$127,892 is restricted for Maintenance Reserve; \$250,000 is restricted for Emergency Reserve of which \$50,000 has been appropriated and also included as anticipated revenue for the year ending June 30, 2019; \$90,000 is restricted for Capital Reserve, of which \$90,000 has been appropriated and also included as anticipated revenue for the year ending June 30, 2019; \$318,535 is restricted for Tuition Reserve, of which \$168,535 has been appropriated also included as anticipated revenue for the year ending June 30, 2019; \$250,000 has been assigned as fund balance appropriated and also included as anticipated revenue for the year ending June 30, 2019 and (\$208,176) represents an unrestricted and undesignated fund balance.

Debt Service Fund - The Debt Service Fund balance at June 30, 2018 is \$0.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 16. DEFICIT FUND BALANCES

The District has an Unrestricted and Undesignated deficit in the General Fund of \$208,176 and a deficit in the Special Revenue Fund of \$23,838, as of June 30, 2018 as reported in the fund statements (modified accrual basis). *N.J.S.A. 18A:22-44.2* provides that in the event a state school aid payment is not made until the following school year, Districts must record the delayed one or more June state aid payments as revenue, for budgeted purposes only, in the current budget year. The bill provides legal authority for School Districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry i.e. if one government recognizes as asset, the other government recognizes a liability. Since the state is recording the June state aid payment(s) in the subsequent fiscal year, the school district cannot recognize the June state aid payment(s) (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the General and Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to *N.J.S.A. 18A:22-44.2* any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey Statute and regulation nor in need of corrective action. While the District had an unassigned, undesignated deficit in the GAAP fund statements of the current fund in the amount of \$208,176, this deficit was less than the amount of delayed payments and the \$23,838 deficit in the Special Revenue Fund is equal to the last state payment(s).

NOTE 17. CALCULATION OF EXCESS SURPLUS

In accordance with *N.J.S.A. 18A:7F-7*, as amended by P.L. 2005, c.73 (\$1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey School Funding Reform Act of 2008 (SFRA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. There was no excess fund balance at June 30, 2018, which is to be restricted and budgeted in the 2018-19 or 2019-20 fiscal years.

NOTE 18. LITIGATION

The District is from time to time involved in claims and lawsuits incidental to its operations. Per confirmation by the District's Solicitor, there are currently no claims.

NOTE 19. TUITION

Maurice River Township School District, along with three other sending Districts to Millville School District has commenced litigation against the State of New Jersey regarding the new regulations governing the calculation of the receiving District's current year tuition rate as well as the audited tuition rate. The new regulations allow for substantial increases in the current year tuition rate and at the same time substantial decreases in the audited tuition rate, causing the sending districts serious budget issues. For this reason, the sending districts are seeking a change in the regulations through litigation.

MAURICE RIVER TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 20. TAX ABATEMENT

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 NJSA 54:4-75 and NJSA 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

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

NOTE 21. RECEIVABLES

Receivables at June 30, 2018 consisted of intergovernmental grants and other items. All receivables are considered collectible in full.

Receivables as of year-end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

Receivables:	General Fund	Special Revenue Fund	Proprietary Funds	Total
Intergovernmental	\$ 45,054	\$ 13,832	\$ 20,913	\$ 79,799
Other			3,153	3,153
Totals	<u>\$ 45,054</u>	<u>\$ 13,832</u>	<u>\$ 24,066</u>	<u>\$ 82,952</u>

End of Notes to Financial Statements.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 2,855,065	\$	2,855,065	\$ 2,855,065	\$
Transportation Fees from other LEAs	25,000		25,000	35,440	10,440
Interest Earned				1,002	1,002
Miscellaneous	1,200		1,200	10,519	9,319
Total - Local Sources	2,881,265		2,881,265	2,902,026	20,761
State Sources:					
Equalization Aid	3,565,907		3,565,907	3,565,907	
Categorical Special Education Aid	287,934		287,934	287,934	
Categorical Security Aid	96,207		96,207	96,207	
Categorical Transportation Aid	293,159		293,159	293,159	
Adjustment Aid	35,740		35,740	35,740	
School Choice Aid	450,324		450,324	450,324	
Under Adequacy Aid	21,720		21,720	21,720	
PARCC Readiness Aid	5,470		5,470	5,470	
Per Pupil Growth Aid	5,470		5,470	5,470	
Professional Learning Community Aid	5,190		5,190	5,190	
Other State Aids:					
Non-public Transportation Aid				5,220	5,220
Extraordinary Aid				20,787	20,787
On-behalf TPAF Pension Contribution (non-budgeted)				339,839	339,839
On-behalf TPAF Post Retirement Med'l Contributions (non-budgeted)				219,495	219,495
On-behalf TPAFLong-term Disability Contributions (non-budgeted)				648	648
Reimbursement TPAF Social Security Contrib. (non-budgeted)				173,163	173,163
Total - State Sources	4,767,121		4,767,121	5,526,273	759,152
Federal Sources:					
SEMI					
TOTAL REVENUES	7,648,386		7,648,386	8,428,299	779,913
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool	4,300		4,300	509	3,791
Kindergarten	132,928	18,628	151,556	144,659	6,897
Grades 1-5	748,635	(5,400)	743,235	741,862	1,373
Grades 6-8	496,114	13,590	509,704	509,462	242
Regular Programs - Home Instruction:					
Salaries of Teachers	15,000	(8,945)	6,055	5,700	355
Other Purchased Services	1,600		1,600		1,600
Regular Programs - Undistributed					
Instruction:					
Other Salaries for Instruction	13,475	(13,475)			
Purchased Professional - Educational Services		16,120	16,120	14,619	1,501
Purchased Professional - Educational Services	1,000		1,000		1,000
Purchased Technical Services	1,000		1,000		1,000
Other Purchased Services	30,500	(8,007)	22,493	5,567	16,926
General Supplies	107,009	46,002	153,011	89,728	63,283
Textbooks	50,000	(11,318)	38,682	26,944	11,738
Other Objects	500		500		500
TOTAL REGULAR PROGRAMS - INSTRUCTION	1,602,061	47,195	1,649,256	1,539,050	110,206

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

	Original Budget	Budget Transfers	Final Budget	Expenditures	Variance Final to Actual Favorable (Unfavorable)
EXPENDITURES: (Continued)					
CURRENT EXPENSES: (Continued)					
SPECIAL EDUCATION - INSTRUCTION:					
Learning/Language Disabilities					
Salaries of Teachers	\$ 100,098	\$	\$ 100,098	\$ 98,879	\$ 1,219
Other Salaries for Instruction	110,905		110,905	99,710	11,195
General Supplies	2,500		2,500	260	2,240
Textbooks	1,000		1,000		1,000
Total Learning/Language Disabilities	214,503		214,503	198,849	15,654
Resource Room/Resource Center					
Salaries of Teachers	245,016	26,013	271,029	234,815	36,214
General Supplies	2,500		2,500	301	2,199
Textbooks	1,000		1,000		1,000
Total Resource Room	248,516	26,013	274,529	235,116	39,413
TOTAL SPECIAL EDUCATION - INSTRUCTION	463,019	26,013	489,032	433,965	55,067
Basic Skills/Remedial - Instruction					
Salaries of Teachers	39,829	(8,525)	31,304	29,804	1,500
General Supplies	4,000		4,000	300	3,700
Total Basic Skills	43,829	(8,525)	35,304	30,104	5,200
School Sponsored Co-curricular Activities:					
Salaries of Teachers	33,000		33,000	30,075	2,925
Purchased Services	1,500		1,500	700	800
Supplies and Materials	5,500		5,500	2,649	2,851
Other Objects	200		200	139	61
Total School Sponsored Co-curricular Activities	40,200		40,200	33,563	6,637
Total Instruction	2,149,109	64,683	2,213,792	2,036,682	177,110
UNDISTRIBUTED EXPENDITURES:					
Instruction:					
Tuition - Regular - LEAs in State	1,121,736	56,594	1,178,330	1,137,530	40,800
Tuition to Other LEAs within State-Special	658,607	(27,109)	631,498	627,697	3,801
Tuition to CSSC & Regional Day Schools	359,715	(56,985)	302,730	295,614	7,116
Tuition to Private Schools for the Handicapped					
Within the State	7,820	50,713	58,533	31,244	27,289
Tuition Other	41,792	(35,244)	6,548		6,548
Total Undistributed Expenditures - Instruction	2,189,670	(12,031)	2,177,639	2,092,085	85,554
Attendance and Social Work Services:					
Salaries	8,000		8,000	8,000	
Other Purchased Services	9,103	173	9,276	9,275	1
Total Attendance and Social Work Services	17,103	173	17,276	17,275	1

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

	Original Budget	Budget Transfers	Final Budget	Expenditures	Variance Final to Actual Favorable (Unfavorable)
EXPENDITURES: (Continued)					
CURRENT EXPENSES: (Continued)					
UNDISTRIBUTED EXPENDITURES (Continued):					
Health Services:					
Salaries	\$ 72,236	\$ 830	\$ 73,066	\$ 73,066	\$ -
Purchased Professional and Technical Services	3,500		3,500	2,710	790
Other Purchased Services	600		600		600
Supplies and Materials	3,700	(1,003)	2,697	1,874	823
Other Objects	300		300	85	215
Total Health Services	80,336	(173)	80,163	77,735	2,428
Other Support Services - Students- OT, PT and Related Services:					
Purchased Professional- Educational Services	70,000		70,000	70,000	
Supplies and Materials	500		500		500
Total Undistributed Expenditures Other Support Services-Students-Related Services	70,500		70,500	70,000	500
Special Education - Extraordinary Services:					
Purchased Professional - Educational Services	40,000	(17,488)	22,512	3,565	18,947
Total Undistributed Expenditures Other Support Services-Students-Extraordinary Services	40,000	(17,488)	22,512	3,565	18,947
Guidance					
Salaries of Other Professional Staff	117,144	(11,285)	105,859	102,129	3,730
Other Salaries		1,029	1,029		1,029
Supplies and Materials	1,000		1,000		1,000
Other Objects	500		500		500
Total Other Support Services-Students-Regular	118,644	(10,256)	108,388	102,129	6,259
Child Study Team					
Salaries of Other Professional Staff	2,500		2,500	1,464	1,036
Purchased Professional - Educational Services	83,190		83,190	83,190	
Miscellaneous Purchased Services	1,200		1,200		1,200
Supplies and Materials	500		500		500
Total Other Support Services - Students - Special Services	87,390		87,390	84,654	2,736
Improvement of Instruction Services - Other Support					
Salaries of Supervisors of Instruction	138,531		138,531	138,531	
Salaries of Other Professional Staff	1,000		1,000		1,000
Salaries of Secretarial and Clerical Assistants	22,902	248	23,150	23,150	
Purchased Professional-Educational Services	3,000	(150)	2,850	2,850	
Other Purchased Services	1,000	(98)	902		902
Total Improvement of Instruction Services	166,433		166,433	164,531	1,902
Educational Media Services/School Library:					
Salaries					
Purchased Professional and Technical Services	300		300		300
Other Purchased Services	4,750	892	5,642	3,986	1,656
Supplies and Materials	1,200		1,200		1,200
Total Educational Media Services/School Library	6,250	892	7,142	3,986	3,156

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

	Original Budget	Budget Transfers	Final Budget	Expenditures	Variance Final to Actual Favorable (Unfavorable)
EXPENDITURES: (Continued)					
CURRENT EXPENSES: (Continued)					
UNDISTRIBUTED EXPENDITURES: (Continued)					
Instructional Staff Training Services:					
Salaries of Other Professional Staff	\$ 20,000	\$ (2,306)	\$ 17,694	2,240	\$ 15,454
Other Salaries	300		300		300
Purchased Professional - Educational Services	4,000	2,108	6,108	6,108	
Other Purchased Services	6,600	1,198	7,798	3,329	4,469
Supplies and Materials	1,900	(1,000)	900		900
Total Instructional Staff Training	32,800		32,800	11,677	21,123
Support Services General Administration:					
Salaries	86,985	197	87,182	87,182	
Legal Services	5,000		5,000	1,061	3,939
Audit Fees	14,424		14,424	12,163	2,261
Other Purchased Professional Services	9,111		9,111	4,409	4,702
Communication/Telephone	27,088		27,088	18,917	8,171
BOE Other Purchased Services	2,000		2,000	93	1,907
Other Purchased Services	21,700	299	21,999	19,260	2,739
General Supplies	1,000	(496)	504		504
BOE In-House Training/Meeting Supplies	150		150	5	145
Miscellaneous Expenditures	7,000		7,000	2,047	4,953
BOE Membership Dues and Fees	8,500		8,500	1,124	7,376
Total Support Services General Administration	182,958		182,958	146,261	36,697
Support Services School Administration:					
Salaries of Principals/Assistant Principals	46,223		46,223	46,223	
Salaries of Secretarial and Clerical Assistants	26,152	465	26,617	26,362	255
Purchased Professional and Technical Services	6,162	(465)	5,697		5,697
Other Purchased Services	8,100	1,592	9,692	4,895	4,797
Supplies and Materials	5,000	474	5,474	4,040	1,434
Other Objects	4,800		4,800	2,460	2,340
Total Support Services School Administration	96,437	2,066	98,503	83,980	14,523
Undistributed Services - Central Services					
Salaries	175,991	(8,490)	167,501	155,213	12,288
Purchased Professional Services	20,721	1,631	22,352	22,350	2
Purchased Technical Services	1,500	(826)	674		674
Miscellaneous Purchased Services	10,600	21,265	31,865	31,320	545
Supplies and Materials	12,000	(8,630)	3,370	2,610	760
Miscellaneous Expenditures	1,100	50	1,150	538	612
Total Central Services	221,912	5,000	226,912	212,031	14,881

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

	Original Budget	Budget Transfers	Final Budget	Expenditures	Variance Final to Actual Favorable (Unfavorable)
EXPENDITURES: (Continued)					
CURRENT EXPENSES: (Continued)					
UNDISTRIBUTED EXPENDITURES: (Continued)					
Admin. Info. Technology					
Salaries	\$ 42,120	\$	\$ 42,120	\$ 42,120	\$
Purchased Technical Services	1,000		1,000		1,000
Other Purchased Services	5,000	(5,000)			
Supplies and Materials	3,000		3,000		3,000
Total Admin. Info. Technology	51,120	(5,000)	46,120	42,120	4,000
Required Maintenance for School Facilities					
Increase in Maintenance Reserve					
Cleaning, Repair and Maintenance Services	15,765	228,109	243,874	24,879	218,995
General Supplies	2,000	3,300	5,300		5,300
Total Required Maintenance for School Facilities	17,765	231,409	249,174	24,879	224,295
Custodial Services					
Salaries	261,474	(16,275)	245,199	244,984	215
Purchased Professional and Tech Services	3,800	(3,388)	412		412
Cleaning/ Repair Maintenance	13,000	42,992	55,992	45,528	10,464
Insurance	76,500	(3,000)	73,500	73,453	47
Misc. Purchased Services	3,000	553	3,553	3,209	344
General Supplies	10,200	40,093	50,293	44,579	5,714
Energy (Natural Gas)	20,000	12,898	32,898	30,986	1,912
Energy (Electricity)	77,911	39,000	116,911	116,463	448
Other Objects	2,000	(730)	1,270	1,066	204
Total Operating/ Maintenance Plant	467,885	112,143	580,028	560,268	19,760
Security					
Purchased Professional and Tech Services		4,763	4,763	2,075	2,688
General Supplies		4,634	4,634		4,634
Total Security		9,397	9,397	2,075	7,322
Student Transportation Services:					
Salaries of Non-Instructional Aides	15,341	3,608	18,949	18,050	899
Salaries for Pupil Transportation (Between Home and School) - Regular	154,418	(1,644)	152,774	125,104	27,670
Salaries for Pupil Transportation (Between Home and School) - Special	62,558	(7,306)	55,252	49,687	5,565
Salaries for Pupil Transportation (Other than Between Home and School)	1,200		1,200	48	1,152
Salaries for Pupil Transportation (Between Home and School) - Nonpublic	1,200		1,200		1,200
Management Fee- ESC Transportation Program	4,410		4,410		4,410
Other Purchased Professional and Technical Services	2,500	(2,500)			
Cleaning, Repair, and Maintenance Services	85,000	9,927	94,927	94,891	36
Contracted Services- Aid in Lieu of Payments- Non-Public	12,376	17,300	29,676	20,134	9,542
Contracted Services (Home/School) Vendors	30,000	(4,600)	25,400	13,788	11,612
Contracted Services (Other than Between Home/School) Vendors	10,000	(8,650)	1,350		1,350
Contracted Services (Special Ed) - Joint Agreements	190,267	377	190,644	165,098	25,546
Miscellaneous Purchased Services - Transportation	6,300	21,924	28,224		28,224
General Supplies	75,000	(19,344)	55,656	50,025	5,631
Other Objects	5,200	3,500	8,700	6,437	2,263
Total Student Transportation Services	655,770	12,592	668,362	543,262	125,100

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

	Original Budget	Budget Transfers	Final Budget	Expenditures	Variance Final to Actual Favorable (Unfavorable)
EXPENDITURES: (Continued)					
CURRENT EXPENSES: (Continued)					
UNDISTRIBUTED EXPENDITURES: (Continued)					
PERSONAL SERVICES - EMPLOYEE BENEFITS:					
Unallocated Benefits - Employee Benefits					
Social Security Contributions	\$ 73,463	\$ (6,517)	\$ 66,946	\$ 66,855	\$ 91
Other Retirement Contributions - PERS	98,500	(15,324)	83,176	80,132	3,044
Workers Compensation	47,875	2,631	50,506	50,506	
Health Benefits	1,110,184	9,087	1,119,271	1,113,937	5,334
Tuition Reimbursement	9,000	2,839	11,839	11,839	
Other Employee Benefits	21,600	(2,839)	18,761	2,301	16,460
TOTAL UNALLOCATED BENEFITS	1,360,622	(10,123)	1,350,499	1,325,570	24,929
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	1,360,622	(10,123)	1,350,499	1,325,570	24,929
On-behalf TPAF Pension Contribution (non-budgeted)				339,839	(339,839)
On-behalf TPAF Post Retirement Med'l Contributions (non-budgeted)				219,495	(219,495)
On-behalf TPAF Long-term Disability Contributions (non-budgeted)				648	(648)
Reimbursement TPAF Social Security Contributions (non-budgeted)				173,163	(173,163)
Total Undistributed Expenditures	5,863,595	318,601	6,182,196	6,301,228	(119,032)
TOTAL EXPENDITURES - CURRENT EXPENSE	8,012,704	383,284	8,395,988	8,337,910	58,078
CAPITAL OUTLAY:					
EQUIPMENT:					
Undistributed Expenditures:					
Student Transportation - School Buses - Regular		83,601	83,601	83,601	
Special Schools - All Programs		11,864	11,864	11,864	
School Admin	6,000	(6,000)			
Total Equipment	6,000	89,465	95,465	95,465	

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

	Original Budget	Budget Transfers	Final Budget	Expenditures	Variance Final to Actual Favorable (Unfavorable)
EXPENDITURES: (Continued)					
CAPITAL OUTLAY:					
FACILITIES ACQUISITION AND CONSTRUCTION SERVICES					
Land and Improvements	\$ 90,000	\$	\$ 90,000	\$	\$ 90,000
TOTAL CAPITAL OUTLAY	96,000	89,465	185,465	95,465	90,000
TOTAL EXPENDITURES	8,108,704	472,749	8,581,453	8,433,375	148,078
Excess (Deficiency) of Revenues Over (Under) Budget	(460,318)	(472,749)	(933,067)	(5,076)	927,991
Operating Financing Sources (Uses)					
Operating Transfer Out - Food Service Deficit	(25,000)		(25,000)	(25,000)	
Operating Transfer Out - Internal Service Fund				(2,994)	(2,994)
Total Other Financing Sources (Uses)	(25,000)		(25,000)	(27,994)	(2,994)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(485,318)	(472,749)	(958,067)	(33,070)	924,997
Fund Balances, July 1	1,582,137		1,582,137	1,582,137	
Fund Balances, June 30	\$ 1,096,819	\$ (472,749)	\$ 624,070	\$ 1,549,067	\$ 924,997
Recapitulation:					
Restricted Fund Balance:					
Maintenance Reserve				\$ 127,892	
Emergency Reserve				200,000	
Tuition Reserve - 2016-17				150,000	
Assigned Fund Balance:					
Year-end Encumbrances				262,640	
Capital Reserve - Designated for Subsequent Year's Expenditures				90,000	
Emergency Reserve - Designated for Subsequent Year's Expenditures				50,000	
Tuition Reserve - Designated for Subsequent Year's Expenditures				168,535	
Designated for Subsequent Year's Expenditures				250,000	
Unassigned Fund Balance				250,000	
				1,549,067	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Recognized on GAAP Basis				(458,176)	
Fund Balance per Governmental Funds (GAAP)				\$ 1,090,891	

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Federal Sources	\$ 234,815	\$ 52,788	\$ 287,603	\$ 287,603	\$
State Sources	238,375		238,375	238,375	
Total Revenues	473,190	52,788	525,978	525,978	
EXPENDITURES:					
Instruction					
Salaries of Teachers	238,219	8,525	246,744	246,744	
Salaries - Other Instruction	44,770	(35)	44,735	44,735	
Supplies and Materials		1	1	1	
Total Instruction	282,989	8,491	291,480	291,480	
Support Services					
Salaries of Teachers	13,839	13,986	27,825	27,825	
Group Insurance	41,732	40	41,772	41,772	
Social Security Contributions	3,425	(3)	3,422	3,422	
State Share FICA	7,926	1,722	9,648	9,648	
TPAF Contributions	19,013	11,067	30,080	30,080	
Purchased Professional - Educational Services	104,266	17,485	121,751	121,751	
Total Support Services	190,201	44,297	234,498	234,498	
Facilities Acquisition and Construction Services:					
Buildings					
Instructional Equipment					
Non-instructional Equipment					
Total Facilities Acquisition and Construction Services					
Total Expenditures	473,190	52,788	525,978	525,978	
Other Financing Sources (Uses)					
Total Outflows	473,190	52,788	525,978	525,978	
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses)	\$	\$	\$	\$	\$

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGET TO GAAP RECONCILIATION
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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

		<u>General Fund</u>			<u>Special Revenue Fund</u>
Sources/inflows of resources					
Actual amounts (budgetary basis) "revenue"					
from the budgetary comparison schedule	[C-1]	\$ 8,428,299		[C-2]	\$ 525,978
Difference - budget to GAAP:					
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			Prior Year Current Year		
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		462,228			25,744
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.		(458,176)			(23,838)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>\$ 8,432,351</u>		[B-2]	<u>\$ 527,884</u>
Uses/outflows of resources					
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	\$ 8,433,375		[C-2]	\$ 525,978
Differences - budget to GAAP					
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.					
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.					
Net transfers (outflows) to general fund					
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	[B-2]	<u>\$ 8,433,375</u>		[B-2]	<u>\$ 525,978</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT

Schedules of Required Supplementary Information

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY

Public Employee's Retirement System

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Pension Liability(Asset)	0.007597%	0.007967%	0.008400%	0.008619%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 1,768,508	\$ 2,359,507	\$ 1,885,724	\$ 1,613,853
District's Covered-Employee Payroll	\$ 546,116	\$ 551,227	\$ 537,084	\$ 550,214
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its covered-employee payroll	323.83%	428.05%	351.10%	293.31%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.10%	40.14%	47.93%	33.64%

Note: The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT CONTRIBUTIONS

Public Employee's Retirement System

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 71,375	\$ 71,206	\$ 72,221	\$ 71,060
Contributions in Relation to the Contractually Required Contribution	<u>(71,375)</u>	<u>(71,206)</u>	<u>(72,221)</u>	<u>(71,060)</u>
Contribution Deficiency (Excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's Covered-Employee Payroll	\$ 546,116	\$ 551,227	\$ 537,084	\$ 550,214
Contributions as a Percentage of Covered-Employee Payroll	13.07%	12.92%	13.45%	12.91%

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT

Schedules of Required Supplementary Information

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY

Teachers Pension Plan

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Pension Liability(Asset)	0.023972%	0.024613%	0.024792%	0.023289%
State's proportionate share of the net pension liability (asset) associated with the District	\$ 16,162,834	\$ 19,362,454	\$ 15,669,413	\$ 12,447,209
District's Covered-Employee Payroll	\$ 2,462,460	\$ 2,421,620	\$ 2,390,805	\$ 2,420,079
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its covered-employee payroll	656.37%	799.57%	655.40%	514.33%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	25.41%	22.33%	28.71%	33.64%

Note: The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

Township of Maurice River School District

SCHEDULE OF THE DISTRICT CONTRIBUTIONS

Teachers' Pension Plan

The School District was not required to make any contributions towards TPAF.

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

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART III

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION PART III
PENSION SCHEDULES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Teachers' Pension and Annuity Fund (TPAF)

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

Change of assumptions. Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

Public Employees' Retirement System (PERS)

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

Change of assumptions. Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 Based on Projection Scale AA.

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
Required Supplementary Information - Part III
Schedule of Changes in the Total OPEB Liability and Related Ratios
State Health Benefit Local Education Retired Employees Plan
Last Ten Fiscal Years

	<u>2017</u>
Total OPEB Liability	
Service cost	\$ 715,478
Interest	598,399
Changes of benefit terms	
Differences between expected and actual experience	
Changes of assumptions or other inputs	(2,433,237)
Member contributions	16,161
Benefit payments	(438,894)
Net change in total OPEB liability	<u>(1,542,093)</u>
Total OPEB liability - beginning	<u>20,490,865</u>
Total OPEB liability - ending	<u>\$ 18,948,772</u>
Covered-employee payroll	<u>\$ 3,008,576</u>
Total OPEB liability as a percentage of covered-employee payroll	629.83%

Notes to Schedule:

Changes of benefit terms: None

Changes of assumptions: The decrease in the liability from June 30, 2016 to June 30, 2017 is due to the increase in the assumed discount rate from 2.85% as of June 30, 2016 to 3.58% as of June 30, 2017.

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

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

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

	NCLB			I.D.E.A.-		Rural		Totals 2017
	Title I Part A	Title II A	Title IV	Part B-Basic Reg Prog	I.D.E.A.- Part B Preschool	Education Achievement Program	Preschool Education Aid	
REVENUES:								
Federal Sources	\$ 114,490	\$ 14,771	\$ 10,000	\$ 118,382	\$ 3,369	\$ 26,591		\$ 287,603
State Sources							\$ 238,375	238,375
Total Revenues	114,490	14,771	10,000	118,382	3,369	26,591	238,375	525,978
EXPENDITURES:								
Instruction:								
Salaries of Teachers	87,063	11,233					148,448	246,744
Salaries - Other Instruction							44,735	44,735
Supplies and Materials	1							1
Total Instruction	87,064	11,233					193,183	291,480
Support Services:								
Salary of Teachers			7,604			20,221		27,825
Group Insurance	1		1				41,770	41,772
Social Sec Contributions							3,422	3,422
State Share FICA	6,660	859	582.00			1,547		9,648
TPAF Contrib.	20,765	2,679	1,813			4,823		30,080
Purchased Prof/Educ Services				118,382	3,369			121,751
Total Support Services	27,426	3,538	10,000	118,382	3,369	26,591	45,192	234,498
Facilities Acq/Construction								
Instructional Equipment								
Total Facilities Acq/Construction								
Total Expenditures	\$ 114,490	\$ 14,771	\$ 10,000	\$ 118,382	\$ 3,369	\$ 26,591	\$ 238,375	\$ 525,978

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 148,448	\$ 148,448	\$
Other Salaries for Instruction	44,735	44,735	
Total Instruction	<u>193,183</u>	<u>193,183</u>	
Support:			
Personal Services - Employee Benefits	41,770	41,770	
Social Security Contributions	3,422	3,422	
Total Support Services	<u>45,192</u>	<u>45,192</u>	
Facilities Acquisition and Const. Services:			
Instructional Equipment			
Non-instructional Equipment			
Total Facilities Acquisition and Const. Services:			
Contribution to Charter Schools			
Total Expenditures	<u>\$ 238,375</u>	<u>\$ 238,375</u>	<u>\$</u>

CALCULATION OF BUDGET & CARRYOVER

Total revised 2017-18 Preschool Education Aid Allocation	\$ 238,375	(1)
Add: Actual ECPA/PEA Carryover (June 30, 2017)		(2)
Add: Budgeted Transfer from the General Fund 2017-18		(3)
Total Preschool Education Aid Funds Available for 2017-18 Budget	<u>238,375</u>	(4)
Less: 2017-18 Budgeted Preschool Education Aid (including prior year budget carryover)	<u>(238,375)</u>	(5)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2018		(6)
Add: June 30, 2018 Unexpended Preschool Education Aid		(7)
Less: 2017-18 Commissioner-approved Transfer to the General Fund		(8)
2017-18 Carryover - Preschool Education Aid/Preschool Programs	<u>\$</u>	(9)
17-18 Preschool Education Aid Carryover Budgeted for Preschool Programs in 2018-19	<u>\$</u>	(10)

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 in all schools within the school district.

Internal Service funds - This fund is used to serve organizational units within the district or to serve other governmental units.

**THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS
B-4, B-5 AND B-6.**

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
FOOD SERVICES ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2018 AND 2017

	<u>June 30, 2018</u>	<u>June 30, 2017</u>
ASSETS:		
Current Assets:		
Cash	\$ 48,416	\$ 70,835
Accounts Receivable:		
State	218	67
Federal	20,695	4,232
Other	2,833	1,429
Due from General	215	
Inventories	2,858	3,723
Total Current Assets	<u>75,235</u>	<u>80,286</u>
Fixed Assets:		
Work in Progress	47,624	
Equipment	64,557	64,557
Accumulated Depreciation	(45,874)	(43,676)
Total Fixed Assets	<u>66,307</u>	<u>20,881</u>
Total Assets	<u>\$ 141,542</u>	<u>\$ 101,167</u>
LIABILITIES AND NET POSITION:		
Current Liabilities:		
Unearned Revenue	\$ 2,430	\$ 3,667
Compensated Absences	5,059	4,507
Accounts Payable	51,711	2,144
Total Liabilities	<u>59,200</u>	<u>10,318</u>
Net Position		
Investment in Fixed Assets	66,307	20,881
Unrestricted	16,035	69,968
Total Net Position	<u>82,342</u>	<u>90,849</u>
Total Liabilities and Net Position	<u>\$ 141,542</u>	<u>\$ 101,167</u>

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
FOOD SERVICES ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2017

	<u>June 30, 2018</u>	<u>June 30, 2017</u>
OPERATING REVENUES:		
Local Sources:		
Daily Sales - Reimbursable Programs:		
School Lunch Program	\$ 35,607	\$ 30,112
School Breakfast Program	8,074	8,707
Total Daily Sales - Reimbursable Programs	43,681	38,819
Daily Sales Non-Reimbursable Programs	15,198	12,396
Special Functions		
Total Operating Revenue	58,879	51,215
OPERATING EXPENSES:		
Salaries	99,725	101,678
Employee Benefits	12,693	116
Supplies and Materials	11,544	6,775
Depreciation	2,198	2,198
Cost of Sales - Reimbursable Programs	69,829	68,692
Cost of Sales - Non Reimbursable Programs	7,505	3,973
Repairs and Other Expenses:	4,744	3,523
Total Operating Expenses	208,238	186,955
Operating Loss	(149,359)	(135,740)
Non-Operating Revenues:		
State Sources:		
School Lunch Program	1,513	1,653
Federal Sources:		
School Breakfast Program	26,421	31,036
National School Lunch Program	68,581	75,438
Food Distribution Program	19,337	14,051
Total Non-Operating Revenues	115,852	122,178
Net Income before Operating Transfers and Adjustments	(33,507)	(13,562)
Operating Transfer In - General Fund	25,000	25,000
Net Income	(8,507)	11,438
Net Position - July 1	90,849	79,411
Net Position - June 30	\$ 82,342	\$ 90,849

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
FOOD SERVICES ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2018 AND 2017

	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Cash Flows from Operating Activities:		
Receipts from Customers	\$ 58,879	\$ 51,215
Payments to Employees	(99,725)	(101,678)
Payments for Employee Benefits	(12,693)	(116)
Payments to Suppliers	(42,771)	(57,220)
Net Cash Provided by (used for) Operating Activities	<u>(96,310)</u>	<u>(107,799)</u>
Cash Flows from Non-capital Financing Activities:		
Cash Received from State and Federal Reimbursements	96,515	108,127
Cash Received from General Fund Operating Operating Transfer In	25,000	25,000
Net Cash Provided by Non-capital Financing Activities	<u>121,515</u>	<u>133,127</u>
Cash Flows from Capital and Related Financing Activities		
Fixed Assets (Purchased) Sold	(47,624)	
Net Cash Provided by Capital and Related Financing Activities	<u>(47,624)</u>	
Cash Flows from Investing Activities		
Interest on Investments		
Net Cash Provided by Investing Activities		
Net Increase in Cash	(22,419)	25,328
Cash and Cash Equivalents, July 1	70,835	45,507
Cash and Cash Equivalents, June 30	<u>\$ 48,416</u>	<u>\$ 70,835</u>
Operating Income (Loss)	\$ (149,359)	\$ (135,740)
Adjustments to Reconcile Operating Income (Loss) to Cash Used by Operating Activities:		
Depreciation	2,198	2,198
Food Distribution Program	19,337	14,051
Change in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	(18,018)	11,844
(Increase) Decrease in Inventory	865	204
(Increase) Decrease in Interfund Receivable	(215)	
Increase (Decrease) in Unearned Revenue	(1,237)	27
Increase (Decrease) in Compensated Absences	552	116
Increase (Decrease) in Accounts Payable	49,567	(499)
Total Adjustments	<u>53,049</u>	<u>27,941</u>
Net Cash Used by Operating Activities	<u>\$ (96,310)</u>	<u>\$ (107,799)</u>

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2018 AND 2017

	<u>June 30, 2018</u>	<u>June 30, 2017</u>
ASSETS:		
Cash	\$ 1,827	\$ 5,832
Due from General fund	2,994	
Accounts Receivable	320	
Total Assets	<u>\$ 5,141</u>	<u>\$ 5,832</u>
 LIABILITIES:		
Accounts Payable	\$ 1,771	\$ 3,799
Deferred Revenue	3,370	2,033
Total Liabilities	<u>\$ 5,141</u>	<u>\$ 5,832</u>

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED 2018 AND 2017

	<u>June 30, 2018</u>	<u>June 30, 2017</u>
OPERATING REVENUES:		
Summer School Tuition	\$ 13,954	\$ 26,568
Total Operating Revenue	<u>13,954</u>	<u>26,568</u>
OPERATING EXPENSES:		
Instruction		
Salaries-Other Professional	14,604	23,103
Employee Benefits	1,150	1,777
Miscellaneous Expenditures	770	1,558
Total Instruction	<u>16,524</u>	<u>26,438</u>
Support		
Salaries - Transportation	424	130
Total Support	<u>424</u>	<u>130</u>
Total Expenses	<u>16,948</u>	<u>26,568</u>
Operating Transfer In - General Fund	<u>2,994</u>	
Net Income (Loss)	\$ <u><u> </u></u>	\$ <u><u> </u></u>

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018 AND 2017

	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Cash Flows from Operating Activities:		
Receipts from Customers	\$ 13,954	\$ 26,568
Payments to Employees	(16,039)	(17,401)
Payments for Employee Benefits	(1,150)	(1,777)
Payments to Suppliers	(770)	(1,558)
	<hr/>	<hr/>
Net Cash Provided by (used for) Operating Activities	(4,005)	5,832
	<hr/>	<hr/>
Cash Flows from Non-capital Financing Activities:		
	<hr/>	<hr/>
Net Cash Provided by Non-capital Financing Activities		
	<hr/>	<hr/>
Cash Flows from Capital and Related Financing Activities		
	<hr/>	<hr/>
Net Cash Provided by Capital and Related Financing Activities		
	<hr/>	<hr/>
Cash Flows from Investing Activities		
	<hr/>	<hr/>
Net Cash Provided by Investing Activities		
	<hr/>	<hr/>
Net Increase in Cash	(4,005)	5,832
Cash and Cash Equivalents, July 1	5,832	
	<hr/>	<hr/>
Cash and Cash Equivalents, June 30	\$ 1,827	\$ 5,832
	<hr/> <hr/>	<hr/> <hr/>
Operating Income (Loss)	\$	\$
Adjustments to Reconcile Operating Income (Loss) to Cash Used by Operating Activities:		
Change in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	(320)	
Increase (Decrease) in Unearned Revenue	1,337	3,799
Increase (Decrease) in Accounts Payable	(2,028)	2,033
	<hr/>	<hr/>
Total Adjustments	(1,011)	5,832
	<hr/>	<hr/>
Net Cash Used by Operating Activities	\$ (1,011)	\$ 5,832
	<hr/> <hr/>	<hr/> <hr/>

FIDUCIARY FUNDS DETAIL STATEMENTS

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

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

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

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

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
TRUST AND AGENCY FUND
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2018
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2017)

	<u>Expendable</u>			<u>Total</u>	<u>Total</u>
	<u>Trust</u>	<u>Student</u>	<u>Payroll</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
	<u>Unemployment</u>	<u>Activity</u>			
ASSETS:					
Cash and Cash Equivalents	\$ 242,166	\$ 28,420	\$ 375	\$ 270,961	\$ 266,938
Total Assets	<u>\$ 242,166</u>	<u>\$ 28,420</u>	<u>\$ 375</u>	<u>\$ 270,961</u>	<u>\$ 266,938</u>
 LIABILITIES AND FUND BALANCES:					
Liabilities:					
Payroll Deductions Payable	\$	\$	\$ 375	\$ 375	\$ 451
Accounts Payable					1,813
Due to Student Groups		28,420		28,420	28,030
Total Liabilities		<u>28,420</u>	<u>375</u>	<u>28,795</u>	<u>30,294</u>
Fund Balances:					
Reserved for Unemployment Claims	242,166			242,166	236,644
Total Liabilities and Fund Balances	<u>\$ 242,166</u>	<u>\$ 28,420</u>	<u>\$ 375</u>	<u>\$ 270,961</u>	<u>\$ 266,938</u>

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
NEW JERSEY UNEMPLOYMENT COMPENSATION INSURANCE
EXPENDABLE TRUST FUND
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2017

	<u>June 30, 2018</u>	<u>June 30, 2017</u>
OPERATING REVENUES:		
Unemployment Deductions	\$ 11,650	\$ 11,052
Total Operating Revenues	<u>11,650</u>	<u>11,052</u>
OPERATING EXPENSES:		
Unemployment Compensation Expenses	6,128	6,440
Total Operating Expenses	<u>6,128</u>	<u>6,440</u>
Operating Income (Loss)	<u>5,522</u>	<u>4,612</u>
Net Income (Loss)	<u>5,522</u>	<u>4,612</u>
Fund Balances, July 1	<u>236,644</u>	<u>232,032</u>
Fund Balances, June 30	<u>\$ 242,166</u>	<u>\$ 236,644</u>

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Balance</u> <u>July 1,</u> <u>2017</u>	<u>Cash</u> <u>Receipts</u>	<u>Accounts</u> <u>Receivable</u>	<u>Cash</u> <u>Disbursements</u>	<u>Interfund</u> <u>Payable</u>	<u>Balance</u> <u>June 30,</u> <u>2018</u>
ELEMENTARY SCHOOLS	\$ 28,030	\$ 49,695	\$	\$ 49,305	\$	\$ 28,420

Analysis of June 30, 2016 Balance:

Band	\$ 8,604
Student Council	2,516
Yearbook	471
Grade 8 Trips	(1,225)
Class Trips	7,800
Miscellaneous	3,184
Principal	157
Sports Club	621
AED Fund	1,599
Art	793
Photo Club	229
Drama Club	725
Bridges	18
MRTES Supplies/Texts	1,185
National Junior Honor Society	1,482
Positive Behavior System	261
	\$ 28,420

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Balance</u> <u>June 30,</u> <u>2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30,</u> <u>2018</u>
ASSETS:				
Cash and Cash Equivalents	\$ 451	\$ 3,091,959	\$ 3,092,035	\$ 375
Total Assets	<u>\$ 451</u>	<u>\$ 3,091,959</u>	<u>\$ 3,092,035</u>	<u>\$ 375</u>
LIABILITIES:				
Payroll Deductions and Withholdings	\$ 451	\$ 3,091,959	\$ 3,092,035	\$ 375
Total Liabilities	<u>\$ 451</u>	<u>\$ 3,091,959</u>	<u>\$ 3,092,035</u>	<u>\$ 375</u>

LONG-TERM DEBT SCHEDULES

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

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
GENERAL LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2018

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance</u>		<u>Balance</u>
			<u>Date</u>	<u>Amount</u>		<u>July 1, 2017</u>	<u>Issued</u> <u>Redeemed</u>	
Refunding Bonds	January 1, 2007	\$ 1,950,000	1/1/19	\$ 150,000	Various	\$ 730,000	\$ 150,000	\$ 580,000
			1/1/20	145,000				
			1/1/21	145,000				
			1/1/22	140,000				
						<u>\$ 730,000</u>	<u>\$ 150,000</u>	<u>\$ 580,000</u>

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actua</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 92,407	\$	\$ 92,407	\$ 92,407	\$
Total Revenues - Local Sources	<u>92,407</u>		<u>92,407</u>	<u>92,407</u>	
State Sources:					
Debt Service Aid Type II	87,706		87,706	87,706	
Total Revenues - State Sources	<u>87,706</u>		<u>87,706</u>	<u>87,706</u>	
Total Revenues	<u>180,113</u>		<u>180,113</u>	<u>180,113</u>	
EXPENDITURES					
Regular Debt Service:					
Interest	30,113		30,113	30,113	
Redemption of Principal	150,000		150,000	150,000	
Total Regular Debt Service	<u>180,113</u>		<u>180,113</u>	<u>180,113</u>	
Total Expenditures	<u>180,113</u>		<u>180,113</u>	<u>180,113</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures					
Fund Balances, July 1					
Fund Balances, June 30	\$	\$	\$	\$	\$

STATISTICAL SECTION

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(UNAUDITED)

	<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>
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	\$ 1,621,144	\$ 1,715,883	\$ 1,959,264	\$ 1,867,798	\$ 1,793,120	\$ 1,795,882	\$ 1,743,934	\$ 1,893,518	\$ 1,975,168	\$ 2,049,503
Restricted	1,468,080	1,324,339	1,307,033	1,376,839	1,491,397	1,413,164	1,411,384	1,274,522	1,306,393	786,427
Unrestricted	(32,836)	158,387	(76,497)	19,394	(199,578)	(469,365)	(1,934,286)	(1,992,005)	(2,037,465)	(1,557,899)
Total Governmental Activities Net Position	<u>\$ 3,056,388</u>	<u>\$ 3,198,609</u>	<u>\$ 3,189,800</u>	<u>\$ 3,264,031</u>	<u>\$ 3,084,939</u>	<u>\$ 2,739,681</u>	<u>\$ 1,221,032</u>	<u>\$ 1,176,035</u>	<u>\$ 1,244,096</u>	<u>\$ 1,278,031</u>
Business-Type Activities										
Invested in Capital Assets, Net of Related Debt	\$ 3,938	\$ 3,570	\$ 35,747	\$ 33,854	\$ 50,863	\$ 27,872	\$ 25,277	\$ 23,079	\$ 20,881	\$ 66,307
Restricted		46,222	13,252							
Unrestricted	70,093	49,383	4,300	16,764	30,851	42,488	51,855	56,332	69,968	16,035
Total Business-Type Activities Net Position	<u>\$ 74,031</u>	<u>\$ 99,175</u>	<u>\$ 53,299</u>	<u>\$ 50,618</u>	<u>\$ 81,714</u>	<u>\$ 70,360</u>	<u>\$ 77,132</u>	<u>\$ 79,411</u>	<u>\$ 90,849</u>	<u>\$ 82,342</u>
District-Wide										
Invested in Capital Assets, Net of Related Debt	\$ 1,625,082	\$ 1,719,453	\$ 1,995,011	\$ 1,901,652	\$ 1,843,983	\$ 1,823,754	\$ 1,769,211	\$ 1,916,597	\$ 1,996,049	\$ 2,115,810
Restricted	1,468,080	1,370,561	1,320,285	1,376,839	1,491,397	1,413,164	1,411,384	1,274,522	1,306,393	786,427
Unrestricted	37,257	207,770	(72,197)	36,158	(168,727)	(426,877)	(1,882,431)	(1,865,673)	(1,967,497)	(1,541,864)
Total District-Wide Net Position	<u>\$ 3,130,419</u>	<u>\$ 3,297,784</u>	<u>\$ 3,243,099</u>	<u>\$ 3,314,649</u>	<u>\$ 3,166,653</u>	<u>\$ 2,810,041</u>	<u>\$ 1,298,164</u>	<u>\$ 1,325,446</u>	<u>\$ 1,334,945</u>	<u>\$ 1,360,373</u>

Source: CAFR Schedule A-1

MAURICE RIVER TOWNSHIP 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
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 2,088,195	2,037,109	2,188,970	1,739,030	1,896,048	1,871,215	1,741,956	1,740,939	1,767,539	1,830,530
Special Education	312,532	286,083	223,979	357,011	374,806	453,675	413,385	440,607	435,171	433,965
Other Special Instruction	20,014	109,136	18,652	50,410	22,958	5,744	45,833	53,111	62,064	63,667
Support Services										
Tuition	1,455,397	1,668,910	2,055,731	2,320,553	2,478,241	2,776,199	2,311,928	2,460,471	2,388,242	2,092,085
Student and Instruction Related Services	528,766	508,509	460,082	516,084	565,657	557,925	598,703	652,274	706,178	726,900
General Administrative Services	183,034	179,515	121,826	123,993	122,213	169,326	146,857	140,973	142,119	146,261
School Administrative Services	63,110	64,211	112,955	116,005	143,405	112,436	155,858	156,973	142,908	126,100
Central Services	177,822	200,288	195,722	210,545	215,043	205,950	202,171	207,006	186,596	212,031
Plant Operations and Maintenance	485,532	410,904	462,502	465,310	484,411	427,701	554,147	548,664	541,727	587,222
Security				20,500	75,890	20,155				
Pupil Transportation	459,348	404,256	446,627	476,343	414,111	514,968	456,013	416,901	439,029	543,262
Employee Benefits	1,493,705	1,756,327	1,163,964	1,213,044	1,410,958	1,411,111	2,136,720	2,532,714	3,140,096	2,898,086
Business and Other Support Services										
Amortization of Debt Issue Costs	4,400	4,400	4,400	4,400						
Interest on Long-Term Debt	83,821	75,261	66,213	61,713	57,013	51,488	45,138	38,913	33,013	27,020
Unallocated Depreciation and Amortization	195,329	190,504	212,801	224,697	202,145	197,195	191,948	179,431	175,970	171,130
Loss on Disposition of Capital Assets										
Total Governmental Activities Expenses	7,551,005	7,895,413	7,734,424	7,899,638	8,462,899	8,775,088	9,000,657	9,568,977	10,160,652	9,858,259
Business-Type Activities										
Food Service	172,588	171,314	172,832	214,054	148,693	189,693	176,967	180,138	186,955	208,238
Total Business-Type Activities Expense	172,588	171,314	172,832	214,054	148,693	189,693	176,967	180,138	186,955	208,238
Total District Expenses	\$ 7,723,593	8,066,727	7,907,256	8,113,692	8,611,592	8,964,781	9,177,624	9,749,115	10,347,607	10,066,497
Program Revenues										
Governmental Activities										
Operating Grants and Contributions	\$ 718,326	823,201	756,947	762,855	903,559	849,458	1,428,407	1,959,433	2,519,663	2,057,165
Total Governmental Activities Program Revenue	718,326	823,201	756,947	762,855	903,559	849,458	1,428,407	1,959,433	2,519,663	2,057,165
Business-Type Activities										
Charges for Services										
Food Service	73,122	61,009	49,151	58,966	55,278	53,764	49,401	46,367	51,215	58,879
Operating Grants and Contributions	75,020	75,449	77,805	87,407	99,511	99,575	109,338	111,050	122,178	115,852
Total Business-Type Activities Program Revenues	148,142	136,458	126,956	146,373	154,789	153,339	158,739	157,417	173,393	174,731
Total District Program Revenues	\$ 866,468	959,659	883,903	909,228	1,058,348	1,002,797	1,587,146	2,116,850	2,693,056	2,231,896
Net (Expense)/Revenue										
Governmental Activities	\$ (6,832,679)	(7,072,212)	(6,977,477)	(7,136,783)	(7,559,340)	(7,925,620)	(7,572,250)	(7,609,540)	(7,640,989)	(7,801,094)
Business-Type Activities	(24,446)	(34,856)	(45,876)	(67,681)	6,096	(36,354)	(18,228)	(22,721)	(13,562)	(33,507)
Total District-Wide Net Expense	\$ (6,857,125)	(7,107,068)	(7,023,353)	(7,204,464)	(7,553,244)	(7,961,974)	(7,590,478)	(7,632,261)	(7,654,551)	(7,834,601)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Property Taxes Levied for General Purposes, 1\$	2,466,484	2,528,781	2,528,781	2,545,856	2,612,637	2,612,637	2,702,847	2,715,879	2,794,884	2,855,065
Taxes Levied for Debt Service	107,833	79,454	91,535	91,844	92,045	92,151	96,640	98,461	92,818	92,407
Unrestricted Grants and Contributions	4,335,341	4,308,255	4,153,583	4,545,654	4,636,135	4,836,896	4,788,495	4,785,834	4,743,462	4,868,590
Tuition Received	49,424		8,844	3,379	37,669					
Transportation Charges	164,912	181,396	103,846	47,721	60,644	62,805	64,201	55,122	26,189	35,440
Investment Earnings	12,452	1,309	167	38	52	43	48	184	419	1,002
Miscellaneous Income	1,078	175,238	81,912	41,522	10,066	830	12,627	4,063	6,278	10,519
Fixed Asset Adjustment	(1,575)									
Transfers	(25,000)	(60,000)		(65,000)						(2,994)
Total Governmental Activities	7,110,949	7,214,433	6,968,668	7,211,014	7,449,248	7,605,362	7,664,858	7,659,543	7,664,050	7,860,029
Business-Type Activities										
Miscellaneous Income	162									
Transfer	25,000	60,000		65,000						
Total Business-Type Activities	25,162	60,000		65,000						
Total District-Wide	\$ 7,136,111	7,274,433	6,968,668	7,276,014	7,449,248	7,605,362	7,664,858	7,659,543	7,664,050	7,860,029
Change in Net Position										
Governmental Activities	\$ 278,270	142,221	(8,809)	74,231	(110,092)	(320,258)	92,608	50,003	23,061	58,935
Business-Type Activities	716	25,144	(45,876)	(2,681)	6,096	(36,354)	(18,228)	(22,721)	(13,562)	(33,507)
Total District-Wide	\$ 278,986	167,365	(54,685)	71,550	(103,996)	(356,612)	74,380	27,282	9,499	25,428

Source: CAFR Schedule A-2

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(UNAUDITED)

	<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>
General Fund										
Restricted:	\$ 1,687,964	\$ 1,763,771	\$ 1,455,595	\$ 1,620,036	\$ 1,630,212	\$	\$	\$	\$	\$
Capital Reserve										
Maintenance Reserve						355,292	311,042	237,000	300,217	127,892
Emergency Reserve						250,000	250,000	250,000	250,000	200,000
Tuition Reserve						245,000	225,960	148,411	168,535	150,000
Assigned:										
Encumbrances						27,663	223,760	150,969	124,974	262,640
Capital Reserve						90,000	90,000	90,000	90,000	90,000
Emergency Reserve										50,000
Tuition Reserve						245,875	245,000	225,962	148,411	168,535
Subsequent Year's Expenditures						213,637	73,248	196,971	250,000	250,000
Unassigned	(131,016)	(148,982)	(128,940)	(130,234)	(230,791)	(381,613)	(259,039)	(209,284)	(212,228)	(208,176)
Total General Fund	<u>\$ 1,556,948</u>	<u>\$ 1,614,789</u>	<u>\$ 1,326,655</u>	<u>\$ 1,489,802</u>	<u>\$ 1,399,421</u>	<u>\$ 1,045,854</u>	<u>\$ 1,159,971</u>	<u>\$ 1,090,029</u>	<u>\$ 1,119,909</u>	<u>\$ 1,090,891</u>
All Other Governmental Funds										
Unassigned, Reported in:										
Debt Service Fund	\$ 21,582	\$ 3	\$ 3	\$	\$	\$	\$	\$	\$	\$
Special Revenue Fund	(10,148)	(10,148)	(10,031)	(12,767)	(12,078)	(14,303)	(7,628)	(24,791)	(25,744)	(23,838)
Total All Other Governmental Funds	<u>\$ 11,434</u>	<u>\$ (10,145)</u>	<u>\$ (10,028)</u>	<u>\$ (12,767)</u>	<u>\$ (12,078)</u>	<u>\$ (14,303)</u>	<u>\$ (7,628)</u>	<u>\$ (24,791)</u>	<u>\$ (25,744)</u>	<u>\$ (23,838)</u>

Source: CAFR Schedule B-1

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(UNAUDITED)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Tax Levy	\$ 2,574,317	\$ 2,608,235	\$ 2,620,316	\$ 2,637,700	\$ 2,704,682	\$ 2,704,788	2,799,487	\$ 2,814,340	\$ 2,887,702	\$ 2,947,472
Tuition Charges - Other LEAs	36,731		8,844	3,379	37,669					
Tuition Charges - From Individuals	12,693									
Transportation Charges	164,912	181,396	103,846	47,721	60,644	62,805	64,201	55,122	26,189	35,440
Interest Earnings	12,452	1,309	167	38	52	43	48	184	419	1,002
Miscellaneous	1,078	175,238	81,912	41,522	10,666	830	12,627	4,063	6,278	10,519
State Sources	4,773,957	4,158,825	4,578,975	4,904,983	5,251,836	5,398,671	5,395,505	5,680,274	5,793,093	5,858,312
Federal Sources	279,710	972,631	331,555	403,526	287,858	287,683	285,653	305,299	284,852	287,603
Total Revenues	7,855,850	8,097,634	7,725,615	8,038,869	8,353,407	8,454,820	8,557,521	8,859,282	8,998,533	9,140,348
Expenditures										
Instruction										
Regular Instruction	2,088,195	2,037,109	2,188,970	1,739,030	1,896,048	1,871,215	1,741,956	1,740,939	1,767,539	1,830,530
Special Education Instruction	312,532	286,083	223,979	357,011	374,806	453,675	413,385	440,607	435,171	433,965
Other Special Instruction	20,014	109,136	18,652	50,410	22,958	5,744	45,833	53,111	62,064	63,667
Support Services										
Tuition	1,455,397	1,668,910	2,055,731	2,320,553	2,478,241	2,776,199	2,311,928	2,460,471	2,388,242	2,092,085
Student and Instruction Related Serv	528,766	508,509	460,082	516,084	565,657	557,925	598,703	652,274	706,178	726,900
General Administrative Services	183,034	179,515	121,826	123,993	122,213	169,326	146,857	140,969	142,119	146,261
School Administrative Services	63,110	64,211	112,955	116,005	143,405	112,436	155,858	156,973	142,908	126,100
Central Services	177,822	200,288	195,722	210,545	215,043	205,950	202,171	207,006	186,596	212,031
Plant Operations and Maintenance	485,532	410,904	462,502	465,310	484,411	427,701	554,147	643,848	541,727	587,222
Security				20,500	75,890	20,155				
Pupil Transportation	459,348	404,256	446,627	476,343	414,111	514,968	456,013	416,901	439,029	543,262
Employee Benefits			1,201,991	1,220,430	1,437,839	1,415,758	1,596,513	1,732,546	1,839,500	2,101,865
Unallocated Employee Benefits	1,507,039	1,756,513	346,182	18,231	7,467	74,957				
Capital Outlay	77,125	120,358						83,831	112,620	95,465
Debt Service										
Principal	168,760	178,219	110,000	115,000	120,000	125,000	140,000	150,000	145,000	150,000
Interest and Other Charges	85,821	77,361	68,413	64,013	59,413	54,613	48,363	41,913	35,913	30,113
Total Expenditures	7,612,495	8,001,372	8,013,632	7,813,458	8,417,502	8,785,622	8,411,727	8,921,389	8,944,606	9,139,466
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	243,355	96,262	(288,017)	225,411	(64,095)	(330,802)	145,794	(62,107)	53,927	882
Other Financing Sources (Uses)										
Capital Lease (Non-budgeted)										
Transfers	(25,000)	(60,000)		(65,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(27,994)
Total Other Financing Sources (Uses)	(25,000)	(60,000)	-	(65,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(27,994)
Net Change in Fund Balances	\$ 218,355	\$ 36,262	\$ (288,017)	\$ 160,411	\$ (89,095)	\$ (355,802)	\$ 120,794	\$ (87,107)	\$ 28,927	\$ (27,112)
Debt Service as a Percentage of										
Noncapital Expenditures	3.4%	3.2%	2.2%	2.3%	2.1%	2.0%	2.2%	2.2%	2.0%	2.0%

Source: CAFR Schedule B-2

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
 (UNAUDITED)

<u>Fiscal Year</u> <u>Ended</u> <u>June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u> <u>Revenue</u>	<u>Transportation</u> <u>Fees</u>	<u>Cumberland</u> <u>Recycling</u>	<u>ERATE</u>	<u>Maurice</u> <u>River Twp.</u> <u>Cleaning</u>	<u>Refund of</u> <u>Prior Year</u> <u>Expenditures</u>	<u>Rent</u>	<u>Misc.</u>	<u>Total</u>
2018	\$ 1,002	\$	\$ 35,440	\$ 116	\$	\$	\$ 1,626	\$	\$ 8,777	\$ 46,961
2017	419		26,189	157					6,121	32,886
2016	184		55,122						4,063	59,369
2015	48		64,201	1,316		992		901	9,418	76,876
2014	43		62,805			1,334			(504)	63,678
2013	52	37,669	60,644				3,963		6,103	108,431
2012	38	3,379	47,721		2,988		26,959		11,575	92,660
2011	167	8,844	103,846				74,518		7,394	194,769
2010	1,309		181,396				171,633		3,605	357,943
2009	12,452	49,424	164,912						1,078	227,866

Source: District Records

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
 (UNAUDITED)

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate	Estimated Actual (County Equalized Value)
2018	\$ 11,677,700	\$ 236,918,100	\$ 7,176,600	\$ 2,159,800	\$ 18,355,900	\$ 17,814,400	\$ 619,700	\$ 294,722,200	\$ 585,695	\$ 295,307,895	\$ 1.031	\$ 273,905,390
2017	11,953,400	239,849,400	7,077,800	2,155,900	18,791,800	17,814,400	619,700	298,262,400	583,316	298,845,716	0.987	293,594,251
2016	11,904,700	240,696,600	6,705,300	2,116,200	18,868,000	18,020,900	619,700	298,931,400	585,309	299,516,709	0.965	293,413,704
2015	11,855,200	241,441,700	7,125,600	2,235,700	18,918,800	18,270,900	619,700	300,467,600	604,947	301,072,547	0.935	304,144,405
2014	11,327,000	241,760,400	6,868,300	2,226,800	19,025,900	18,295,700	619,700	300,123,800	581,495	300,705,295	0.931	310,261,344
2013	11,645,100	239,935,900	7,230,700	2,235,100	19,196,500	18,308,000	619,700	299,171,000	887,632	300,058,632	0.902	341,988,283
2012	23,022,700	240,934,300	6,934,500	2,115,900	19,506,500	7,169,200	621,200	300,304,300	909,270	301,213,570	0.898	343,121,583
2011	23,509,300	241,367,100	6,331,000	1,836,000	19,256,200	7,188,300	621,200	300,109,100	996,724	301,105,824	0.877	327,354,786
2010	23,872,500	241,014,800	7,252,200	1,789,100	19,477,000	7,218,300	621,200	301,245,100	#####	302,578,980	0.866	306,915,257
2009	6,992,700	115,440,400	3,352,400	1,813,500	8,168,600	9,743,700	393,200	145,904,500	626,560	146,531,060	1.845	320,077,239

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate Per \$100 of Assessed Value)
(UNAUDITED)

Year Ended June 30,	Maurice River Township Board of Education			Overlapping Rates		
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Maurice River Township	Cumberland County	Total
2018	\$ 0.999	\$ 0.032	\$ 1.031	\$ 0.446	\$ 1.099	\$ 2.576
2017	0.956	0.031	0.987	0.435	1.148	2.570
2016	0.932	0.033	0.965	0.433	1.106	2.504
2015	0.903	0.032	0.935	0.427	1.126	2.488
2014	0.899	0.032	0.931	0.428	1.083	2.442
2013	0.871	0.031	0.902	0.422	1.061	2.385
2012	0.867	0.031	0.898	0.385	1.083	2.366
2011	0.846	0.031	0.877	0.329	1.038	2.244
2010	0.840	0.026	0.866	0.263	0.927	2.056
2009	1.705	0.075	1.780	0.412	1.961	4.153

Source: District Records and Municipal Tax Collector

Note: NJSA 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 pre-budget year net budget by more than the spending growth limitation calculation.

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.

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

Taxpayer	2018		2009	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Whibco Inc.	\$ 7,567,800	2.53%	\$ 4,707,700	3.29%
US Silica Company	5,078,800	1.70%	2,603,600	1.82%
WaWa, Inc.	2,950,000	0.99%	1,282,100	0.90%
Mays Landing Sand & Gravel Co., Inc.	2,742,200	0.92%	2,273,700	1.59%
Imbesi Family Limited Partnership Agreement	1,740,700	0.58%	1,299,400	0.91%
Dom Zanghi & Sons Inc.	1,217,000	0.41%		
Atlantic Mason Supply Inc.	1,206,500	0.40%		
Taxpayer #1	1,206,400	0.40%	577,500	0.40%
Taxpayer #2			528,200	0.37%
Nicole-Kirstie LLC	1,128,100	0.38%		
New Jersey Lots Inc.			620,300	0.43%
Kozani LLC	956,800	0.32%	537,900	0.38%
Ocean Food & Fuels, LLC			515,000	0.36%
Total	\$ 25,794,300	8.63%	\$ 14,945,400	10.44%

Source: District CAFR & Municipal Tax Assessor

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	% of Levy	
2018	\$ 2,855,065	\$ 2,855,065	100.00%	
2017	2,942,771	2,942,771	100.00%	
2016	2,947,472	2,947,472	100.00%	
2015	2,812,519	2,812,519	100.00%	
2014	2,704,788	2,704,788	100.00%	
2013	2,704,682	2,704,682	100.00%	
2012	2,637,700	2,637,700	100.00%	
2011	2,620,316	2,620,316	100.00%	
2010	2,608,235	2,608,235	100.00%	
2009	2,574,317	2,574,317	100.00%	

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

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of	
	General Obligation Bonds ^b	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Personal Income ^a		Per Capita ^a	
2018	\$ 580,000	\$	\$	\$	\$ 580,000	0.24%	\$ 92	*
2017	730,000				730,000	0.29%	109	
2016	875,000				875,000	0.33%	121	
2015	1,025,000				1,025,000	0.39%	142	
2014	1,165,000				1,165,000	0.45%	157	
2013	1,290,000				1,290,000	0.53%	181	
2012	1,410,000				1,410,000	0.55%	186	
2011	1,525,000				1,525,000	0.59%	199	
2010	1,635,000				1,635,000	0.65%	216	
2009	1,740,000	73,219			1,813,219	0.68%	221	

* Estimate

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

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 income and population for the prior calendar year.
- b Includes Early Retirement Incentive Plan (ERIP) refunding

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value - or Property		Per Capita ^D
	General Obligation Bonds	Deductions				
2018	\$ 580,000	\$	\$ 580,000	0.21%	\$	92 *
2017	730,000		730,000	0.25%		109
2016	875,000		875,000	0.30%		121
2015	1,025,000		1,025,000	0.34%		142
2014	1,165,000		1,165,000	0.38%		157
2013	1,290,000		1,290,000	0.38%		181
2012	1,410,000		1,410,000	0.41%		186
2011	1,525,000		1,525,000	0.47%		199
2010	1,635,000		1,635,000	0.51%		216
2009	1,740,000		1,740,000	0.54%		212

* Estimate

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

a See Exhibit NJ J-6 for property tax data.

b Population data can be found in Exhibit NJ J-14.

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2018
(UNAUDITED)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
Township of Maurice River	\$ 1,005,000	100%	\$ 1,005,000
Other Debt			
County of Cumberland - Township Share	85,432,863	3.1%	2,679,742
Subtotal, Overlapping Debt			3,684,742
Maurice River Township School District Direct Debt			580,000
Total Direct and Overlapping Debt			\$ 4,264,742

Source Maurice River Township Finance Officer and Cumberland County Finance Office

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

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

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
 (UNAUDITED)

Legal Debt Margin Calculation for Fiscal Year 2017

	Equalized Valuation Basis
	2017 \$ 277,195,539
	2016 294,252,781
	2015 294,345,219
	<u>[A] \$ 865,793,539</u>
Average Equalized Valuation of Taxable Property	[A/3] \$ 288,597,846
Debt Limit (3% of Average Equalization Value)	[B] 8,657,935 a
Net Bonded School Debt	[C] 580,000
Legal Debt Margin	<u>[B-C] \$ 8,077,935</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>
Debt Limit	\$ 8,581,313	\$ 9,034,110	\$ 9,779,214	\$ 9,658,494	\$ 9,843,961	\$ 9,683,869	\$ 9,324,282	\$ 9,062,095	\$ 8,917,840	\$ 8,657,935
Total Net Debt Applicable to Limit	<u>1,740,000</u>	<u>1,635,000</u>	<u>1,525,000</u>	<u>1,410,000</u>	<u>1,290,000</u>	<u>1,165,000</u>	<u>1,025,000</u>	<u>875,000</u>	<u>730,000</u>	<u>580,000</u>
Legal Debt Margin	<u>\$ 6,841,313</u>	<u>\$ 7,399,110</u>	<u>\$ 8,254,214</u>	<u>\$ 8,248,494</u>	<u>\$ 8,553,961</u>	<u>\$ 8,518,869</u>	<u>\$ 8,299,282</u>	<u>\$ 8,187,095</u>	<u>\$ 8,187,840</u>	<u>\$ 8,077,935</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	20.28%	18.10%	15.59%	14.60%	13.10%	12.03%	10.99%	9.66%	8.19%	6.70%

Source: Abstract of Ratables and District Records

a Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income (thousands of dollars) ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2018	** 6,331	\$ 241,312,098	\$ 38,114	8.0%
2017	6,325	238,684,185	37,737	7.6%
2016	6,707	250,593,641	37,363	8.9%
2015	7,237	262,804,418	36,314	10.4%
2014	7,407	258,482,079	34,897	11.2%
2013	7,144	242,488,792	33,943	13.5%
2012	7,582	255,210,120	33,660	14.7%
2011	7,651	259,391,853	33,903	11.7%
2010	7,578	250,862,112	33,104	13.5%
2009	8,196	265,370,088	32,378	8.2%

** Estimate

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Personal income

^c Per Capita

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

MAURICE RIVER TOWNSHIP 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	29.56	30.1	25.5	25.1	25.0	27.0	26	27	26.0	26.0
Special Education	5.0	5.0	4.0	7.0	6.5	7.0	7	6	5.0	5.0
Other Special Education										
Vocational										
Other Instruction	7.0	7.0	8.0	6.0	6.0	8.5	8.5	8.5	11.5	12.0
Support Services:										
Tuition										
Student & Instruction Related Services	6.55	6.4	4.3	5.3	4.8	5.2	5.2	5.7	6.1	6.1
General Administrative Services	1.5	1.3	0.8	0.8	0.8	1.4	1.4	1.1	1.1	1.08
School Administrative Services	0.88	1.0	1.3	1.3	1.3	0.8	0.8	1.8	1.5	1.72
Business Administrative Services	2.95	3.25	3.30	3.30	3.80	3.80	3.8	3.3	2.8	2.8
Plant Operations and Maintenance	5.0	5.0	5.0	4.5	5.0	5.1	5.1	4.6	4.6	5.0
Pupil Transportation	7.2	7.0	6.5	4.5	4.0	5.0	5.5	5	5.0	5.5
Food Service	3.5	3.5	3.5	3.5	3.0	3.5	2.4	2.4	2.9	3.0
Total	69.14	69.55	62.20	61.30	60.20	67.30	65.70	65.40	66.50	68.20

Source: District Personnel Records

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
 (UNAUDITED)

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures^a</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff^b</u>	<u>Pupil/Teacher Ratio Elementary</u>	<u>Average Daily Enrollment (ADE)^c</u>	<u>Average Daily Attendance (ADA)^c</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2018	398	\$ 8,959,353	\$ 22,511	6.60%	33.0	19 : 1	408.9	383.38	-4.31%	93.8%
2017	415	8,763,693	21,117	1.12%	33.0	20 : 1	427.3	398.1	4.37%	93.2%
2016	418	8,729,476	20,884	7.68%	33.0	20 : 1	409.4	385.5	-4.35%	94.2%
2015	424	8,223,364	19,395	-5.82%	33.0	20 : 1	428	397	1.18%	92.8%
2014	423	8,710,655	20,593	6.02%	34.0	19 : 1	423	394	-3.03%	93.1%
2013	433	8,410,035	19,423	-2.08%	31.5	22 : 1	436.2	393.2	10.88%	90.1%
2012	393	7,795,227	19,835	-5.06%	32.1	21 : 1	393.4	365.1	5.72%	92.8%
2011	367	7,667,450	20,892	6.58%	29.5	20 : 1	372.1	340.3	-3.97%	91.5%
2010	389	7,625,434	19,603	6.35%	35.1	18 : 1	387.5	363.7	-2.64%	93.9%
2009	395	7,280,789	18,432	-5.81%	39.0	20 : 1	398.0	375.0	0.63%	94.2%

Sources: District records

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule B-2
- 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).

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)

	<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>
<u>District Building</u>										
<u>Elementary</u>										
Maurice River Township Elementary										
Square Feet	62,114	62,114	62,114	62,114	62,114	62,114	62,114	62,114	62,114	62,114
Capacity (students)	688	688	688	688	688	688	688	688	688	688
Enrollment	395	389	367	393	433	423	424	418	415	398
<u>Other</u>										
Administration Building/Maintenance Building										
Square Feet	2,304	2,304	2,304	2,304	2,304	2,304	2,304	2,304	2,304	2,304

Number of Schools at June 30, 2018

 Elementary = 1

 Other = 1

Source: District records, ASSA

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

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE EXPENDITURES BY SCHOOL FACILITIES
LAST TEN FISCAL YEARS
(UNAUDITED)

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

School Facilities	Gross Square Footage	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Maurice River Township Elementary School	62,114	\$ 24,879	\$ 37,135	\$ 105,091	\$ 29,656	\$ 30,467	\$ 25,642	\$ 34,533	\$ 26,430	\$ 30,364	\$ 32,244
Total School Facilities		24,879	37,135	105,091	29,656	30,467	25,642	34,533	26,430	30,364	32,244
Other Facilities	2,304										
Grand Total		\$ 24,879	\$ 37,135	\$ 105,091	\$ 29,656	\$ 30,467	\$ 25,642	\$ 34,533	\$ 26,430	\$ 30,364	\$ 32,244

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2018
(UNAUDITED)

New Jersey School Boards Association Insurance Group

	<u>Coverage</u>	<u>Deductible</u>
Commercial Policy		
Property - Blanket Building and Contents	\$ 14,541,338	\$ 1,000
Comprehensive General Liability	6,000,000	1,000
Boiler and Machinery	10,000,000	1,000
Comprehensive Automobile Liability	6,000,000	1,000
Comprehensive Crime Theft Coverage	100,000	1,000
Board of Education Legal Liability	6,000,000	5,000
Pollution Legal Liability	11,000,000	25,000
Electronic Data Processing		
Commercial Inland Marine	500,000	1,000
Workers Compensation:		
Each Accident	2,000,000	
Disease each employee	2,000,000	
Disease aggregate	2,000,000	
Federal Insurance Company		
Workers Compensation Supplemental	2,500	Temp Total Disability Weekly Benefit Amoun
Berkley Insurance Company		
Compulsory Student Accident Coverage	1,000,000	
Markel Insurance Company		
Catastrophic Student Accident Coverage	5,000,000	25,000
NJSBAIG		
Treasurer's Bond	175,000	
The Ohio Casualty Insurance Company		
Business Administrator's Bond	10,000	

Source: District Records

SINGLE AUDIT SECTION

NIGHTLINGER, COLAVITA & VOLPA

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

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Maurice River Township School District
County of Cumberland, New Jersey 08348

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the of Education of the Maurice River Township School District, in the County of Cumberland, State of New Jersey, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the of Education of the Maurice River Township School District's basic financial statements, and have issued our report thereon dated January 24, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Maurice River Township Board of Education's internal control over financial reporting 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 Maurice River Township Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Maurice River Township Board of Education's internal control over financial reporting.

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

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. 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 Maurice River Township Board of Education's financial statements are free of 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 or in the accompanying schedule of findings and questioned costs.


Purpose of this Report

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

This report is intended solely for the information and use of management, the Maurice River Township Board of Education, the New Jersey State Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA


Raymond Colavita, CPA
Licensed Public School Accountant
No. 915
January 24, 2019

NIGHTLINGER, COLAVITA & VOLPA

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REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Maurice River Township School District
County of Cumberland, New Jersey 08348

Report on Compliance for Each Major Federal and State Program

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

Management's Responsibility

Management is responsible for compliance with the requirements of 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 Maurice River Township Board of Education'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; 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 as prescribed by the Office of School Finance, *Department of Education, State of New Jersey*, 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 and state program occurred. An audit includes examining, on a test basis, evidence about the Maurice River Township Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of Maurice River Township Board of Education's compliance.

Opinion on Each Major Program

In our opinion, the Board of Education of the Maurice River Township School District, in the County of Cumberland, 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 fiscal year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of the Maurice River Township School District's Board of Education 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 Maurice River Township Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with Uniform Guidance and New Jersey OMB Treasury 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 Maurice River Township School District Board of Education's internal control over compliance.

A *deficiency in internal control over compliance* 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 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 or state program will not be prevented or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or 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.

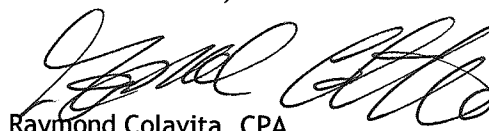
Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above or any instance of deficiency in internal control over compliance that we have to report to the Board of Education in a separate report entitled ***Auditors' Management Report on Administrative Findings-Financial, Compliance and Performance*** dated January 24, 2019. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance and New Jersey OMB 15-08.

This report is intended solely for the information and use of the audit committee, management, the Maurice River Township Board of Education, the New Jersey State Department of Education, other state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant

No. 915
January 24, 2019

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SCHEDULE A)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Federal Grantor/Pass-Through Grantc Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2017			Cash Received	Budgetary Expenditures Pass Through Funds	Budgetary Expenditures Direct	Total Budgetary Expenditures (A)	Balance at June 30, 2018			
					From	To	(Accounts Receivable)	Deferred Revenue	Due to Grantor					(Accounts Receivable)	Unearned Revenue	Due to Grantor	
U.S. Department of Agriculture																	
Passed-through State Department of Education:																	
Enterprise Fund:																	
Non-Cash Assistance:																	
Food Distribution Program	10.565	161NJ304N1099	N/A	\$13,826	7/1/16	6/30/17			\$2,058				(\$2,058)				
Food Distribution Program	10.565	171NJ304N1099	N/A	18,079	7/1/17	6/30/18				\$18,079			(17,279)		\$800		
Child Nutrition Cluster:																	
Cash Assistance:																	
School Breakfast Program	10.553	161NJ304N1099	N/A	31,036	7/1/16	6/30/17	(\$1,100)			1,100							
School Breakfast Program	10.553	171NJ304N1099	N/A	26,421	7/1/17	6/30/18				20,456			(26,421)		(\$5,965)		
National School Lunch Program	10.555	161NJ304N1099	N/A	75,438	7/1/16	6/30/17	(3,132)			3,132							
National School Lunch Program	10.555	171NJ304N1099	N/A	68,581	7/1/17	6/30/18				53,851			(68,581)		(14,730)		
Total U.S. Department of Agriculture							(4,232)	2,058		96,618			(114,339)		(114,339)	(20,695)	800
U.S. Department of Education																	
Passed-through State Department of Education:																	
Special Revenue Fund:																	
Title I, Part A	84.010A	S010A170030	NCLB - 3050-18	114,490	7/1/17	6/30/18				114,490			(114,490)				
Title II Part A	84.367A	S367A170029	NCLB - 3050-18	14,771	7/1/17	6/30/18				14,771			(14,771)				
Title IV	84.424	S424A170031	NCLB - 3050-18	10,000	7/1/17	6/30/18				10,000			(10,000)				
IDEA Cluster:																	
I.D.E.A. Part B, Basic Regular	84.027	H027A170100	IDEA - 3050-18	118,382	7/1/17	6/30/18				118,382			(118,382)				
I.D.E.A. Part B, Pre-School	84.173	H173A170114	IDEAPS - 3050-18	3,369	7/1/17	6/30/18				3,369			(3,369)				
Small Rural Achievement Program	84.358A	S358A172669	REAP - 3050-18	26,591	7/1/17	9/30/18				12,759			(26,591)		(13,832)		
Total U.S. Department of Education										273,771			(287,603)		(287,603)	(13,832)	
Total Federal Financial Awards							(\$4,232)	\$2,058		\$370,389			(\$401,942)		(\$401,942)	(\$34,527)	\$800

(A) There were no awards passed through to subrecipients.

See accompanying notes to schedules of financial assistance

These funds were not audited in accordance with the Uniform Guidance since the total of all grant expenditures did not exceed \$750,000.

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (SCHEDULE B)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2017				Balance at June 30, 2018			MEMO			
			From	To	(Accounts Receivable)	Unearned Revenue	Due to Grantor	Cash Received	Budgetary Expenditures	(Accounts Receivable)	Unearned Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures	
State Department of Education															
General Fund:															
Equalization Aid	17-495-034-5120-078	\$ 3,562,814	7/1/16	6/30/17	\$ (346,721)			\$ 346,721							
Equalization Aid	18-495-034-5120-078	3,565,907	7/1/17	6/30/18				3,223,183	\$ (3,565,907)				\$ (342,724)	\$ (3,565,907)	
Security Aid	17-495-034-5120-084	96,207	7/1/16	6/30/17	(9,363)			9,363							
Security Aid	18-495-034-5120-084	96,207	7/1/17	6/30/18				86,960	(96,207)				(9,247)	(96,207)	
Special Education Categorical Aid	17-495-034-5120-089	287,934	7/1/16	6/30/17	(28,021)			28,021							
Special Education Categorical Aid	18-495-034-5120-089	287,934	7/1/17	6/30/18				260,260	(287,934)				(27,674)	(287,934)	
Transportation Aid	17-495-034-5120-014	293,159	7/1/16	6/30/17	(28,529)			28,529							
Transportation Aid	18-495-034-5120-014	293,159	7/1/17	6/30/18				264,983	(293,159)				(28,176)	(293,159)	
School Choice	17-495-034-5120-068	436,028	7/1/16	6/30/17	(42,433)			42,433							
School Choice	18-495-034-5120-068	450,324	7/1/17	6/30/18				407,043	(450,324)				(43,281)	(450,324)	
Adjustment Aid	17-495-034-5120-085	35,740	7/1/16	6/30/17	(3,478)			3,478							
Adjustment Aid	18-495-034-5120-085	35,740	7/1/17	6/30/18				32,305	(35,740)				(3,435)	(35,740)	
Under Adequacy Aid	17-495-034-5120-096	21,720	7/1/16	6/30/17	(2,114)			2,114							
Under Adequacy Aid	18-495-034-5120-096	21,720	7/1/17	6/30/18				19,632	(21,720)				(2,088)	(21,720)	
PARCC Readiness Aid	17-495-034-5120-098	5,470	7/1/16	6/30/17	(532)			532							
PARCC Readiness Aid	18-495-034-5120-098	5,470	7/1/17	6/30/18				4,944	(5,470)				(526)	(5,470)	
Per Pupil Growth Aid	17-495-034-5120-097	5,470	7/1/16	6/30/17	(532)			532							
Per Pupil Growth Aid	18-495-034-5120-097	5,470	7/1/17	6/30/18				4,944	(5,470)				(526)	(5,470)	
Prof Learning Comm Aid	17-495-034-5120-101	5,190	7/1/16	6/30/17	(505)			505							
Prof Learning Comm Aid	18-495-034-5120-101	5,190	7/1/17	6/30/18				4,691	(5,190)				(499)	(5,190)	
Extraordinary Aid	17-100-034-5120-473	39,129	7/1/16	6/30/17	(39,129)			39,129							
Extraordinary Aid	18-100-034-5120-473	20,787	7/1/17	6/30/18				(20,787)							
Non-Public Transportation Aid	17-495-034-5120-014	1,566	7/1/16	6/30/17	(1,566)			1,566							
Non-Public Transportation Aid	18-495-034-5120-014	5,220	7/1/17	6/30/18				(5,220)							
Reimbursed TPAF SS Contribution	17-495-034-5094-003	175,425	7/1/16	6/30/17	(1,086)			1,086							
Reimbursed TPAF SS Contribution	18-495-034-5094-003	173,163	7/1/17	6/30/18				164,807	(173,163)					(173,163)	
Total General Fund					(504,009)			4,977,761	(4,966,291)				(492,539)	(458,176)	(4,966,291)
Special Revenue Fund:															
Preschool Education Aid	17-495-034-5120-086	257,445	7/1/16	6/30/17	(25,744)			525,744							
Preschool Education Aid	18-495-034-5120-086	238,375	7/1/17	6/30/18				214,537	(238,375)				(23,838)	(238,375)	
Total Special Revenue Fund					(25,744)			240,281	(238,375)				(23,838)	(238,375)	
Debt Service Fund:															
Debt Service Aid Type II	18-495-034-5120-017	87,706	7/1/16	6/30/17				87,706	(87,706)						
State Department of Agriculture															
Enterprise Fund:															
State School Lunch Program	17-100-010-3350-023	1,653	7/1/16	6/30/17	(67)			67							
State School Lunch Program	18-100-010-3350-023	1,513	7/1/17	6/30/18				1,295	(1,513)				(218)	(1,513)	
Total Enterprise Fund					(67)			1,362	(1,513)				(218)	(1,513)	
Total State Financial Assistance Subject to OMB 15-08					(\$529,820)			\$5,307,110	(\$5,293,885)				(\$516,595)	(\$482,014)	(\$5,206,179)
State Financial Assistance Not Subject to OMB 15-08															
On-Behalf TPAF Post Retirement Medical	18-495-034-5094-001	219,495	7/1/17	6/30/18				\$ 219,495	\$ (219,495)						
On-Behalf TPAF Pension Contribution	18-495-034-5094-002	339,839	7/1/17	6/30/18				339,839	(339,839)						
On-Behalf TPAF LTDI (Non-budgeted)	18-495-034-5094-004	648	7/1/17	6/30/18				648	(648)						
Total State Financial Assistance								\$ 5,867,092	\$ (5,853,867)						

See accompanying notes to schedules of financial assistance

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2018

NOTE 1: GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Township of Maurice River School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedules of expenditures of federal awards and state financial assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 2 to the Board'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*, and New Jersey OMB 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10-percent de minimis indirect cost rate allowed under 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 schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$4,052 for the general fund and \$1,906 for the special revenue fund. See Note 2 [the Notes to Required Supplementary Information] for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT
NOTES FOR SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2018
(Continued)

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$	\$ 5,530,325	\$ 5,530,325
Special Revenue Fund	287,603	240,281	527,884
Debt Service		87,706	87,706
Food Service Fund	114,339	1,543	115,882
Total Awards & Financial Assistance	\$ <u>401,942</u>	\$ <u>5,859,855</u>	\$ <u>6,261,797</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: FEDERAL AND STATE LOANS OUTSTANDING

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

NOTE 6: OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2018. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2018.

NOTE 7: SCHOOL-WIDE PROGRAM FUNDS

As the District's Federal Programs are on a targeted student group basis, there are no schoolwide programs in the District.

NOTE 8: ADJUSTMENTS

There were no adjustments required to be shown in the "Adjustments" column on Schedule A or Schedule B.

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

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- 1) Material weakness (es) identified? _____ yes X no
none
- 2) Significant deficiencies identified? _____ yes X reported

Noncompliance material to basic financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs: N/A

- 1) Material weakness (es) identified? _____ yes _____ no
none
- 2) Significant deficiencies identified? _____ yes _____ reported

Type of auditor's report issued on compliance for major programs: N/A

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

Identification of major programs:

CFDA Number(s)	FAIN Number(s)	Name of Federal Program or Cluster
----------------	----------------	------------------------------------

N/A

Dollar threshold used to distinguish between type A and type B programs: N/A

Auditee qualified as low-risk auditee? _____ yes _____ no

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(continued)

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

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? X yes no

Internal control over major programs:

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

2) Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 15-08 as applicable? yes X no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
18-495-034-5120-078	Equalization Aid
18-495-034-5120-089	Special Education Categorical Aid
18-495-034-5120-084	Security Aid
18-495-034-5120-096	Under Adequacy Aid
18-495-034-5120-098	PARCC Readiness Aid
18-495-034-5120-097	Per Pupil Growth Aid
18-495-034-5120-085	Adjustment Aid
18-495-034-5120-101	Professional Learning Community Aid
18-495-034-5120-068	School Choice Aid

**MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(continued)**

Section II - Financial Statement Findings

This section identifies the significant deficiencies, material weakness, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, and abuse related to the financial statements for which Government Auditing Standards requires reporting and with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey that requires reporting in the Uniform Guidance, New Jersey OMB Treasury Circular 15-08 audit.

Finding: N/A

Criteria or specific requirement:

Condition:

Context:

Effect:

Cause:

Recommendation:

Views of responsible officials and planned corrective actions:

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(continued)

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

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards* and NJOMB Circular Letter 15-08, as applicable.

FEDERAL AWARDS

Finding: N/A

Information on the federal program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

Cause:

Recommendation:

Views of responsible officials and planned corrective actions:

STATE AWARDS

Finding: N/A

Information on the state program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

Cause:

Recommendation:

Management's response:

**MAURICE RIVER TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

This section identifies the status of prior - year findings related to the basic financial statements and Federal and State awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, US OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* section .511(a) (b) and New Jersey OMB's Treasury Circular 04-04 and/or 15-08, as applicable.

STATUS OF PRIOR - YEAR FINDINGS

There were no prior year findings.