

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT**

Medford, New Jersey  
County of Burlington

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

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**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**OF THE**

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT**

**MEDFORD, NEW JERSEY**

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

**Prepared by**

**Medford Township Public School District  
Finance Department**

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**INTRODUCTORY SECTION**

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**Medford Township Public School District**  
137 Hartford Road, Medford, New Jersey 08055  
609-654-6416 Fax 609-654-7436

February 11, 2019

Dear Board Members/Citizens:

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

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

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

Introductory Section:

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

Financial Section:

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

Statistical Section:

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

Single Audit Section:

The School District is required to undergo an annual Single Audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB's Circular 15-08 OMB, "*Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*". Information related to this Single Audit, including the

independent auditor’s report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, are included in the Single Audit Section of this report.

**REPORTING ENTITY AND ITS SERVICES**

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

The School District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular and vocational as well as special education for children with special needs. The School District’s enrollment, as of October 15<sup>th</sup>, for the current and past nine fiscal years are detailed below.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2017-2018	2,656	-2.92%
2016-2017	2,736	0.07%
2015-2016	2,734	-0.07%
2014-2015	2,736	-1.12%
2013-2014	2,767	-5.76%
2012-2013	2,936	-2.56%
2011-2012	3,013	-1.82%
2010-2011	3,069	-1.57%
2009-2010	3,118	1.14%
2008-2009	3,083	0.78%

**ECONOMIC CONDITION AND OUTLOOK**

The Township of Medford is 39.93 square miles with a population of 23,141. As of the 2010 Census, there were 8,277 households, and 6,456 families residing in the township. The community’s population has only slightly increased since the last Census in 2010. Most housing is single-family units, and most are within identified subdivisions. There are relatively few apartments and townhouses.

The top three tax payers in the Township are Estaugh T/A Medford Leas, Sharp Run, LLC, and Medford Associates LP. Medford Township School District continues to be one of the largest employers in Medford with 421 contracted employees. The community has not experienced a major increase in businesses however, there has been a concerted effort to revitalize Medford Village (Main Street) over the past five years. Although some progress has been made attracting restaurants and small businesses, residential property taxes continue to be the main support of the school system.

Since the 2010 fiscal crisis at the State level, the State of New Jersey has significantly reduced its financial commitment to all districts throughout the State. Medford Township Public School District’s State Aid was decreased this year by \$286,982. The Medford Township taxpayers continue to bear an increased financial burden to support the schools. In the current and in past budgets the School District has always focused on maintaining programs, staff, and educational initiatives.

## **MAJOR INITIATIVES**

The 2018-2019 budget provided for the following new initiatives: technology integration through one-on-one Chromebook devices; Elementary and Middle School Grade Level Literacy Materials; the purchase of new social studies programming materials for grades 6-8, middle school PLTW/STEM materials and elementary Engineering is Elementary STEM materials; final payment in a two year cycle of K-8 science programming materials; and continued differentiation of professional development opportunities for all staff. Curriculum writing in the summer is also a priority. The district is moving forward with a more comprehensive technology integrated instructional program including full Google platform classroom environment for teaching and learning, requiring more time, personnel and professional development devoted to that endeavor. Mandates, such as AchieveNJ and all five state assessments, require continual attention and resources for proper compliance.

## **INTERNAL ACCOUNTING CONTROLS**

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

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

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

## **BUDGETARY CONTROLS**

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

## **ACCOUNTING SYSTEM AND REPORTS**

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

## FINANCIAL POLICIES

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

## OTHER INFORMATION

### *INDEPENDENT AUDIT*

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

## ACKNOWLEDGEMENTS

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

Respectfully submitted,



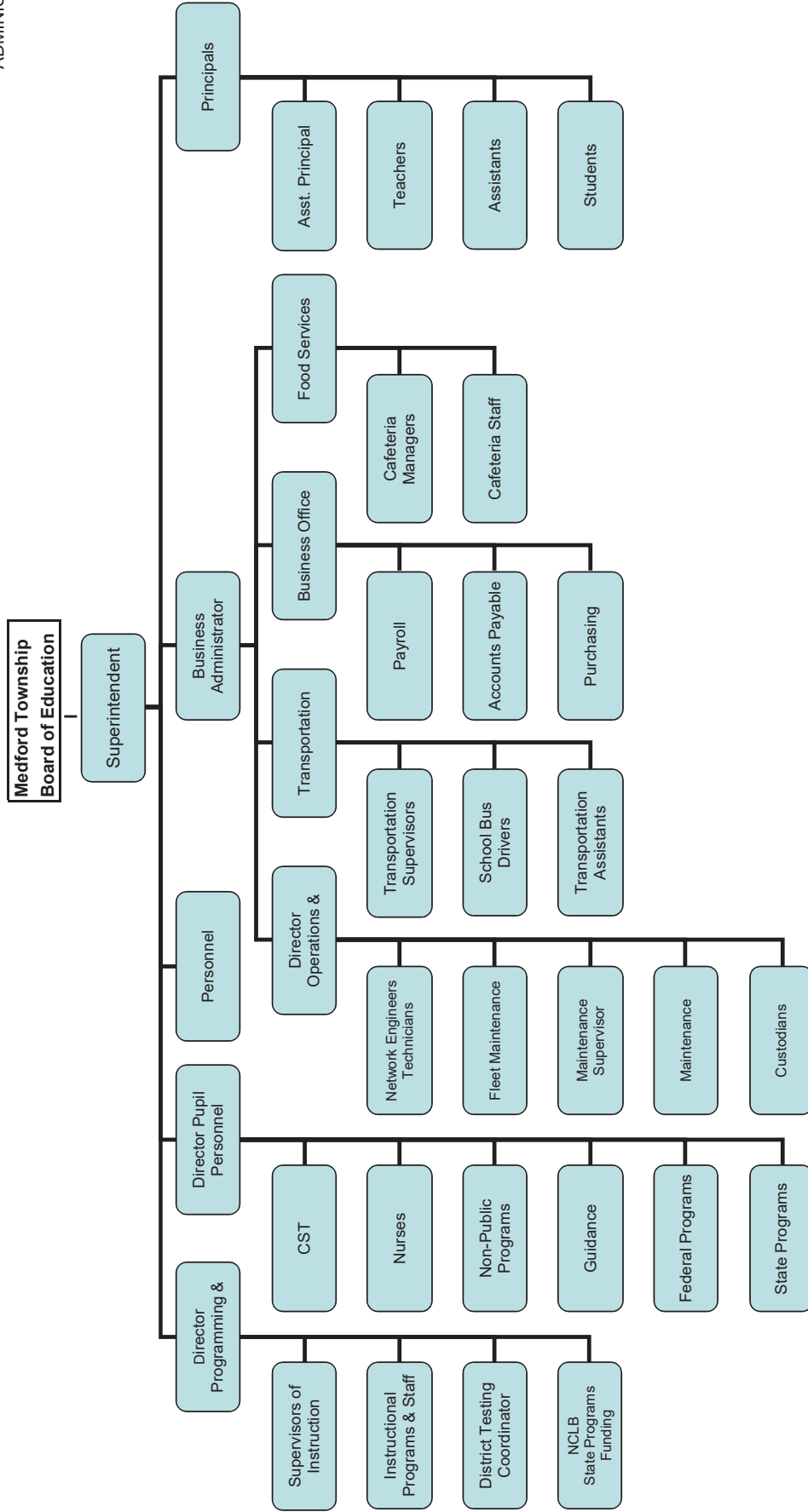
Dr. Joseph J. Del Rossi  
Superintendent



Marie Goodwin,  
Business Administrator/Board Secretary



1110 ORGANIZATIONAL CHART



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**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT**  
Medford, New Jersey

**ROSTER OF OFFICIALS**

**JUNE 30, 2018**

<b>MEMBERS OF THE BOARD OF EDUCATION</b>	<b>TERM EXPIRES</b>
Trudy Cole, President	2020
Dr. Michael Etter, Vice President	2019
David Bermingham	2019
Katherine Busca	2019
Heather Kelcher	2018
Stephen Cappello	2018
Katherine Santamore	2020
Jeffrey Wagner	2018
Jessica Siragusa	2020

**OTHER OFFICIALS**

Dr. Joseph J. Del Rossi, Superintendent of Schools

Marie Goodwin, Business Administrator/Board Secretary

Evanthia DiGangi, Treasurer

Parker McCay, Solicitor

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**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT**  
Medford, New Jersey

**CONSULTANTS AND ADVISORS**

**AUDIT FIRM**

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

**ATTORNEY**

Parker McCay  
3 Greentree Center  
7001 Lincoln Drive, West  
P.O. Box 974  
Marlton, New Jersey 08053

**OFFICIAL DEPOSITORY**

TD Bank  
Medford, New Jersey

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**FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Education  
Medford Township Public School District  
County of Burlington  
Medford, 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 Medford Township Public School District, County of Burlington, State of New Jersey, as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

## **Opinions**

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

## **Emphasis of Matter**

### *Change in Accounting Principle*

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

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Medford Township Public School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and*



*State Aid* are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

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

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Kevin P. Frenia  
Certified Public Accountant  
Public School Accountant, No. 1011

Medford, New Jersey  
February 11, 2019

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**REQUIRED SUPPLEMENTARY INFORMATION - PART I**

Management's Discussion and Analysis

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

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

**Overview of the Basic Financial Statements**

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

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

**Government-Wide Financial Statements**

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

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

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

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

**Fund Financial Statements**

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

*Governmental funds* account for essentially the same information reported in the governmental activities of the government-wide financial statements. However, unlike the government-wide financial statements,

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

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

**Fund Financial Statements (continued)**

the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financial requirements in the near term.

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

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

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

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

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

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

**Notes to the Basic Financial Statements**

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

**Financial Analysis of the School District**

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

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

**Financial Analysis of the School District (continued)**

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

	June 30, <u>2018</u>	June 30, <u>2017</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Current & Other Assets	\$ 7,127,394	\$ 7,127,065	\$ 329	0.0%
Capital Assets, Net	<u>57,267,090</u>	<u>57,406,954</u>	<u>(139,864)</u>	-0.2%
Total Assets	<u>64,394,484</u>	<u>64,534,019</u>	<u>(139,535)</u>	-0.2%
Deferred Outflow of Resources	<u>4,261,429</u>	<u>5,567,392</u>	<u>(1,305,963)</u>	-23.5%
Current and other Liabilities	984,676	1,011,421	(26,745)	-2.6%
Noncurrent Liabilities	<u>35,196,197</u>	<u>40,710,228</u>	<u>(5,514,031)</u>	-13.5%
Total Liabilities	<u>36,180,873</u>	<u>41,721,649</u>	<u>(5,540,776)</u>	-13.3%
Deferred Inflow of Resources	<u>2,722,686</u>	<u>174,351</u>	<u>2,548,335</u>	1461.6%
Net Position:				
Net Investment in Capital Assets	36,941,437	35,005,227	1,936,210	5.5%
Restricted	4,913,874	4,718,068	195,806	4.2%
Unrestricted (Deficit)	<u>(12,102,957)</u>	<u>(11,517,884)</u>	<u>(585,073)</u>	5.1%
Total Net Position	<u>\$ 29,752,354</u>	<u>\$ 28,205,411</u>	<u>\$ 1,546,943</u>	5.5%

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

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

	June 30, <u>2018</u>	June 30, <u>2017</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
<b>Revenues:</b>				
Program Revenues:				
Charges for Services	\$ 677,560	\$ 703,972	\$ (26,412)	-3.8%
Operating Grants & Contributions	17,611,402	6,487,662	11,123,740	171.5%
General Revenues:				
Property Taxes	44,745,931	43,726,288	1,019,643	2.3%
Federal & State Aid	5,045,351	5,020,289	25,062	0.5%
Other General Revenues	<u>828,240</u>	<u>582,016</u>	<u>246,224</u>	42.3%
Total Revenues	<u>68,908,484</u>	<u>56,520,227</u>	<u>12,388,257</u>	21.9%
<b>Function/Program Expenditures:</b>				
Regular Instruction	15,032,487	14,307,032	725,455	5.1%
Special Education Instruction	7,716,671	6,386,063	1,330,608	20.8%
Other Instruction	480,893	635,558	(154,665)	-24.3%
Tuition	1,241,226	1,573,598	(332,372)	-21.1%
Student & Instruction Related Services	4,879,429	5,127,071	(247,642)	-4.8%
General Administrative	4,035,464	3,807,096	228,368	6.0%
School Administrative Services	1,010,071	990,594	19,477	2.0%
Plant Operations & Maintenance	2,353,140	3,373,052	(1,019,912)	-30.2%
Pupil Transportation	2,321,136	3,349,814	(1,028,678)	-30.7%
Unallocated Benefits	14,715,669	8,046,356	6,669,313	82.9%
On Behalf TPAF Pension and Social Security Contributions	10,311,232	5,345,399	4,965,833	92.9%
Special Schools	58,570	86,003	(27,433)	-31.9%
Interest & Other Charges	729,559	438,250	291,309	66.5%
Unallocated Depreciation	1,598,154	1,537,053	61,101	4.0%
Food Service	<u>877,840</u>	<u>876,831</u>	<u>1,009</u>	0.1%
Total Expenditures	<u>67,361,541</u>	<u>55,879,770</u>	<u>11,481,771</u>	20.5%
Change In Net Position	1,546,943	640,457	906,486	141.5%
Net Position - Beginning	<u>28,205,411</u>	<u>27,564,954</u>	<u>640,457</u>	2.3%
Net Position - Ending	<u>\$ 29,752,354</u>	<u>\$ 28,205,411</u>	<u>\$ 1,546,943</u>	5.5%

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

**Governmental Activities**

During the fiscal year 2018, the net position of governmental activities increased by \$1,578,784 or 5.63%. The primary reason for the increase was an increase in property taxes.

The assets and deferred outflows of the primary government activities exceeded liabilities and deferred inflows by \$29,612,504, with an unrestricted deficit balance of \$12,201,410. The deficit in unrestricted net position is primarily due to accounting treatment for compensated absences payable, GASB 68 net pension liability, and the last two state aid payments. In addition, state statutes prohibit school districts from maintaining more than 2% of its adopted budget as unassigned fund balance.

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

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

Unrestricted Net Position (With GASB 68)	\$	(12,201,410)
Add back: PERS Pension Liability		16,298,352
Less: Deferred Outflows related to pensions		(3,641,066)
Add back: Deferred Inflows related to pensions		<u>2,722,686</u>
Unrestricted Net Position (Without GASB 68)	\$	<u>3,178,562</u>

**Business-type Activities**

During the fiscal year 2018, the net position of business-type activities decreased by \$31,841 or 18.54%.

The assets and deferred outflows of the business-type activities exceeded liabilities and deferred inflows by \$139,850.

**General Fund Budgeting Highlights**

Final budgeted revenues was \$47,727,823, which was equal to the original budget. Excluding nonbudgeted revenues, the School District’s budgeted revenues exceeded actual revenues by \$178,575.

Final budgeted appropriations was \$51,311,666, which was an increase of \$368,843 from the original budget. The increase is primarily due to prior year reserve for encumbrances, which increase the budget appropriations in the subsequent fiscal year’s budget. Excluding nonbudgeted revenues, the School District’s budget appropriations exceeded actual expenditures by \$3,235,711.

The School District’s general fund balance – budgetary basis (Exhibit C-1) was \$7,072,998 at June 30, 2018, decrease of \$133,906 from the prior year.



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

**Governmental Funds**

At the end of the current fiscal year, the School District’s governmental funds reported a combined ending fund balance of \$6,859,562, an increase of \$78,083 from the prior year.

*General fund* - During the current fiscal year, the fund balance of the School District’s general fund decreased by \$119,693 or 1.77% to \$6,658,574 at June 30, 2018, compared to an increase of \$172,101 in fund balance in the prior fiscal year. The primary factor(s) affecting the change in fund balance of the general fund is as follows:

- Increase in tax levy in the 2017/2018 school year.

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

*Debt service fund* - During the current fiscal year, the fund balance of the School District’s debt service fund increased by \$196,376 or 6114% to \$199,588 at June 30, 2018, compared to an increase of \$34 in fund balance in the prior fiscal year.

**Proprietary Funds**

*Food service fund* - During the current fiscal year, the net position of the School District’s food service fund decreased by \$31,841 or (18.55%) to \$139,850 at June 30, 2018, compared to an increase of \$31,734 in fund balance in the prior fiscal year. The primary factor affecting the change in net position of the food service fund is as follows:

- Decrease in Non-operating revenues specifically the Food Distribution Program.

**Capital Assets**

The School District’s capital assets for its governmental and business-type activities as of June 30, 2018, totaled \$57,267,090 (net of accumulated depreciation). Capital assets includes land, land improvements, buildings and improvements and equipment. The School Districts “Net Investment in Capital Assets” component of net position represents capital assets, net of accumulated depreciation less any outstanding debt associated with the capital assets. There was a net decrease in the School District’s investment in capital assets for the current fiscal year in the amount of \$139,864. This decrease is primarily due to the current year depreciation of capital assets exceed the pay down of debt or current year construction. Table 4 shows fiscal 2018 balances compared to 2017.

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

<u>Capital Assets (Net of Depreciation):</u>	<u>June 30,</u> <u>2018</u>	<u>June 30,</u> <u>2017</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
Land	\$ 5,114,713	\$ 5,114,713	\$ -	0.0%
Construction in Progress	1,760,673	1,760,673	-	0.0%
Building and Improvements	74,932,121	74,932,121	-	0.0%
Equipment	13,324,667	12,083,635	1,241,032	10.3%
Depreciation Expense	(37,865,084)	(36,484,188)	(1,380,896)	3.8%
	<u>\$ 57,267,090</u>	<u>\$ 57,406,954</u>	<u>\$ (139,864)</u>	<u>-0.2%</u>

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

**Capital Assets (continued)**

Depreciation expense for the year was \$37,865,084. Additional information on the School District's capital assets can be found in the notes to the basic financial statements (Note 5) of this report.

**Debt Administration**

**Long-term debt** – At the end of the current fiscal year, the School District's outstanding debt issues included \$13,595,000 of general obligation bonds, compensation absence liability of \$1,363,240, net pension liability of \$12,886,941, unamortized bond premiums of \$2,067,710 and \$2,744,592 of capital lease obligations.

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

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

- The District anticipates that the approved 2018-2019 budget will be adequate to satisfy all 2018-2019 financial needs, barring any significant unexpected situations or conditions unforeseen at this time.

**Contacting the School Districts Financial Management**

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Administrator/Board Secretary's Office, Medford Township Public School District, 137 Hartford Road, Medford, NJ 08055.

**BASIC FINANCIAL STATEMENTS**

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A. Government-Wide Financial Statements

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

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS - TYPE ACTIVITIES	TOTAL
Cash & Cash Equivalents	\$ 5,541,677	\$ 98,431	\$ 5,640,108
Internal Balances	14,866	(14,866)	-
Receivables, Net (Note 4)	435,525	24,391	459,916
Inventory	-	21,949	21,949
Restricted Assets:			
Restricted Cash & Cash Equivalents	1,005,421	-	1,005,421
Capital Assets:			
Non-Depreciable (Note 5)	6,875,386	-	6,875,386
Depreciable, Net (Note 5)	50,350,307	41,397	50,391,704
<b>Total Assets</b>	<b>64,223,182</b>	<b>171,302</b>	<b>64,394,484</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Deferred Charges on Refunding of Debt	620,363	-	620,363
Deferred Outflows Related to Pensions (Note 8)	3,641,066	-	3,641,066
<b>Total Deferred Outflow of Resources</b>	<b>4,261,429</b>	<b>-</b>	<b>4,261,429</b>
<b>Total Assets and Deferred Outflow of Resources</b>	<b>68,484,611</b>	<b>171,302</b>	<b>68,655,913</b>
<b>LIABILITIES</b>			
Accounts Payable	129,927	-	129,927
Accrued Interest	259,576	-	259,576
Due to Other Governments	555,721	-	555,721
Unearned Revenue	8,000	31,452	39,452
Noncurrent Liabilities (Note 7):			
Due Within One Year	2,777,296	-	2,777,296
Due Beyond One Year	32,418,901	-	32,418,901
<b>Total Liabilities</b>	<b>36,149,421</b>	<b>31,452</b>	<b>36,180,873</b>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred Inflows Related to Pensions (Note 8)	2,722,686	-	2,722,686
<b>Total Deferred Inflow of Resources</b>	<b>2,722,686</b>	<b>-</b>	<b>2,722,686</b>
<b>Total Liabilities and Deferred Inflow of Resources</b>	<b>38,872,107</b>	<b>31,452</b>	<b>38,903,559</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	36,900,040	41,397	36,941,437
Restricted For:			
Debt Service	199,588	-	199,588
Excess Surplus	3,708,865	-	3,708,865
Other Purposes	1,005,421	-	1,005,421
Unrestricted (Deficit)	(12,201,410)	98,453	(12,102,957)
<b>Total Net Position</b>	<b>\$ 29,612,504</b>	<b>\$ 139,850</b>	<b>\$ 29,752,354</b>

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

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:						
Instruction:						
Regular	\$ 15,032,487	\$ -	\$ 892,843	\$ (14,139,644)	\$ -	\$ (14,139,644)
Special Education	7,716,671	-	-	(7,716,671)	-	(7,716,671)
Other Special Instruction	447,364	-	-	(447,364)	-	(447,364)
Other Instruction	33,529	-	-	(33,529)	-	(33,529)
Support Services & Undistributed Costs:						
Tuition	1,241,226	-	-	(1,241,226)	-	(1,241,226)
Attendance & Social Work Services	17,605	-	-	(17,605)	-	(17,605)
Health Services	584,001	-	-	(584,001)	-	(584,001)
Student & Instruction Related Services	2,831,238	-	54,445	(2,776,793)	-	(2,776,793)
Educational Media Services/School Library	698,769	-	-	(698,769)	-	(698,769)
Instructional Staff Training	747,816	-	-	(747,816)	-	(747,816)
School Administrative Services	4,035,464	-	-	(4,035,464)	-	(4,035,464)
Other Administrative Services	1,010,071	-	-	(1,010,071)	-	(1,010,071)
Plant Operations & Maintenance	2,353,140	-	-	(2,353,140)	-	(2,353,140)
Pupil Transportation	2,321,136	-	-	(2,321,136)	-	(2,321,136)
Unallocated Benefits	14,715,669	-	6,184,443	(8,531,226)	-	(8,531,226)
On Behalf TPAF Pension and Social Security Contributions	10,311,232	-	10,311,232	-	-	-
Special Schools	58,570	-	-	(58,570)	-	(58,570)
Interest and Other Charges	684,525	-	-	(684,525)	-	(684,525)
Unallocated Compensated Absences	45,034	-	-	(45,034)	-	(45,034)
Loss on Adjustment to Capital Assets	-	-	-	-	(34,702)	(34,702)
Unallocated Depreciation	1,598,154	-	-	(1,598,154)	-	(1,598,154)
<b>Total Governmental Activities</b>	<b>66,483,701</b>	<b>-</b>	<b>17,442,963</b>	<b>(49,040,738)</b>	<b>(34,702)</b>	<b>(49,075,440)</b>
Business-Type Activities:						
Food Service	843,138	677,560	168,439	-	2,861	2,861
<b>Total Business-Type Activities</b>	<b>843,138</b>	<b>677,560</b>	<b>168,439</b>	<b>-</b>	<b>2,861</b>	<b>2,861</b>
<b>Total Primary Government</b>	<b>\$ 67,326,839</b>	<b>\$ 677,560</b>	<b>\$ 17,611,402</b>	<b>(49,040,738)</b>	<b>(31,841)</b>	<b>(49,072,579)</b>



**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

FUNCTIONS/PROGRAMS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
General Revenues:			
Taxes:			
Property Taxes, Levied for General Purposes	42,127,705	-	42,127,705
Property Taxes Levied for Debt Service	2,618,226	-	2,618,226
Federal & State Aid Not Restricted	5,045,351	-	5,045,351
Tuition - From Individuals	94,561	-	94,561
Tuition - From Other LEAS	31,231	-	31,231
Transportation	119,749	-	119,749
Miscellaneous Income	582,699	-	582,699
Total General Revenues & Transfers	50,619,522	-	50,619,522
Change In Net Position	1,578,784	(31,841)	1,546,943
Net Position - Beginning	28,033,720	171,691	28,205,411
Net Position - Ending	\$ 29,612,504	\$ 139,850	\$ 29,752,354

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## B. Fund Financial Statements

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## Governmental Funds

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

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS
<b>Assets:</b>					
Cash & Cash Equivalents	\$ 5,339,435	\$ 2,654	\$ -	\$ 199,588	\$ 5,541,677
Due From Other Funds	14,866	8,920	1,400	-	25,186
Receivables From Other Governments	332,242	49,100	-	-	381,342
Other Accounts Receivable	47,545	6,638	-	-	54,183
Restricted Cash & Cash Equivalents	1,005,421	-	-	-	1,005,421
<b>Total Assets</b>	<b>\$ 6,739,509</b>	<b>\$ 67,312</b>	<b>\$ 1,400</b>	<b>\$ 199,588</b>	<b>\$ 7,007,809</b>
<b>Liabilities &amp; Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 70,615	\$ -	\$ -	\$ -	\$ 70,615
Intergovernmental - Accounts Payable	-	59,312	-	-	59,312
Interfund Payable	10,320	-	-	-	10,320
Unearned Revenue	-	8,000	-	-	8,000
<b>Total Liabilities</b>	<b>80,935</b>	<b>67,312</b>	<b>-</b>	<b>-</b>	<b>148,247</b>
<b>Fund Balances:</b>					
<b>Restricted for:</b>					
Excess Surplus - Prior Year - Designated for Subsequent Year's Expenditures	1,869,560	-	-	-	1,869,560
Excess Surplus - Current Year	1,839,305	-	-	-	1,839,305
Capital Reserve Account	998,921	-	-	-	998,921
School Bus Advertising 50% Fuel Offset	6,500	-	-	-	6,500
<b>Committed to:</b>					
Capital Projects	-	-	1,400	-	1,400
Debt Service Fund	-	-	-	199,588	199,588
<b>Assigned to:</b>					
Other Purposes	292,497	-	-	-	292,497
Designated by the BOE for Subsequent Year's Expenditures	1,030,440	-	-	-	1,030,440
<b>Unassigned:</b>					
General Fund	621,351	-	-	-	621,351
<b>Total Fund Balances</b>	<b>6,658,574</b>	<b>-</b>	<b>1,400</b>	<b>199,588</b>	<b>6,859,562</b>
<b>Total Liabilities &amp; Fund Balances Balances</b>	<b>\$ 6,739,509</b>	<b>\$ 67,312</b>	<b>\$ 1,400</b>	<b>\$ 199,588</b>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$94,878,274 and the accumulated depreciation is \$37,652,581. ( See Illustrative Note 5)	57,225,693
Deferred loss on refunding of debt is not recorded in the fund financials but is recorded on the government-wide financials.	620,363
Deferred outflows and inflows of resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the funds.	918,380
Accrued pension contributions for the June 30, 2018 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position	(555,721)
Accrued interest payable is not recorded in the fund financial Statements due to the fact that the payable is not due in the current period.	(259,576)
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 ( See Illustrative Note 7)	<u>(35,196,197)</u>
<b>Net Position of Governmental Activities</b>	<b>\$ 29,612,504</b>

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

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

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS	DEBT SERVICE FUND	TOTALS
Revenues:					
Local Sources:					
Local Tax Levy	\$ 42,127,705	\$ -	\$ -	\$ 2,618,226	\$ 44,745,931
Tuition - From Individuals	94,561	-	-	-	94,561
Tuition - From Other LEAS	31,231	-	-	-	31,231
Transportation	119,749	-	-	-	119,749
Miscellaneous	508,978	73,721	-	-	582,699
Total Revenues - Local Sources	<u>42,882,224</u>	<u>73,721</u>	<u>-</u>	<u>2,618,226</u>	<u>45,574,171</u>
State Sources	11,361,216	105,669	-	-	11,466,885
Federal Sources	23,352	767,898	-	-	791,250
Total Revenues	<u>54,266,792</u>	<u>947,288</u>	<u>-</u>	<u>2,618,226</u>	<u>57,832,306</u>
Expenditures:					
Instruction	22,337,208	892,843	-	-	23,230,051
Undistributed Expenditures	30,666,177	54,445	-	-	30,720,622
Capital Outlay	1,759,530	-	213,600	-	1,973,130
Special Schools	58,570	-	-	-	58,570
Debt Service	-	-	-	2,421,850	2,421,850
Total Expenditures	<u>54,821,485</u>	<u>947,288</u>	<u>213,600</u>	<u>2,421,850</u>	<u>58,404,223</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>(554,693)</u>	<u>-</u>	<u>(213,600)</u>	<u>196,376</u>	<u>(571,917)</u>
Other Financing Sources/(Uses):					
Withdrawal from Capital Reserve	(215,000)	-	215,000	-	-
Capital Leases (Nonbudget)	650,000	-	-	-	650,000
Total Other Financing Sources/ (Uses)	<u>435,000</u>	<u>-</u>	<u>215,000</u>	<u>-</u>	<u>650,000</u>
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures	<u>(119,693)</u>	<u>-</u>	<u>1,400</u>	<u>196,376</u>	<u>78,083</u>
Fund Balances July 1	<u>6,778,267</u>	<u>-</u>	<u>-</u>	<u>3,212</u>	<u>6,781,479</u>
Fund Balances June 30	<u>\$ 6,658,574</u>	<u>\$ -</u>	<u>\$ 1,400</u>	<u>\$ 199,588</u>	<u>\$ 6,859,562</u>

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



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

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$	78,083
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the period:</p>		
Depreciation Expense	\$ (1,598,154)	
Capital Outlays	<u>1,449,832</u>	(148,322)
<p>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.</p>		
		1,630,000
<p>Governmental funds report the effect of premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these transactions is as follows:</p>		
Amortization of Premium on Bonds	238,582	
Amortization of Loss on Bond Refunding	<u>(71,580)</u>	167,002
<p>Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.</p>		
		(407,383)
<p>Repayment of capital lease 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.</p>		
		929,072
<p>Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due.</p>		
Prior year	284,942	
Current Year	<u>(259,576)</u>	25,366
<p>Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of activities.</p>		
		(650,000)
<p>Repayment of compensated absences 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.</p>		
		<u>(45,034)</u>
Change in Net Position of Governmental Activities	\$	<u><u>1,578,784</u></u>

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

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## Proprietary Funds

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

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS <hr/> FOOD SERVICE
<b>ASSETS</b>	
Current Assets:	
Cash & Cash Equivalents	\$ 98,431
Due from Other Governments	24,391
Inventories	21,949
	<hr/>
Total Current Assets	144,771
	<hr/>
Capital Assets:	
Equipment	253,900
Less: Accumulated Depreciation	(212,503)
	<hr/>
Total Capital Assets	41,397
	<hr/>
Total Assets	186,168
	<hr/>
<b>LIABILITIES</b>	
Unearned Revenue	31,452
Interfund Payable	14,866
	<hr/>
Total Liabilities	46,318
	<hr/>
<b>NET POSITION</b>	
Net Investment in Capital Assets	41,397
Unrestricted	98,453
	<hr/>
Total Net Position	\$ 139,850
	<hr/> <hr/>

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

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS <hr/> FOOD SERVICE
Operating Revenues:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 362,874
Daily Sales - Nonreimbursable Programs	265,141
Special Functions	<u>49,545</u>
Total Operating Revenues	<u>677,560</u>
Operating Expenses:	
Labor	356,623
Supplies & Materials	43,078
Liability Insurance	12,708
Miscellaneous	158
Management Fee	43,260
Depreciation Expense	12,440
Cost of Sales - Reimbursable	267,087
Cost of Sales - Non Reimbursable	<u>107,784</u>
Total Operating Expenses	<u>843,138</u>
Operating Income/(Loss)	<u>(165,578)</u>
Nonoperating Revenues (Expenses):	
State Sources:	
State School Lunch Program	7,721
Federal Sources:	
National School Lunch Program	96,975
Healthy Hunger-Free Kids Act	9,159
Food Distribution Program	54,584
Gain/(Loss) on Adjustment to Fixed Assets	<u>(34,702)</u>
Total Nonoperating Revenues/(Expenses)	<u>133,737</u>
Change in Net Position	(31,841)
Total Net Position - Beginning	<u>171,691</u>
Total Net Position - Ending	<u><u>\$ 139,850</u></u>

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

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<b>FOOD SERVICE          FUND</b> <hr/> <b>BUSINESS-TYPE          ACTIVITIES -          ENTERPRISE          FUNDS</b>
Cash Flows From Operating Activities:	
Receipts from Customers	\$ 683,839
Payments to Employees	(313,059)
Payments to Suppliers	(528,457)
	<hr/>
Net Cash Provided/(Used) by Operating Activities	(157,677)
	<hr/>
Cash Flows From Noncapital Financing Activities:	
State Sources	6,527
Federal Sources	91,776
	<hr/>
Net Cash Provided/(Used) by Noncapital Financing Activities	98,303
	<hr/>
Net Increase/(Decrease) in Cash & Cash Equivalents	(114,974)
Balances - Beginning of Year	213,405
	<hr/>
Balances - End of Year	\$ 98,431
	<hr/> <hr/>
<b>Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:</b>	
Operating Income/(Loss)	\$ (165,578)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:	
Food Distribution Program	54,584
Depreciation & Net Amortization	12,440
Increase/(Decrease) in Prepaid	(11,020)
(Increase)/Decrease in Inventory	(4,471)
( Increase)/Decrease in Accounts Payable	(49,911)
	<hr/>
Total Adjustments	7,901
	<hr/>
Net Cash Provided/(Used) by Operating Activities	\$ (157,677)
	<hr/> <hr/>

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

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## Fiduciary Fund

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**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**FIDUCIARY FUNDS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**JUNE 30, 2018**

ASSETS	PRIVATE PURPOSE TRUST		AGENCY FUNDS		TOTAL
	UNEMPLOYMENT COMPENSATION TRUST	SCHOLARSHIP FUND	STUDENT ACTIVITY	PAYROLL AGENCY	
Cash & Cash Equivalents	\$ 49,274	\$ 10,161	\$ 268,269	\$ 12,490	\$ 340,194
Total Assets	49,274	10,161	268,269	12,490	340,194
LIABILITIES					
Payroll Deductions & Withholdings	-	-	-	12,490	12,490
Due to Student Groups	-	-	268,269	-	268,269
Total Liabilities	-	-	268,269	12,490	280,759
NET POSITION					
Restricted for Unemployment	49,274	-	-	-	49,274
Held in Trust for Scholarships	-	10,161	-	-	10,161
Total Net Position	\$ 49,274	\$ 10,161	\$ -	\$ -	\$ 59,435

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

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

ADDITIONS	PRIVATE PURPOSE TRUST		TOTALS
	UNEMPLOYMENT COMPENSATION TRUST	SCHOLARSHIP FUND	
Contributions:			
Other	\$ 65,104	\$ -	\$ 65,104
Total Contributions	65,104	-	65,104
Investment Earnings:			
Interest	-	70	70
Net Investment Earnings	-	70	70
Total Additions	65,104	70	65,174
DEDUCTIONS			
Unemployment Claims	28,888	-	28,888
Scholarships	-	100	100
Total Deductions	28,888	100	28,988
Change in Net Position	36,216	(30)	36,186
Net Position - Beginning of the Year	13,058	10,191	23,249
Net Position - End of the Year	\$ 49,274	\$ 10,161	\$ 59,435

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

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

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# MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018

### Note 1. Summary of Significant Accounting Policies

#### **Basis of Presentation**

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

#### **Reporting Entity**

The Medford Township Public School District is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The operations of the District include five elementary schools located in Medford Township. The Medford Township Public School District has an approximate enrollment at June 30, 2018 of 2,719 students.

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

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

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

#### **Component Units**

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

#### **Government-Wide Financial Statements**

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

# MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018 (continued)

### Note 1. Summary of Significant Accounting Policies (continued)

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

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

### Governmental Fund Financial Statements

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

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

### Proprietary Fund Financial Statements

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

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



# MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018 (continued)

### Note 1. Summary of Significant Accounting Policies (continued)

decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

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

### **Fiduciary Fund Financial Statements**

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

## MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018 (continued)

#### Note 1. Summary of Significant Accounting Policies (continued)

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

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

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

The District reports the following major governmental funds:

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

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

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

## MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018 (continued)

#### Note 1. Summary of Significant Accounting Policies (continued)

**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).

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

The District reports the following major proprietary funds:

**Food Service Fund** – This fund accounts for the revenues and expenses pertaining to the District’s cafeteria operations.

Additionally, the District reports the following major fiduciary funds:

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

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

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

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

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

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so

# MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018 (continued)

### Note 1. Summary of Significant Accounting Policies (continued)

that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

#### **Budgets/Budgetary Control**

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

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

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

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

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

#### **Encumbrances**

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

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018 (continued)**

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

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

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

**Cash and Cash Equivalents**

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

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

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

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

**Tuition Payable/Receivable**

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

**Inventories**

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

**Interfund Receivables/Payables**

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year. The amounts are eliminated in the governmental and business-type activities, which are presented as Internal Balances.

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018 (continued)**

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

Balances with fiduciary funds are not considered Internal Balances; therefore those balances are reported on the Statement of Net Position.

**Capital Assets**

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

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

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

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

**Compensated Absences**

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

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

**Unearned Revenue**

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

**Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, government fund payables and

## MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018 (continued)

#### Note 1. Summary of Significant Accounting Policies (continued)

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

#### Accounting Estimates

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

#### Interfund Activity

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

#### Fund Balance

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

- Non-spendable – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2018.

## MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018 (continued)

#### Note 1. Summary of Significant Accounting Policies (continued)

- Assigned – This classification includes amounts that are constrained by the School District’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

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

#### Net Position

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

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

#### Impact of Recently Issued Accounting Principles

##### Adopted Accounting Pronouncements

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

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



**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018 (continued)**

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

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

Recently Issued Accounting Pronouncements

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

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

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

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

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

**Bond Premiums, Discounts and Issuance Costs**

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

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018 (continued)**

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

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

**Deferred Loss on Refunding Debt**

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

**Deferred Outflows and Deferred Inflows of Resources**

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

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

**Pensions**

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

**Note 2. Deposits and Investments**

**Deposits**

**Custodial Credit Risk** – Custodial credit risk is the risk that, in the event of a bank failure, the Board's deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2018, the District's bank balance of \$8 was exposed to custodial credit risk as follows:

MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018 (continued)

Note 2. Deposits and Investments (continued)

Insured under FDIC and GUDPA	\$ 7,639,763
Uninsured and Uncollateralized	<u>448,830</u>
	<u>\$ 8,088,593</u>

**Investments**

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

Note 3. Reserve Accounts

**Capital Reserve**

A capital reserve account was established by the School District by the inclusion of \$300,000 in June of 2011 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

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

Beginning Balance, July 1, 2017	\$ 1,012,921
Increased by:	
Interest Earnings	1,000
Deposits approved by Board	<u>200,000</u>
	1,213,921
Decreased by:	
Budget Withdrawals	<u>(215,000)</u>
Ending Balance, June 30, 2018	<u>\$ 998,921</u>

The June 30, 2018 LRFP balance of local support costs of uncompleted capital projects at June 30, 2018 is \$23,410,448.

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018 (continued)**

**Note 4. Accounts Receivable**

Accounts receivable at June 30, 2018 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state and federal programs, the current fiscal year guarantee of federal funds and the budgetary control of New Jersey governmental entities. Accounts receivable in the School District's governmental and business-type activities as of June 30, 2018, consisted of the following:

<u>Description</u>	<u>Governmental Funds</u>			<u>Proprietary Funds</u>	
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Activities</u>	<u>Food Service Fund</u>	<u>Total Business-Type Activities</u>
Federal Awards	\$ -	\$ 49,100	\$ 49,100	\$ 22,718	\$ 22,718
State Awards	332,242	-	332,242	1,673	1,673
Other	47,545	6,638	54,183	-	-
<b>Total</b>	<b>\$ 379,787</b>	<b>\$ 55,738</b>	<b>\$ 435,525</b>	<b>\$ 24,391</b>	<b>\$ 24,391</b>

**Note 5. Capital Assets**

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

	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	<u>Balance June 30, 2018</u>
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 5,114,713	\$ -	\$ -	\$ 5,114,713
Construction in Progress	1,760,673	-	-	1,760,673
<b>Total Capital Assets not being depreciated</b>	<b>6,875,386</b>	<b>-</b>	<b>-</b>	<b>6,875,386</b>
Capital Assets being depreciated:				
Land Improvements	21,998,803	-	-	21,998,803
Buildings and Improvements	52,933,318	-	-	52,933,318
Equipment	11,859,735	1,449,832	(238,800)	13,070,767
<b>Total Capital Assets being depreciated</b>	<b>86,791,856</b>	<b>1,449,832</b>	<b>(238,800)</b>	<b>88,002,888</b>
Less: Accumulated Depreciation:				
Land Improvements	(10,116,456)	(314,255)	-	(10,430,711)
Buildings and Improvements	(19,609,234)	(1,032,083)	-	(20,641,317)
Equipment	(6,567,537)	(251,816)	238,800	(6,580,553)
<b>Total Accumulated Depreciation</b>	<b>(36,293,227)</b>	<b>(1,598,154)</b>	<b>238,800</b>	<b>(37,652,581)</b>
<b>Total Capital Assets being depreciated, net</b>	<b>50,498,629</b>	<b>(148,322)</b>	<b>-</b>	<b>50,350,307</b>
<b>Total Governmental Activities Capital Assets, net</b>	<b>\$ 57,374,015</b>	<b>\$ (148,322)</b>	<b>\$ -</b>	<b>\$ 57,225,693</b>

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018 (continued)**

**Note 5. Capital Assets (continued)**

	<b>Balance July 1, 2017</b>	<b>Additions</b>	<b>Retirements and Transfers</b>	<b>Balance June 30, 2018</b>
<b>Business-Type Activities:</b>				
Equipment	\$ 223,900	\$ 55,600	\$ (25,600)	\$ 253,900
Total Capital Assets being depreciated	<u>223,900</u>	<u>55,600</u>	<u>(25,600)</u>	<u>253,900</u>
Less: Accumulated Depreciation:				
Equipment	(190,961)	(12,440)	(9,102)	(212,503)
Total Capital Assets being depreciated, net	<u>(190,961)</u>	<u>(12,440)</u>	<u>(9,102)</u>	<u>(212,503)</u>
Total Business-Type Activities Capital Assets, net	<u>\$ 32,939</u>	<u>\$ 43,160</u>	<u>\$ (34,702)</u>	<u>\$ 41,397</u>

Depreciation expense was not allocated among the various functions/programs of the School District.

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

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

<b><u>Fund</u></b>	<b><u>Interfund Receivables</u></b>	<b><u>Interfund Payables</u></b>
General Fund	\$ 14,866	\$ 8,920
Special Revenue Fund	8,920	-
Food Service Fund	<u>-</u>	<u>14,866</u>
	<u>\$ 23,786</u>	<u>\$ 23,786</u>

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

There were no interund transfers during the fiscal year.

**Note 7. Long-Term Obligations**

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

	<b>Balance July 1, 2017</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance June 30, 2018</b>	<b>Balance Due Within One Year</b>
<b>Governmental Activities:</b>					
General Obligation Bonds	\$ 16,885,000	\$ -	\$ 1,630,000	\$ 15,255,000	\$ 1,660,000
Capital Leases	3,902,378	650,000	929,072	3,623,306	878,714
Compensated Absences	1,318,206	45,034	-	1,363,240	-
Net Pension Liability	16,298,352	-	3,411,411	12,886,941	-
Bond Premiums	2,306,292	-	238,582	2,067,710	238,582
	<u>\$ 40,710,228</u>	<u>\$ 695,034</u>	<u>\$ 6,209,065</u>	<u>\$ 35,196,197</u>	<u>\$ 2,777,296</u>

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018 (continued)**

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

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

**Bonds Payable**

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

On December 16, 2015, the School District issued \$18,715,000 of Refunding Bonds to refund the callable portion of the outstanding 22,785,000 Bond Issue. The Refunding Bonds generated \$2,217,689 in gross debt service savings and an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$1,943,911, or a net annual present value savings of 9.33%. The Refunding Bonds were issued at interest rates varying from 4.625% to 5.00% and mature on March 1, 2027.

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

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 1,660,000	\$ 726,650	\$ 2,386,650
2020	1,740,000	660,250	2,400,250
2021	1,735,000	573,250	2,308,250
2022	1,710,000	506,000	2,216,000
2023	1,705,000	420,500	2,125,500
2023-2027	6,705,000	834,750	7,539,750
	<u>\$ 15,255,000</u>	<u>\$ 3,721,400</u>	<u>\$ 18,976,400</u>

**Capital Lease Payable**

On April 22, 2014, the School District entered into a lease purchase agreement in the amount of \$1,200,000 for various capital improvements. The lease obligation was issued at an interest rate of 1.63% and matures on March 15, 2019.

On July 1, 2014, the School District entered into a lease purchase agreement in the amount of \$426,119 for five passenger buses. The lease obligation was issued at an interest rate of 1.31% and matures on July 1, 2018.

On July 15, 2014, the School District entered into a lease purchase agreement in the amount of \$326,058 for copiers. The lease obligation was issued at an interest rate of 3.40% and matures on June 15, 2019.

On August 7, 2015, the School District entered into a lease purchase agreement in the amount of \$525,028 for passenger buses. The lease obligation was issued at an interest rate of 1.57% and matures on September 1, 2019.

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018 (continued)**

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

On October 29, 2015, the School District entered into a lease purchase agreement in the amount of \$2,460,940 for an energy savings improvement program. The lease obligation was issued at an interest rate of 2.48% and matures on June 30, 2031.

On June 10, 2016, the School District entered into a lease purchase agreement in the amount of \$320,000 for five passenger buses. The lease obligation was issued at an interest rate of 2.08% and matures on September 1, 2020.

On September 1, 2016, the School District entered into a lease purchase agreement in the amount of \$250,000 for Chromebooks. The lease obligation was issued at an interest rate of 1.969% and matures on September 1, 2020.

On July 6, 2017, the School District entered into a lease purchase agreement in the amount of \$250,000 for Chromebooks. The lease obligation was issued at an interest rate of 1.850% and matures on September 1, 2021.

On July 6, 2017, the School District entered into a lease purchase agreement in the amount of \$400,000 for two buses. The lease obligation was issued at an interest rate of 1.850% and matures on September 1, 2021.

The future minimum lease payments for these leases are as follows:

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 878,714	\$ 76,794	\$ 955,508
2020	492,224	60,727	552,951
2021	389,404	51,674	441,078
2022	271,043	51,556	322,599
2023	149,949	36,289	186,238
2024-2028	844,820	110,178	954,998
2029-2031	597,151	44,068	641,219
	<u>\$ 3,623,305</u>	<u>\$ 431,286</u>	<u>\$ 4,054,591</u>

**Operating Lease Payable**

At June 30, 2018, the School District had operating lease agreements in effect for copiers and the Board of Education building office lease at 137 Hartford Road, Medford, NJ. Total operating lease payments made during the year ended June 30, 2018 was \$450,642. The following is a schedule of the remaining future minimum lease payments under these operating leases.

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018 (continued)**

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

	Fiscal Year Ending <u>June 30,</u>	<u>Amount</u>
	2019	\$ 450,642
	2020	450,642
	2021	419,666
	2022	419,666
	2023	411,299
	2024-2028	2,118,214
	2029-3033	<u>1,892,072</u>
Total Minimum Lease Payments Required		6,162,201
Less: Amount Representing Interest		<u>(10,919)</u>
Present Value of Minimum of Lease Payments		<u>\$ 1,740,616</u>

**Bonds Authorized but not Issued**

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

**Note 8. Pension Plans**

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

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

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

The following represents the membership tiers for PERS:

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



**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018 (continued)**

**Note 8. Pension Plans (continued)**

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

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

**Contributions** - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability.

Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2017, the State's pension contribution was less than the actuarial determined amount.

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

**Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources** - At June 30, 2018, the School District reported a liability of \$12,886,941 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2016, to the measurement date of June 30, 2017. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2017. The School District's proportion measured as of June 30, 2017, was .05536%, which was an increase of .000329% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the School District recognized full accrual pension expense of \$920,230 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2017 measurement date. At June 30, 2018 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018 (continued)**

**Note 8. Pension Plans (continued)**

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 303,443	\$ -
Changes of Assumptions	2,596,275	2,586,756
Net Difference between Projected and Actual Earnings on Pension Plan Investments	87,751	-
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	97,876	135,930
School District contributions subsequent to measurement date	<u>555,721</u>	<u>-</u>
	<u>\$ 3,641,066</u>	<u>\$ 2,722,686</u>

\$555,721 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2017-2018 total salaries for PERS employees multiplied by an employer pension contribution rate of 13.37%. The payable is due on April 1, 2019 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2019	\$ 294,013
2020	450,528
2021	259,246
2022	(376,667)
2023	<u>(264,461)</u>
	<u>\$ 362,659</u>

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018 (continued)**

**Note 8. Pension Plans (continued)**

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

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

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

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

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

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018 (continued)**

**Note 8. Pension Plans (continued)**

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

Inflation	2.25%
Salary Increases:	
Through 2026	1.65% - 4.15% Based on Age
Thereafter	2.65% - 5.15% Based on Age
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	
Study upon which Actuarial	
Assumptions were Based	July 1, 2011 - June 30, 2014

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

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

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

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018 (continued)**

**Note 8. Pension Plans (continued)**

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	<hr style="width: 100%; border: 0.5px solid black;"/>	
	100.00%	
	<hr style="width: 100%; border: 0.5px solid black;"/>	

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

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

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018 (continued)**

**Note 8. Pension Plans (continued)**

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

	<b>1% Decrease <u>(4.00%)</u></b>	<b>Current Discount Rate <u>(5.00%)</u></b>	<b>1% Increase <u>(6.00%)</u></b>
District's Proportionate Share of the Net Pension Liability	<u>\$ 15,987,125</u>	<u>\$ 12,886,941</u>	<u>\$ 10,304,104</u>

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

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

	<u>6/30/2018</u>	<u>6/30/2017</u>
Actuarial valuation date (including roll forward)	June 30, 2017	June 30, 2016
Deferred Outflows of Resources	\$ 3,085,345	\$ 4,355,804
Deferred Inflows of Resources	2,722,686	174,351
Net Pension Liability	12,886,941	16,298,352
District's portion of the Plan's total net pension Liability	0.05536%	0.05503%

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

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

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

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018 (continued)**

**Note 8. Pension Plans (continued)**

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

The following represents the membership tiers for TPAF:

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

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

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

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

**Pension Liability and Pension Expense** - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2017 was \$126,363,955. The School District's proportionate share was \$0.

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

MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018 (continued)

Note 8. Pension Plans (continued)

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

the TPAF net pension liability attributable to the School District was .18741%, which was a decrease of .00709% from its proportion measured as of June 30, 2016.

For the fiscal year ended June 30, 2018, the School District recognized \$2,885,880 in on-behalf pension expense and revenue in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2017 measurement date.

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

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

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

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

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



**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018 (continued)**

**Note 8. Pension Plans (continued)**

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	<hr style="width: 100%; border: 0.5px solid black;"/>	
	100.00%	

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

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

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018 (continued)**

**Note 8. Pension Plans (continued)**

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

	<b>1% Decrease <u>(3.25%)</u></b>	<b>Current Discount Rate <u>(4.25%)</u></b>	<b>1% Increase <u>(5.25%)</u></b>
District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the District	<u>150,124,342</u>	<u>126,363,955</u>	<u>106,790,045</u>
	<u>\$ 150,124,342</u>	<u>\$ 126,363,955</u>	<u>\$ 106,790,045</u>

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

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

	<u>6/30/2018</u>	<u>6/30/2017</u>
Collective Deferred Outflows of Resources	\$ 14,353,461,035	\$ 17,581,004,496
Collective Deferred Inflows of Resources	11,992,821,439	300,836,088
Collective Net Pension Liability	67,670,209,171	79,028,907,033
School District's portion	0.03749%	0.03432%

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

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

## MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018 (continued)

#### Note 8. Pension Plans (continued)

##### C. Defined Contribution Plan (DCRP) (continued)

Individuals eligible for membership in the DCRP include:

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

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

For the year ended June 30, 2018, employee contributions totaled \$30,684 and the District recognized pension expense of \$17,954.

#### Note 9. Other Post-Retirement Benefits

##### General Information about the OPEB Plan

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

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018 (continued)**

**Note 9. Other Post-Retirement Benefits (continued):**

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

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

**Basis of Presentation**

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

**Total Nonemployer OPEB Liability**

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

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

## MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018 (continued)

#### **Note 9. Other Post-Retirement Benefits (continued):**

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

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

**OPEB Obligation and OPEB Expense** - The State's proportionate share of the total Other Post Employment Benefits Obligations, attributable to the School District as of June 30, 2017 was \$114,412,356. The School District's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2017, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The State's proportionate share of the OPEB Obligation associated with the District was based on projection of the State's long-term contributions to the OPEB plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2017, the State proportionate share of the OPEB Obligation attributable to the School District was 0.2132973403%, which was a decrease of 0.0014315839% from its proportion measured as of June 30, 2016.

For the fiscal year ended June 30, 2018, the State of New Jersey recognized an OPEB expense in the amount of \$2,657,450 for the State's proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2017 measurement date.

#### **Health Care Trend Assumptions**

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

#### **Discount Rate**

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

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018 (continued)**

**Note 9. Other Post-Retirement Benefits (continued):**

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

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

	<b>June 30, 2017</b>		
	At 1% Decrease (2.58%)	At Discount Rate (3.58%)	At 1% Increase (4.58%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 135,815,721.00	\$ 114,412,356.00	\$ 97,435,003.46
State of New Jersey's Total Nonemployer OPEB Liability	\$ 63,674,362,200.00	\$ 53,639,841,858.00	\$ 45,680,364,953.00
	<b>June 30, 2016</b>		
	At 1% Decrease (1.85%)	At Discount Rate (2.85%)	At 1% Increase (3.85%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 148,772,154.54	\$ 124,181,568.00	\$ 104,825,624.45
State of New Jersey's Total Nonemployer OPEB Liability	\$ 69,283,705,084.00	\$ 57,831,784,184.00	\$ 48,817,654,566.00

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

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

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018 (continued)**

**Note 9. Other Post-Retirement Benefits (continued):**

	<b>June 30, 2017</b>		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 94,093,102.56	\$ 114,412,356.00	\$ 141,396,085.48
State of New Jersey's Total Nonemployer OPEB Liability	\$ 44,113,584,560.00	\$ 53,639,841,858.00	\$ 66,290,599,457.00
	<b>June 30, 2016</b>		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 101,894,434.20	\$ 124,181,568.00	\$ 153,977,342.32
State of New Jersey's Total Nonemployer OPEB Liability	\$ 47,452,589,164.00	\$ 57,831,784,184.00	\$ 71,707,778,970.00

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

**Additional Information**

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

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

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

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018 (continued)**

**Note 9. Other Post-Retirement Benefits (continued):**

Fiscal Year Ending June 30,		
2018	\$	(742,830,097)
2019		(742,830,097)
2020		(742,830,097)
2021		(742,830,097)
2022		(742,830,097)
Thereafter		<u>(2,629,618,547)</u>
	\$	<u><u>(6,343,769,032)</u></u>

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

**Plan Membership**

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

	<u>June 30, 2016</u>
Active Plan Members	223,747
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	<u>142,331</u>
	<u><u>366,078</u></u>

**Changes in the Total OPEB Liability**

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

<b>Total OPEB Liability</b>		
Service Cost	\$	2,391,878,884
Interest Cost		1,699,441,736
Changes of Assumptions		(7,086,599,129)
Contributions: Member		45,748,749
Gross Benefit Payments		<u>(1,242,412,566)</u>
Net Change in Total OPEB Liability		(4,191,942,326)
Total OPEB Liability (Beginning)		<u>57,831,784,184</u>
Total OPEB Liability (Ending)	\$	<u><u>53,639,841,858</u></u>
Total Covered Employee Payroll		13,493,400,208
Net OPEB Liability as a Percentage of Payroll		398%



**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018 (continued)**

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

As previously mentioned, the School District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers’ Pension and Annuity Fund (TPAF) pension plan. The School District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2018, the on-behalf payments for pension, social security, post-retirement medical costs, and long-term disability were \$2,885,880, \$1,557,337, \$1,863,928 and \$3,345, respectively.

**Note 11. Risk Management**

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

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

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017-2018	\$ 65,104	\$ 28,888	\$ 49,274
2016-2017	16,800	35,607	13,058
2015-2016	39,428	20,594	31,865

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

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

Property – Blanket Building & Grounds	General & Automobile Liability
Environmental Impairment Liability	Workers’ Compensation
School Board Legal Liability	Excess Liability
Employers Liability	Comprehensive Crime Coverage

**Note 12. Contingencies**

**State and Federal Grantor Agencies** - The School District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the School District has not complied with the rules and regulations governing the grants,

## MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018 (continued)

#### **Note 12. Contingencies (continued):**

refunds of any money received may be required and the collectability of any related receivable at June 30, 2018 may be impaired. In the opinion of the School District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

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

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

#### **Note 13. Deferred Compensation**

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

Lincoln Investment Planning  
Prudential  
AFLAC

#### **Note 14. Compensated Absences**

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

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

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. At June 30, 2018, the liability for compensated absences reported on the government-wide Statement of Net Position was \$1,363,240.

#### **Note 15. Tax Abatements**

As defined by the Governmental Accounting Standards Board (GASB) Statement No. 77, a tax abatement is an agreement between a government and an individual or entity in which the government promises to

## MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT

### NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018 (continued)

#### **Note 15. Tax Abatements (continued):**

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

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

#### **Note 16. Commitments**

The School District has no contractual commitments at June 30, 2018.

#### **Note 17. Calculation of Excess Surplus**

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2018 was \$1,839,305.

#### **Note 18. Fund Balances**

**General Fund** – Of the \$6,658,574 General Fund fund balance at June 30, 2018, \$998,921 has been restricted for the Capital Reserve Account; \$1,839,305 has been restricted for current year excess surplus; \$6,500 has been restricted for school bus advertising 50% fuel offset; \$1,869,560 is restricted for prior year excess surplus – designated for subsequent year's expenditures; \$1,030,440 has been assigned and included as anticipated revenue for the year ending June 30, 2018; \$292,497 has been assigned for other purposes and \$621,351 has been unassigned.

**Debt Service Fund** – Of the \$199,588 Debt Service Fund fund balance at June 30, 2018, \$199,588 is restricted for future debt service payments.

#### **Note 19. Deficit in Net Position**

**Unrestricted Net Position** – The School District governmental activities had a deficit in unrestricted net position in the amount of \$12,201,410 at June 30, 2018. The primary causes of this deficit is the School District not recognizing the receivable for the last two state aid payments and the recording of the net pension liability for the Public Employee's Retirement System (PERS) as of June 30, 2018. This deficit in unrestricted net position for governmental activities does not indicate that the School District is facing financial difficulties.

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018 (continued)**

**Note 20. Subsequent Events**

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2018 and February 11, 2019, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items have come to the attention of the School District that would require disclosure.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

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### C. Budgetary Comparison Schedules

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**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE**

ACCOUNT NUMBER	JUNE 30, 2018				POSITIVE (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
<b>Revenues:</b>						
Local Sources:						
Local Tax Levy	10-1210	\$ 42,127,705	\$ -	\$ 42,127,705	\$ 42,127,705	\$ -
Tuition - From Individuals	10-1310	-	-	-	94,561	94,561
Tuition - From Other LEAS	10-1320	-	-	-	31,231	31,231
Transportation Fees From Individuals	10-1410	-	-	-	37,815	37,815
Transportation Fee from Other LEAs	10-1420	-	-	-	81,934	81,934
Rent and Royalties	10-1910	-	-	-	835	835
Miscellaneous	10-1990	587,000	-	587,000	494,143	(92,857)
Advertising Fees- School Busses	10-1992	13,000	-	13,000	13,000	-
Interest Earned on Capital Reserve	10-1xxx	1,000	-	1,000	1,000	-
<b>Total Local Sources</b>		<b>42,728,705</b>	<b>-</b>	<b>42,728,705</b>	<b>42,882,224</b>	<b>153,519</b>
State Sources:						
Categorical Special Education Aid	10-3132	1,680,355	-	1,680,355	1,680,355	-
Equalization Aid	10-3176	2,700,883	-	2,700,883	2,700,883	-
Security Aid	10-3177	78,003	-	78,003	78,003	-
Categorical Transportation Aid	10-3121	230,547	-	230,547	230,547	-
Extraordinary Aid	10-3131	200,000	-	200,000	225,056	25,056
PARCC Readiness Aid	10-3181	26,465	-	26,465	26,465	-
Per Pupil Growth Aid	10-3182	26,465	-	26,465	26,465	-
Professional Learning Community Aid	10-3183	26,390	-	26,390	26,390	-
Lead Testing	10-3XXX	-	-	-	10,409	10,409
Non Public Transportation	10-3XXX	-	-	-	31,900	31,900
Nonbudgeted:						
On-Behalf TPAF Medical Contributions		-	-	-	1,863,928	1,863,928
On-Behalf TPAF Pension Contributions		-	-	-	2,885,880	2,885,880
On-Behalf TPAF Long-Term Disability Contributions		-	-	-	3,345	3,345
Reimbursed TPAF Social Security Contributions		-	-	-	1,557,377	1,557,377
<b>Total State Sources</b>		<b>4,969,108</b>	<b>-</b>	<b>4,969,108</b>	<b>11,347,003</b>	<b>6,377,895</b>
Federal Sources:						
Medicare Reimbursement	10-4200	30,010	-	30,010	23,352	(6,658)
<b>Total Federal Sources</b>		<b>30,010</b>	<b>-</b>	<b>30,010</b>	<b>23,352</b>	<b>(6,658)</b>
<b>Total Revenues</b>		<b>47,727,823</b>	<b>-</b>	<b>47,727,823</b>	<b>54,252,579</b>	<b>6,524,756</b>
<b>Current Expense:</b>						
Instruction - Regular Programs:						
Salaries of Teachers:						
Preschool/Kindergarten	11-110-100-101	739,617	6,865	746,482	746,482	-
Grades 1 - 5	11-120-100-101	7,862,443	(21,881)	7,840,562	7,199,542	641,020
Grades 6 - 8	11-130-100-101	5,017,049	13,622	5,030,671	4,944,030	86,641
Home Instruction:						
Salaries of Teachers	11-150-100-101	1,020	1,395	2,415	2,415	-
Regular Programs - Undistributed Instruction:						
Other Salaries for Instruction	11-190-100-106	95,886	-	95,886	85,365	10,521
Purchased Professional -						
Educational Services	11-190-100-320	207,424	-	207,424	207,052	372
Other Purchased Services	11-190-100-500	159,540	46,750	206,290	195,942	10,348
General Supplies	11-190-100-610	712,088	11,592	723,680	625,065	98,615
Textbooks	11-190-100-640	-	70,144	70,144	69,800	344
Other Objects	11-190-100-800	93,752	(23,376)	70,376	63,951	6,425
<b>Total Regular Programs</b>		<b>14,888,819</b>	<b>105,111</b>	<b>14,993,930</b>	<b>14,139,644</b>	<b>854,286</b>
Special Education:						
Learning and/or Language Disabilities:						
Salaries of Teachers	11-204-100-101	1,653,661	(769,390)	884,271	805,714	78,557
Purchased Professional - Educational Services	11-204-100-320	713,131	-	713,131	713,131	-
<b>Total Learning and/or Language Disabilities</b>		<b>2,366,792</b>	<b>(769,390)</b>	<b>1,597,402</b>	<b>1,518,845</b>	<b>78,557</b>
Multiple Disabilities:						
Salaries of Teachers	11-212-100-101	572,030	(160,806)	411,224	409,855	1,369
Purchased Professional - Educational Services	11-212-100-320	713,131	414	713,545	713,545	-
<b>Total Multiple Disabilities:</b>		<b>1,285,161</b>	<b>(160,392)</b>	<b>1,124,769</b>	<b>1,123,400</b>	<b>1,369</b>

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE**

	ACCOUNT NUMBER	JUNE 30, 2018			ACTUAL	POSITIVE (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
<b>Resource Room:</b>						
Salaries of Teachers	11-213-100-101	2,115,403	768,976	2,884,379	2,884,339	40
Purchased Professional - Educational Services	11-213-100-320	1,588,431	290,806	1,879,237	1,839,662	39,575
General Supplies	11-213-000-610	1,500	(10)	1,490	1,490	-
<b>Total Resource Room</b>		<b>3,705,334</b>	<b>1,059,772</b>	<b>4,765,106</b>	<b>4,725,491</b>	<b>39,615</b>
<b>Preschool Handicapped - Part-Time:</b>						
Salaries of Teachers	11-215-100-101	257,507	-	257,507	207,764	49,743
Purchased Professional - Educational Services	11-215-100-320	135,000	-	135,000	135,000	-
General Supplies	11-215-100-600	7,700	(1,200)	6,500	6,171	329
<b>Total Preschool Handicapped -Part-Time</b>		<b>400,207</b>	<b>(1,200)</b>	<b>399,007</b>	<b>348,935</b>	<b>50,072</b>
<b>Home Instruction:</b>						
General Supplies	11-216-100-600	-	1,200	1,200	-	1,200
<b>Total Home Instruction</b>		<b>-</b>	<b>1,200</b>	<b>1,200</b>	<b>-</b>	<b>1,200</b>
<b>Total Special Education</b>		<b>7,757,494</b>	<b>129,990</b>	<b>7,887,484</b>	<b>7,716,671</b>	<b>170,813</b>
<b>Basic Skills/Remedial:</b>						
Salaries of Teachers	11-230-100-101	467,614	-	467,614	441,146	26,468
General Supplies	11-230-100-610	6,750	102	6,852	6,218	634
<b>Total Basic Skills/Remedial</b>		<b>474,364</b>	<b>102</b>	<b>474,466</b>	<b>447,364</b>	<b>27,102</b>
<b>School Sponsored Cocurricular Activities:</b>						
Salaries	11-401-100-100	25,000	(903)	24,097	4,206	19,891
Supplies and Materials	11-401-100-600	4,000	2,941	6,941	5,503	1,438
<b>Total School Sponsored Cocurricular Activities</b>		<b>29,000</b>	<b>2,038</b>	<b>31,038</b>	<b>9,709</b>	<b>21,329</b>
<b>School Sponsored Athletics - Instruction:</b>						
Salaries	11-402-100-100	40,000	-	40,000	-	40,000
Purchased Services	11-402-100-500	10,000	-	10,000	6,781	3,219
Supplies and Materials	11-402-100-600	14,000	-	14,000	13,945	55
<b>Total School Sponsored Athletics - Instruction</b>		<b>64,000</b>	<b>-</b>	<b>64,000</b>	<b>20,726</b>	<b>43,274</b>
<b>Other Instructional Programs</b>						
Salaries	11-4xx-100-100	10,641	-	10,641	-	10,641
Supplies and Materials	11-4xx-100-600	7,100	-	7,100	3,094	4,006
<b>Total Other Instructional Programs</b>		<b>17,741</b>	<b>-</b>	<b>17,741</b>	<b>3,094</b>	<b>14,647</b>
<b>Total - Instruction</b>		<b>23,231,418</b>	<b>237,241</b>	<b>23,468,659</b>	<b>22,337,208</b>	<b>1,131,451</b>
<b>Undistributed Expenditures:</b>						
<b>Tuition</b>						
Tuition to Other LEA'S Within State - Special	11-000-100-562	86,606	4,700	91,306	67,265	24,041
Tuition to CSSD & Regular Day Schools	11-000-100-565	405,290	134,065	539,355	539,355	-
Tuition to Private School for Handicapped - State	11-000-100-566	785,505	(170,765)	614,740	603,952	10,788
Tuition - Other	11-000-100-569	-	32,000	32,000	30,654	1,346
<b>Total Tuition</b>		<b>1,277,401</b>	<b>-</b>	<b>1,277,401</b>	<b>1,241,226</b>	<b>36,175</b>
<b>Attendance &amp; Social Work Services:</b>						
Salaries	11-000-211-100	17,605	-	17,605	17,605	-
<b>Total Attendance &amp; Social Work Services</b>		<b>17,605</b>	<b>-</b>	<b>17,605</b>	<b>17,605</b>	<b>-</b>
<b>Health Services:</b>						
Salaries	11-000-213-100	566,270	9,464	575,734	569,563	6,171
Purchased Professional & Technical Services	11-000-213-300	700	-	700	595	105
Other Purchased Services	11-000-213-500	2,600	-	2,600	818	1,782
Supplies and Materials	11-000-213-600	10,000	4,000	14,000	13,025	975
<b>Total Health Services</b>		<b>579,570</b>	<b>13,464</b>	<b>593,034</b>	<b>584,001</b>	<b>9,033</b>

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE**

ACCOUNT NUMBER	JUNE 30, 2018			ACTUAL	POSITIVE (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET			
Other Support Services - Students - Related Services:						
Salaries	11-000-216-100	597,010	-	597,010	596,037	973
Purchased Technical Services	11-000-216-320	340,000	(88,407)	251,593	212,659	38,934
Supplies and Materials	11-000-216-600	3,000	70	3,070	2,807	263
Other Objects	11-000-216-800	2,000	-	2,000	1,134	866
Total Other Support Services - Students - Related Services		942,010	(88,337)	853,673	812,637	41,036
Other Support Services - Students - Regular:						
Salaries of Other Professional Staff	11-000-218-104	692,259	(9,464)	682,795	652,255	30,540
Other Purchased Professional & Technical Services	11-000-218-390	3,000	800	3,800	2,828	972
Other Purchased Services	11-000-218-500	2,000	-	2,000	2,000	-
Supplies and Materials	11-000-218-600	7,100	(1,625)	5,475	4,918	557
Total Other Support Services - Students - Special Services		704,359	(10,289)	694,070	662,001	32,069
Other Support Services - Students - Special Services:						
Salaries of Other Professional Staff	11-000-219-104	1,293,646	-	1,293,646	1,235,295	58,351
Other Purchased Educational Services	11-000-219-320	115,000	(47,000)	68,000	43,113	24,887
Supplies and Materials	11-000-219-600	23,000	1,827	24,827	23,747	1,080
Total Other Support Services - Students - Special Services		1,431,646	(45,173)	1,386,473	1,302,155	84,318
Improvement of Instruction Services/Other Support Services - Instruction Staff:						
Salaries of Supervisors of Instruction	11-000-221-102	694,587	-	694,587	682,384	12,203
Other Salaries	11-000-221-110	42,758	-	42,758	42,758	-
Other Purchased Services	11-000-221-500	33,945	(6,481)	27,464	13,513	13,951
Total Improvement of Instruction Services/Other Support Services Instructional Staff		771,290	(6,481)	764,809	738,655	26,154
Educational Media Services/School Library:						
Salaries	11-000-222-100	626,943	-	626,943	626,253	690
Supplies and Materials	11-000-222-600	72,875	(235)	72,640	72,516	124
Total Educational Media Services/School Library		699,818	(235)	699,583	698,769	814
Instructional Staff Training Services:						
Salaries of Supervisors of Instruction	11-000-223-102	30,000	-	30,000	9,161	20,839
Total Instructional Staff Training Services		30,000	-	30,000	9,161	20,839
Support Services General Administration:						
Salaries	11-000-230-100	345,333	-	345,333	321,052	24,281
Legal Services	11-000-230-331	50,000	89,857	139,857	137,914	1,943
Audit fees	11-000-230-332	35,000	615	35,615	35,615	-
Architectural/Engineering Services	11-000-230-334	15,000	(10,000)	5,000	326	4,674
Other Purchased Professional Services	11-000-230-339	85,125	(1,353)	83,772	76,809	6,963
Communications/Telephone	11-000-230-530	325,000	15,000	340,000	335,195	4,805
Travel	11-000-230-585	1,000	-	1,000	1,000	-
Other Purchased Services	11-000-230-590	155,282	1,885	157,167	144,744	12,423
Supplies and Materials	11-000-230-610	24,000	2,000	26,000	11,974	14,026
In House Training Supplies	11-000-230-630	1,500	-	1,500	-	1,500
Miscellaneous Expenditures	11-000-230-890	18,500	(5,004)	13,496	11,377	2,119
BOE Membership Dues	11-000-230-895	25,000	2,000	27,000	21,469	5,531
Total Support Services General Administration		1,080,740	95,000	1,175,740	1,097,475	78,265

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE**

	ACCOUNT NUMBER	JUNE 30, 2018			ACTUAL	POSITIVE (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
<b>Support Services School Administration:</b>						
Salaries of Principals & Assistant Principals	11-000-240-103	1,034,756	7,043	1,041,799	1,021,376	20,423
Salaries of Secretarial & Clerical Assistants	11-000-240-105	883,386	35,000	918,386	894,339	24,047
Purchased Professional & Technical Services	11-000-240-300	10,000	-	10,000	2,218	7,782
Other Purchased Services	11-000-240-500	114,251	71,020	185,271	162,632	22,639
General Supplies	11-000-240-600	90,090	10,502	100,592	79,320	21,272
Other Objects	11-000-240-800	10,325	(214)	10,111	8,922	1,189
<b>Total Support Services School Administration</b>		<b>2,142,808</b>	<b>123,351</b>	<b>2,266,159</b>	<b>2,168,807</b>	<b>97,352</b>
<b>Central Services:</b>						
Salaries	11-000-251-100	567,017	20,000	587,017	560,719	26,298
Purchased Professional Services	11-000-251-330	10,050	(3,000)	7,050	1,050	6,000
Purchased Technical Services	11-000-251-340	15,500	8,001	23,501	22,424	1,077
Other Purchased Services	11-000-251-592	9,000	1,999	10,999	4,526	6,473
General Supplies	11-000-251-600	48,250	6,497	54,747	17,595	37,152
Miscellaneous Expenditures	11-000-251-890	6,002	2,000	8,002	-	8,002
<b>Total Central Services</b>		<b>655,819</b>	<b>35,497</b>	<b>691,316</b>	<b>606,314</b>	<b>85,002</b>
<b>Administrative Information Technology:</b>						
Salaries	11-000-252-100	312,654	20,000	332,654	292,998	39,656
Purchased Technical Services	11-000-252-340	35,000	25,000	60,000	42,217	17,783
Other Purchased Services	11-000-252-500	50,000	-	50,000	44,074	5,926
General Supplies	11-000-252-600	25,000	-	25,000	24,468	532
<b>Total Administrative Information Technology</b>		<b>422,654</b>	<b>45,000</b>	<b>467,654</b>	<b>403,757</b>	<b>63,897</b>
<b>Maintenance for School Facilities:</b>						
Salaries	11-000-261-100	400,596	40,084	440,680	440,680	-
Cleaning, Repair & Maintenance	11-000-261-420	256,017	1	256,018	215,261	40,757
General Supplies	11-000-261-610	246,960	(31,000)	215,960	167,797	48,163
<b>Total Maintenance for School Facilities</b>		<b>903,573</b>	<b>9,085</b>	<b>912,658</b>	<b>823,738</b>	<b>88,920</b>
<b>Custodial Services:</b>						
Salaries	11-000-262-100	1,151,269	8,054	1,159,323	1,157,023	2,300
Cleaning, Repair & Maintenance Services	11-000-262-420	210,000	-	210,000	139,348	70,652
Lease Purchase Payments- Enegry Savings	11-000-262-444	191,942	1	191,943	191,942	1
Other Purchased Property Services	11-000-262-490	138,000	-	138,000	129,429	8,571
Insurance	11-000-262-520	119,870	-	119,870	117,543	2,327
General Supplies	11-000-262-610	118,300	31,000	149,300	144,535	4,765
Energy (Heat & Electricity)	11-000-262-622	760,000	(1)	759,999	579,680	180,319
Energy (Natural Gas)	11-000-262-621	125,000	-	125,000	108,559	16,441
Other Objects	11-000-262-800	9,250	-	9,250	5,081	4,169
<b>Total Custodial Services</b>		<b>2,823,631</b>	<b>39,054</b>	<b>2,862,685</b>	<b>2,573,140</b>	<b>289,545</b>
<b>Care &amp; Upkeep of Grounds:</b>						
Salaries	11-000-263-100	-	25,405	25,405	25,405	-
Cleaning, Repair & Maintenance Services	11-000-263-420	230,000	(89,544)	140,456	110,416	30,040
General Supplies	11-000-263-610	10,000	16,000	26,000	22,219	3,781
<b>Total Care &amp; Upkeep of Grounds</b>		<b>240,000</b>	<b>(48,139)</b>	<b>191,861</b>	<b>158,040</b>	<b>33,821</b>
<b>Security:</b>						
Cleaning, Repair & Maintenance Services	11-000-266-420	70,000	13,296	83,296	42,411	40,885
General Supplies	11-000-266-610	16,000	-	16,000	15,810	190
<b>Total Security</b>		<b>86,000</b>	<b>13,296</b>	<b>99,296</b>	<b>58,221</b>	<b>41,075</b>
<b>Total Other Operating &amp; Maintenance of Plant Services</b>		<b>4,053,204</b>	<b>13,296</b>	<b>4,066,500</b>	<b>3,613,139</b>	<b>453,361</b>

MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE

ACCOUNT NUMBER	JUNE 30, 2018			ACTUAL	POSITIVE (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET			
Student Transportation Services:						
Salaries for Pupil Transportation (Between Home & School) - Regular	11-000-270-160	1,485,764	(168,603)	1,317,161	1,180,208	136,953
Salaries for Pupil Transportation (Between Home & School) - Special	11-000-270-161	228,724	83,067	311,791	311,791	-
Salaries for Pupil Transportation - (Other than Home & School)	11-000-270-162	21,420	21,100	42,520	42,520	-
Salaries for Pupil Transportation (Between Home & School) - NonPublic	11-000-270-163	-	64,435	64,435	64,435	-
Purchased Professional & Technical Services	11-000-270-390	38,000	-	38,000	21,211	16,789
Lease Purchase Payments - Buses	11-000-270-443	200,958	1	200,959	200,884	75
Contracted Services Aid in Lieu of Payments- NonPub Sch	11-000-270-503	179,265	(134,265)	45,000	40,287	4,713
Contract Svc (btw home & sch) - joint agree	11-000-270-513	-	109,565	109,565	88,969	20,596
Contract svc (Sp Ed) - ESCs	11-000-270-518	-	67,000	67,000	11,685	55,315
Miscellaneous Purchased Services	11-000-270-593	261,566	(42,300)	219,266	60,519	158,747
General Supplies	11-000-270-610	-	38,415	38,415	3,638	34,777
Transportation Supplies	11-000-270-615	444,120	(324,800)	119,320	104,515	14,805
Fuel Costs Funded by Advertising Revenue	11-000-270-626	13,000	286,799	299,799	186,964	112,835
Miscellaneous Expenditures	11-000-270-800	3,350	200	3,550	3,510	40
<b>Total Student Transportation Services</b>		<b>2,876,167</b>	<b>614</b>	<b>2,876,781</b>	<b>2,321,136</b>	<b>555,645</b>
Unallocated Benefits - Employee Benefits:						
Social Security Contributions	11-000-291-220	500,000	-	500,000	497,964	2,036
Other Retirement Contributions						
PERS	11-000-291-241	535,000	20,000	555,000	542,173	12,827
Unemployment Compensation	11-000-291-250	100,000	(100,000)	-	-	-
Workmen's Compensation	11-000-291-260	284,801	(24,690)	260,111	260,111	-
Health Benefits	11-000-291-270	6,783,947	(131,242)	6,652,705	6,491,408	161,297
Tuition Reimbursement	11-000-291-280	87,152	78,652	165,804	78,652	87,152
Other Employee Benefits	11-000-291-290	260,325	113,176	373,501	208,501	165,000
<b>Total Unallocated Benefits</b>		<b>8,551,225</b>	<b>(44,104)</b>	<b>8,507,121</b>	<b>8,078,809</b>	<b>428,312</b>
Nonbudgeted:						
On-Behalf TPAF Medical Contributions		-	-	-	1,863,928	(1,863,928)
On-Behalf TPAF Pension Contributions		-	-	-	2,885,880	(2,885,880)
On-Behalf TPAF Long-Term Disability Contributions		-	-	-	3,345	(3,345)
Reimbursed TPAF Social Security Contributions		-	-	-	1,557,377	(1,557,377)
<b>Total Undistributed Expenditures</b>		<b>26,236,316</b>	<b>131,603</b>	<b>26,367,919</b>	<b>30,666,177</b>	<b>(4,298,258)</b>
<b>Total Expenditures - Current Expense</b>		<b>49,467,734</b>	<b>368,844</b>	<b>49,836,578</b>	<b>53,003,385</b>	<b>(3,166,807)</b>
Capital Outlay						
Capital Reserve - Transfer to Capital Projects	12-000-400-931	215,000	-	215,000	215,000	-
Interest Deposit to Capital Reserve	10-604	1,000	-	1,000	1,000	-
Equipment:						
Grade 6 - 8	12-130-100-730	-	13,026	13,026	13,026	-
Undistributed Expenditures:						
Instruction	12-000-100-730	15,000	(15,000)	-	-	-
Support Services - Students - General Administration	12-000-230-730	6,000	(6,000)	-	-	-
Required Maintenance for School Facilities	12-000-261-730	30,000	15,321	45,321	45,286	35
Custodial Services	12-000-262-730	10,000	(570)	9,430	9,430	-
Student Transportation - Noninstructional Equipment	12-000-270-732	5,000	(5,000)	-	-	-
School Buses- Regular	12-000-270-733	188,341	(1,778)	186,563	186,563	-
<b>Total Equipment</b>		<b>254,341</b>	<b>(1)</b>	<b>254,340</b>	<b>254,305</b>	<b>35</b>

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE**

	ACCOUNT NUMBER	JUNE 30, 2018			ACTUAL	POSITIVE (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Facilities Acquisition & Construction Services:						
Lease Purchase Agreement Principal Buildings Other Than Lease Purchase Agreement	12-000-400-721	823,790	(379,175)	444,615	429,964	14,651
Assessment for Debt service On SDA funding	12-000-400-722	-	379,175	379,175	339,218	39,957
	12-000-400-896	85,043	-	85,043	85,043	-
Total Facilities Acquisition & Construction Services		908,833	-	908,833	854,225	54,608
Total Capital Outlay		1,379,174	(1)	1,379,173	1,109,530	54,643
Assets Acquired Under Capital Leases (Nonbudgeted):						
Undistributed Expenditures:						
Instructional Equipment		-	-	-	650,000	(650,000)
Total Assets Acquired Under Capital Leases/ (Nonbudgeted)		-	-	-	650,000	(650,000)
Special Schools:						
Summer School - Instruction:						
Salaries of Teachers	13-422-100-101	77,515	-	77,515	58,570	18,945
Purchased Professional & Technical Services	13-422-100-300	15,000	-	15,000	-	15,000
General Supplies	13-422-100-610	3,400	-	3,400	-	3,400
Total Summer School - Instruction		95,915	-	95,915	58,570	37,345
Total Expenditures		50,942,823	368,843	51,311,666	55,036,485	(3,724,819)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures Before Other Financing Sources/(Uses)		(3,215,000)	(368,843)	(3,583,843)	(783,906)	2,799,937
Other Financing Sources/(Uses):						
Capital Leases (Nonbudgeted)						
		-	-	-	650,000	650,000
Total Other Financing Sources/(Uses)		-	-	-	650,000	650,000
Excess/(Deficiency) of Revenues Over/(Under) After Expenditures & Other Financing Sources/(Uses)		(3,215,000)	(368,843)	(3,583,843)	(133,906)	3,449,937
Fund Balances, July 1		7,206,904	-	7,206,904	7,206,904	-
Fund Balances, June 30		\$ 3,991,904	\$ (368,843)	\$ 3,623,061	\$ 7,072,998	\$ 3,449,937

**RECAPITULATION OF BUDGET TRANSFERS**

Prior Year Reserve for Encumbrances	\$ 368,843
Total Budget Transfers	\$ 368,843

**RECAPITULATION OF FUND BALANCE:**

<b>Restricted Fund Balance:</b>	
Excess Surplus	\$ 1,839,305
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	1,869,560
Capital Reserve	998,921
School Bus Advertising 50% Fuel Offset Reserve	6,500
<b>Assigned Fund Balance:</b>	
Reserve for Encumbrances	292,497
Designated for Subsequent Year's Expenditures	930,440
Additional Assigned Fund Balance- Unreserved	
Designated for Subsequent Year's Expenditures (July 1, 2018- August 1, 2018)	100,000
<b>Unassigned Fund Balance</b>	<u>1,035,775</u>
Subtotal	7,072,998
Reconciliation to Governmental Funds Statements (GAAP):	
Last Two State Aid Payments Not Recognized on GAAP Basis	<u>(414,424)</u>
Fund Balance per Governmental Funds (GAAP)	<u>\$ 6,658,574</u>

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR FISCAL YEAR ENDED JUNE 30, 2018**

	JUNE 30, 2018				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
<b>REVENUES</b>					
State Sources	\$ 165,483	(34,349)	\$ 131,134	\$ 131,134	\$ -
Federal Sources	606,885	161,013	767,898	767,898	-
Local Sources	-	73,721	73,721	73,721	-
<b>Total Revenues</b>	<b>772,368</b>	<b>200,385</b>	<b>972,753</b>	<b>972,753</b>	<b>-</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	105,455	(56,211)	49,244	49,244	-
Purchased Professional & Technical Services	80,719	(30,966)	49,753	49,753	-
Purchased Professional - Educational Services	-	62,890	62,890	62,890	-
Tuition	501,430	62,459	563,889	563,889	-
General Supplies	57,104	82,863	139,967	139,967	-
Textbooks	19,828	32,737	52,565	52,565	-
<b>Total Instruction</b>	<b>764,536</b>	<b>153,772</b>	<b>918,308</b>	<b>918,308</b>	<b>-</b>
Support Services:					
Other Salaries	-	2,106	2,106	2,106	-
Purchased Professional - Educational Services	7,832	22,440	30,272	30,272	-
Personal Services - Employee Benefits	-	9,177	9,177	9,177	-
Other Purchased Services (400-500 Series)	-	2,890	2,890	2,890	-
Supplies & Materials	-	10,000	10,000	10,000	-
<b>Total Support Services</b>	<b>7,832</b>	<b>46,613</b>	<b>54,445</b>	<b>54,445</b>	<b>-</b>
<b>Total Expenditures</b>	<b>772,368</b>	<b>200,385</b>	<b>972,753</b>	<b>972,753</b>	<b>-</b>
<b>Total Outflows</b>	<b>772,368</b>	<b>200,385</b>	<b>972,753</b>	<b>972,753</b>	<b>-</b>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

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

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 54,252,579	\$ 972,753
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	(25,465)
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year	(414,424)	-
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	428,637	-
	428,637	-
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	\$ 54,266,792	\$ 947,288
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Expenditures" From the Budgetary Comparison Schedule	\$ 54,821,485	\$ 972,753
Differences- Budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposed, but in the year the supplies are received for financial reporting purposes.	\$ -	\$ (25,465)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$ 54,821,485	\$ 947,288

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**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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

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**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**PUBLIC EMPLOYEES' RETIREMENT SYSTEM**  
**LAST TEN FISCAL YEARS**

	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.05536%	0.05503%	0.05607%	0.05611%	0.05557%
District's proportionate share of the net pension liability (asset)	\$ 12,886,941	\$ 16,298,352	\$ 12,585,870	\$ 10,505,332	10,620,617
District's covered-employee payroll	3,785,183	3,818,964	3,729,825	3,777,913	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	340.458%	426.774%	337.439%	278.072%	N/A
Plan fiduciary net position as a percentage of the total pension liability	48.10%	40.14%	47.93%	52.08%	48.72%

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

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT  
SCHEDULE OF DISTRICT CONTRIBUTIONS  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
LAST TEN FISCAL YEARS**

	2018	2017	2016	2015	2014
Contractually required contribution	\$ 512,852	\$ 488,880	\$ 482,024	\$ 462,563	\$ 418,771
Contributions in relation to the contractually required contribution	512,852	488,880	482,024	462,563	418,771
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 3,785,183	\$ 3,818,964	\$ 3,729,825	\$ 3,777,913	N/A
Contributions as a percentage of covered-employee payroll	13.55%	12.80%	12.92%	12.24%	N/A

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

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**TEACHERS' PENSION AND ANNUITY FUND**  
**LAST TEN FISCAL YEARS**

	2017	2016	2015	2014	2013
District's proportion of the net pension liability (asset)	0.00%	0.00%	0.00%	0.00%	0.00%
State's proportionate share of the net pension liability (asset) associated with the District	\$ 126,363,955	\$ 153,013,572	\$ 118,369,399	\$ 100,271,313	\$ 96,829,050
District's covered-employee payroll	22,003,339	20,283,185	19,872,833	19,123,833	19,278,396
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	48.10%	40.14%	47.93%	52.08%	48.72%

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

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

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

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

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

	2018
<b>District's Total OPEB Liability</b>	
Service Cost	\$ 4,217,274
Interest Cost	3,623,250
Changes of Assumptions	(15,057,284)
Contributions: Member	97,581
Gross Benefit Payments	(2,650,033)
Net Change in District's Total OPEB Liability	(9,769,212)
District's Total OPEB Liability (Beginning)	124,181,568
District's Total OPEB Liability (Ending)	\$ 114,412,356
District's Covered Employee Payroll	\$ 25,788,522
District's Net OPEB Liability as a Percentage of Payroll	444%

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

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

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

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

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

**Changes in Benefit Terms** - None.

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

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

**Changes in Benefit Terms** - None.

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

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

**Changes in Benefit Terms** - None.

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

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**OTHER SUPPLEMENTARY INFORMATION**

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR FISCAL YEAR ENDED JUNE 30, 2018**

	E.S.S.A.			I.D.E.A.	
	TITLE I	TITLE II PART A	TITLE III Immigrant	TITLE III Preschool	TITLE IV Preschool
Revenues:					
Federal Sources	\$ 84,403	\$ 41,260	\$ 5,028	\$ 1,719	\$ 10,000
Total Revenues	\$ 84,403	\$ 41,260	\$ 5,028	\$ 1,719	\$ 10,000
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 13,776	\$ 27,286	\$ 4,216	\$ 1,719	\$ -
Purchased Professional Educational Services	37,422	-	-	-	24,787
General Supplies	3,546	-	-	-	-
Tuition	-	-	-	-	531,196
Textbooks	-	-	-	-	36,131
Total Instruction	54,744	27,286	4,216	1,719	592,114
Support Services:					
Other Salaries	2,106	-	-	-	-
Purchased Professional Educational Services	26,338	3,934	-	-	-
Personal Services - Employee Benefits	1,215	7,640	322	-	-
Other Purchased Services	-	2,400	490	-	-
Supplies and Materials	-	-	-	-	10,000
Total Support Services	29,659	13,974	812	-	10,000
Total Expenditures	\$ 84,403	\$ 41,260	\$ 5,028	\$ 1,719	\$ 10,000

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

	INITIAL EXAM	ANNUAL EXAM	CORRECTIVE SPEECH	SUPPLEMENTARY INSTRUCTION	E.S.L	HOME INSTRUCTION	NONPUBLIC AUXILIARY CH 192	COMPENSATORY EDUCATION
Revenues:								
State Sources	\$ 6,365	\$ 4,013	\$ 7,946	\$ 6,185	\$ 903	\$ 2,247	\$ 24,341	
Total Revenues	\$ 6,365	\$ 4,013	\$ 7,946	\$ 6,185	\$ 903	\$ 2,247	\$ 24,341	
Expenditures:								
Instruction:								
Salaries of Teachers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,247	\$ -	\$ -
Purchased Professional & Technical Services	6,365	4,013	7,946	6,185	903	-	24,341	
Total Instruction	6,365	4,013	7,946	6,185	903	2,247	24,341	
Total Expenditures	\$ 6,365	\$ 4,013	\$ 7,946	\$ 6,185	\$ 903	\$ 2,247	\$ 24,341	

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

	NONPUBLIC NURSING PROGRAM	NONPUBLIC SECURITY	NONPUBLIC TEXTBOOKS PROGRAM	NONPUBLIC TECHNOLOGY PROGRAM	MEDFORD EDUCATION FOUNDATION	OUTSIDE CLASSROOM	TOTALS
Revenues:							
State Sources	\$ 29,100	\$ 22,500	\$ 16,434	\$ 11,100	\$ -	\$ -	\$ 131,134
Federal Sources	-	-	-	-	-	-	767,898
Local Sources	-	-	-	-	70,447	3,274	73,721
Total Revenues	\$ 29,100	\$ 22,500	\$ 16,434	\$ 11,100	\$ 70,447	\$ 3,274	\$ 972,753
Expenditures:							
Instruction:							
Salaries of Teachers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 49,244
Purchased Professional & Technical Services	-	-	-	-	-	-	49,753
Purchased Professional Educational Services	-	-	-	-	-	-	62,890
General Supplies	29,100	22,500	-	11,100	70,447	3,274	139,967
Tuition	-	-	-	-	-	-	563,889
Textbooks	-	-	16,434	-	-	-	52,565
Total Instruction	29,100	22,500	16,434	11,100	70,447	3,274	918,308
Support Services:							
Other Salaries	-	-	-	-	-	-	2,106
Purchased Professional Educational Services	-	-	-	-	-	-	30,272
Personal Services - Employee Benefits	-	-	-	-	-	-	9,177
Other Purchased Services	-	-	-	-	-	-	2,890
Supplies and Materials	-	-	-	-	-	-	10,000
Total Support Services	-	-	-	-	-	-	54,445
Total Expenditures	\$ 29,100	\$ 22,500	\$ 16,434	\$ 11,100	\$ 70,447	\$ 3,274	\$ 972,753

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F. Capital Projects Fund

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**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

PROJECT TITLE/ISSUE	APPROPRIATIONS	EXPENDITURES TO DATE <u>CURRENT</u> YEAR	UNEXPENDED BALANCE JUNE 30, 2018
Power Management Project	\$ 215,000	\$ 213,600	\$ 1,400
	<u>\$ 215,000</u>	<u>\$ 213,600</u>	<u>\$ 1,400</u>

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

Revenues & Other Financing Sources:	
Transfer from Capital Reserve	\$ 215,000
Total Revenues	<u>215,000</u>
Expenditures & Other Financing Uses:	
Purchased Professional & Technical Services	<u>213,600</u>
Total Expenditures	<u>213,600</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	1,400
Fund Balance - Beginning	<u>-</u>
Fund Balance - Ending	<u><u>\$ 1,400</u></u>

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND  
PROJECT STATUS - BUDGETARY BASIS  
POWER MANAGEMENT PROJECT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:			
Transfer from Capital Reserve	\$ 215,000	\$ 215,000	\$ 215,000
	<hr/>	<hr/>	<hr/>
Total Revenues	215,000	215,000	215,000
	<hr/>	<hr/>	<hr/>
Expenditures & Other Financing Uses:			
Purchased Professional & Technical Services	213,600	213,600	215,000
	<hr/>	<hr/>	<hr/>
Total Expenditures	213,600	213,600	215,000
	<hr/>	<hr/>	<hr/>
Over/(Under) Expenditures	\$ 1,400	\$ 1,400	\$ -
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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## G. Proprietary Funds

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Enterprise Funds

Not Applicable  
See B-4 Through B-6

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Internal Service Fund

Not Applicable

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## H. Fiduciary Fund

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**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

ASSETS	AGENCY FUNDS		PRIVATE PURPOSE TRUST		TOTALS
	STUDENT ACTIVITY	PAYROLL AGENCY	UNEMPLOYMENT COMPENSATION	SCHOLARSHIP	
Cash & Cash Equivalents	\$ 268,269	\$ 12,490	\$ 49,274	\$ 10,161	\$ 340,194
Total Assets	268,269	12,490	49,274	10,161	340,194
LIABILITIES					
Payroll Deductions & Withholdings Due to Student Groups	-	12,490	-	-	12,490
	268,269	-	-	-	268,269
Total Liabilities	268,269	12,490	-	-	280,759
NET POSITION					
Restirtced for Unemployment Claims Held in Trust for Scholarships	-	-	49,274	-	49,274
	-	-	-	10,161	10,161
Total Net Position	\$ -	\$ -	\$ 49,274	\$ 10,161	\$ 59,435

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

	PRIVATE PURPOSE TRUST		TOTALS
	SCHOLARSHIP FUND	UNEMPLOYMENT COMPENSATION	
<b>ADDITIONS</b>			
Local Sources:			
Contributions	\$ -	\$ 65,104	\$ 65,104
Interest	70	-	70
Total Additions	70	65,104	65,174
<b>DEDUCTIONS</b>			
Unemployment Claims	-	28,888	28,888
Scholarships	100	-	100
Total Deductions	100	28,888	28,988
Change in Net Position	(30)	36,216	36,186
Fund Balances, July 1	10,191	13,058	23,249
Fund Balances, June 30	\$ 10,161	\$ 49,274	\$ 59,435

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

	BALANCE JUNE 30, 2017	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2018
Elementary Schools:				
Taunton Forge	\$ 19,470	\$ 40,887	\$ 43,915	\$ 16,442
Chairville	29,149	37,694	38,436	28,407
Haines	51,119	48,995	60,344	39,770
Cranberry Pines	35,163	34,167	39,816	29,514
Kirby's Mill	34,964	30,992	27,864	38,092
Milton H. Allen	27,461	35,254	38,300	24,415
<b>Total Elementary Schools</b>	<b>197,326</b>	<b>227,989</b>	<b>248,675</b>	<b>176,640</b>
Junior High School:				
Memorial	72,906	268,188	249,465	91,629
<b>Total Junior High School</b>	<b>72,906</b>	<b>268,188</b>	<b>249,465</b>	<b>91,629</b>
<b>Total All Schools</b>	<b>\$ 270,232</b>	<b>\$ 496,177</b>	<b>\$ 498,140</b>	<b>\$ 268,269</b>

**SCHEDULE OF PAYROLL AGENCY RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

ASSETS	BALANCE JUNE 30, 2017	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2018
Cash & Cash Equivalents	\$ 307,861	\$ 36,578,819	\$ 36,874,190	\$ 12,490
<b>Total Assets</b>	<b>\$ 307,861</b>	<b>\$ 36,578,819</b>	<b>\$ 36,874,190</b>	<b>\$ 12,490</b>
<b>LIABILITIES</b>				
Net Payroll & Withholdings	\$ 307,861	\$ 36,578,819	\$ 36,874,190	\$ 12,490
<b>Total Liabilities</b>	<b>\$ 307,861</b>	<b>\$ 36,578,819</b>	<b>\$ 36,874,190</b>	<b>\$ 12,490</b>

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## I. Long-Term Debt

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

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JULY 1, 2017	RETIRED	BALANCE JUNE 30, 2018
			DATE	AMOUNT				
Refunding Bond Issue	12/16/2015	\$ 18,715,000	03/01/19	\$ 1,660,000	4.000%	\$ 16,885,000	\$ 1,630,000	\$ 15,255,000
			03/01/20	1,740,000	5.000%			
			03/01/21	650,000	2.000%			
			03/01/21	1,085,000	5.000%			
			03/01/22	1,710,000	5.000%			
			03/01/23	1,705,000	5.000%			
			03/01/24	1,695,000	5.000%			
			03/01/25	1,685,000	5.000%			
			03/01/26	1,670,000	5.000%			
			03/01/27	1,655,000	5.000%			
Total						\$ 16,885,000	\$ 1,630,000	\$ 15,255,000

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

DESCRIPTION	DATE OF LEASE	TERM	LAST PAYMENT DUE	INTEREST RATE PAYABLE	AMOUNT OF ORIGINAL ISSUE	AMOUNT OUTSTANDING JUNE 30, 2017	ISSUED CURRENT YEAR	RETIRED CURRENT YEAR	AMOUNT OUTSTANDING JUNE 30, 2018
2010/2012 54 Passenger School Buses (2) Lease Purchase Agreement for	7/10/2013	4 YEARS	8/1/2017	2.30%	\$ 211,000	\$ 43,211	\$ -	\$ 43,211	\$ -
Various Capital Improvement Projects	4/22/2014	5 YEARS	3/15/2019	1.63%	1,200,000	480,000	-	240,000	240,000
2015 54 Passenger School Buses (5)	7/1/2014	4 YEARS	7/1/2018	1.31%	426,119	192,595	-	85,905	106,690
Copiers for Various Locations	7/15/2014	5 YEARS	6/15/2019	3.40%	326,058	117,454	-	67,390	50,064
2016 54 Passenger School Buses	8/7/2015	4 YEARS	9/1/2019	1.57%	525,028	331,000	-	109,000	222,000
Energy Savings Improvement Program (ESIP)	10/29/2015	15 YEARS	6/30/2031	2.48%	2,460,940	2,282,118	-	136,190	2,145,928
2017 Passenger School Buses (5)	6/10/2016	5 YEARS	9/1/2020	2.08%	320,000	256,000	-	64,000	192,000
2017 Chromebooks	9/1/2016	5 YEARS	9/1/2020	1.969%	250,000	200,000	-	50,000	150,000
2018 Chevrolet Mid Buses (2)	7/6/2017	5 YEARS	9/1/2021	1.850%	400,000	-	400,000	82,078	317,922
2018 Chromebooks	7/6/2017	5 YEARS	9/1/2021	1.850%	250,000	-	250,000	51,298	198,702
<b>Total</b>						<b>\$ 3,902,378</b>	<b>\$ 650,000</b>	<b>\$ 929,072</b>	<b>\$ 3,623,306</b>

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2018**

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:					
Local Sources:					
Local Tax Levy	\$ 2,618,226	\$ -	\$ 2,618,226	\$ 2,618,226	\$ -
Total Revenues	2,618,226	-	2,618,226	2,618,226	-
Expenditures:					
Regular Debt Service:					
Interest	781,438	10,412	791,850	791,850	-
Redemption of Principal	1,840,000	(10,412)	1,829,588	1,630,000	199,588
Total Expenditures	2,621,438	-	2,621,438	2,421,850	199,588
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	(3,212)	-	(3,212)	196,376	199,588
Fund Balances July 1, 2017	3,212	-	3,212	3,212	-
Fund Balances June 30, 2018	\$ -	\$ -	\$ -	\$ 199,588	\$ 199,588

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF COMPENSATED ABSENCES  
JUNE 30, 2018**

	OUTSTANDING BALANCE 2017	ADDITIONS/ (DEDUCTIONS)	OUTSTANDING BALANCE 2018
Compensated Absences	\$ 1,318,206	\$ 45,034	\$ 1,363,240

**STATISTICAL SECTION (Unaudited)**

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

	FISCAL YEAR ENDING JUNE 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Governmental Activities:</b>										
Net Investment in										
Capital Assets	\$ 36,900,040	\$ 34,972,288	\$ 33,829,130	\$ 32,270,778	\$ 31,885,856	\$ 31,015,580	\$ 35,288,542	\$ 35,375,706	\$ 35,076,157	\$ 34,052,853
Restricted	4,913,874	4,718,068	3,945,091	2,182,135	1,346,729	2,119,936	3,941,654	3,552,417	2,724,411	4,778,520
Unrestricted	(12,201,410)	(11,656,636)	(10,349,224)	(9,728,096)	(9,138,954)	1,252,295	(74,640)	(1,815,821)	(1,240,464)	(1,456,480)
<b>Total Governmental Activities Net Position</b>	<b>\$ 29,612,504</b>	<b>\$ 28,033,720</b>	<b>\$ 27,424,997</b>	<b>\$ 24,724,817</b>	<b>\$ 24,093,631</b>	<b>\$ 34,387,811</b>	<b>\$ 39,155,556</b>	<b>\$ 37,112,302</b>	<b>\$ 36,560,104</b>	<b>\$ 37,374,893</b>
<b>Business-Type Activities:</b>										
Net Investment in										
Capital Assets	\$ 41,397	\$ 32,939	\$ 44,953	\$ 56,967	\$ 68,981	\$ 81,874	\$ 25,434	\$ 33,370	\$ 42,554	\$ 52,788
Unrestricted	98,453	138,752	95,004	79,909	85,683	111,287	138,300	146,823	138,442	120,281
<b>Total Business-Type Activities Net Position</b>	<b>\$ 139,850</b>	<b>\$ 171,691</b>	<b>\$ 139,957</b>	<b>\$ 136,876</b>	<b>\$ 154,664</b>	<b>\$ 193,161</b>	<b>\$ 163,734</b>	<b>\$ 180,193</b>	<b>\$ 180,996</b>	<b>\$ 173,069</b>
<b>District-Wide:</b>										
Net Investment in										
Capital Assets	\$ 36,941,437	\$ 35,005,227	\$ 33,874,083	\$ 32,327,745	\$ 31,954,837	\$ 31,097,454	\$ 35,313,976	\$ 35,409,076	\$ 35,118,711	\$ 34,105,641
Restricted	4,913,874	4,718,068	3,945,091	2,182,135	1,346,729	2,119,936	3,941,654	3,552,417	2,724,411	4,778,520
Unrestricted	(12,102,957)	(11,517,884)	(10,254,220)	(9,648,187)	(9,053,271)	1,363,582	63,660	(1,668,998)	(1,102,022)	(1,336,199)
<b>Total District Net Position</b>	<b>\$ 29,752,354</b>	<b>\$ 28,205,411</b>	<b>\$ 27,564,954</b>	<b>\$ 24,861,693</b>	<b>\$ 24,248,295</b>	<b>\$ 34,580,972</b>	<b>\$ 39,319,290</b>	<b>\$ 37,292,495</b>	<b>\$ 36,741,100</b>	<b>\$ 37,547,962</b>

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

	FISCAL YEAR ENDING JUNE 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Expenses:</b>										
Governmental Activities:										
Instruction:										
Regular	\$ 15,032,487	\$ 14,307,032	\$ 13,758,874	\$ 13,812,482	\$ 13,264,305	\$ 13,156,839	\$ 12,409,724	\$ 12,028,959	\$ 13,153,219	\$ 13,569,075
Special Education	7,716,671	6,386,063	6,050,481	5,251,205	5,332,693	5,308,220	5,033,439	4,845,628	4,370,758	4,139,178
Other Special Instruction	447,364	540,792	512,589	436,086	500,752	402,047	337,313	304,690	376,203	366,000
Other Instruction	33,529	94,766	80,663	121,015	99,833	120,261	42,175	13,496	124,659	123,639
Support Services & Undistributed Costs:										
Tuition	1,241,226	1,573,598	1,254,692	1,486,260	1,723,175	1,338,256	1,502,954	1,380,735	1,578,557	1,256,541
Attendance & Social Work Services	17,605	16,608	16,130	15,718	14,617	15,115	13,830	4,914	6,175	5,997
Health Services	584,001	559,768	534,331	503,721	490,200	492,596	520,812	516,355	503,881	465,904
Student & Instruction Related Services	2,831,238	3,240,732	2,852,636	2,857,722	2,791,497	2,841,851	2,791,267	3,090,874	3,541,219	2,629,436
Educational Media Services/School Library	698,769	535,886	478,188	481,778	444,490	365,627	354,003	373,335	606,831	493,028
Instructional Staff Training	747,816	774,077	652,502	633,882	644,526	431,881	575,670	553,037	672,153	597,141
School Administrative Services	4,035,464	3,807,096	3,647,313	3,435,720	3,271,999	3,068,602	999,195	980,190	846,608	842,964
Other Administrative Services	1,010,071	990,594	1,014,369	883,693	889,890	828,865	2,700,993	2,453,549	2,689,154	2,621,113
Plant Operations & Maintenance	2,353,140	3,373,052	3,197,338	4,452,043	3,983,931	3,788,271	3,502,879	3,849,537	3,825,265	3,339,295
Pupil Transportation	2,321,136	3,349,814	3,286,286	3,386,312	3,787,193	3,405,580	3,202,686	3,202,868	3,280,228	2,942,096
Unallocated Benefits	14,715,669	8,046,356	17,808,666	15,621,007	10,688,097	11,119,839	10,094,703	9,943,646	10,095,072	9,661,654
Transfer to Charter Schools	10,311,232	5,345,399	-	11,840	22,394	31,998	-	-	-	-
Long-Term Debt and Other Charges	684,525	749,764	795,328	1,131,442	1,191,496	1,294,440	1,358,396	1,484,245	1,404,885	1,592,479
Special Schools	58,570	86,003	74,267	71,712	58,490	69,048	77,077	33,983	80,512	70,828
Amortization of Bond Issuance Costs	-	-	-	-	-	14,115	14,114	14,114	14,117	14,114
Unallocated Amortization of Loss on Refunding	-	-	-	-	33,218	33,218	33,218	33,218	33,218	33,218
Increase in Compensated Absences	45,034	(311,514)	68,311	(103,086)	165,365	(120,277)	12,579	101,508	36,274	418,323
Reduction in Capital Leases	-	-	-	-	(542,720)	(465,873)	(361,675)	(331,829)	(481,092)	-
Adjustment to Capital Assets	-	-	-	-	-	5,829,345	-	-	-	-
Unallocated Depreciation	1,598,154	1,537,053	1,535,602	2,300,002	2,401,850	1,748,398	2,133,778	2,133,778	1,948,724	2,057,407
Total Governmental Activities Expenses	66,483,701	55,002,939	57,618,566	56,790,554	51,257,291	55,142,368	47,552,024	47,010,830	48,706,620	47,239,430
Business-Type Activities:										
Food Service	843,138	876,831	883,448	881,083	857,994	832,583	894,710	867,830	849,527	865,203
Total Business-Type Activities Expense	843,138	876,831	883,448	881,083	857,994	832,583	894,710	867,830	849,527	865,203
<b>Total District Expenses</b>	<b>\$ 67,326,839</b>	<b>\$ 55,879,770</b>	<b>\$ 58,502,014</b>	<b>\$ 57,671,637</b>	<b>\$ 52,115,285</b>	<b>\$ 55,974,951</b>	<b>\$ 48,446,734</b>	<b>\$ 47,878,660</b>	<b>\$ 49,556,147</b>	<b>\$ 48,104,633</b>
<b>Program Revenues:</b>										
Governmental Activities:										
Charges for Services:										
Operating Grants & Contributions	\$ 17,442,963	\$ 6,283,069	\$ 11,441,304	\$ 5,321,321	\$ 905,056	\$ 952,932	\$ 958,306	\$ 924,614	\$ 1,587,530	\$ 997,396
Total Governmental Activities Program Revenues	17,442,963	6,283,069	11,441,304	5,321,321	905,056	952,932	958,306	924,614	1,587,530	997,396

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
FISCAL YEAR ENDING JUNE 30,										
Business-Type Activities:										
Charges for Services:										
Food Service	677,560	703,972	698,807	690,679	643,545	623,272	711,617	711,798	726,570	707,079
Operating Grants & Contributions	168,439	204,593	187,722	172,616	175,423	167,915	163,583	152,276	128,576	126,729
Total Business-Type Activities	845,999	908,565	886,529	863,295	818,968	791,187	875,200	864,074	855,146	833,808
Program Revenues										
Total District Program Revenues	\$ 18,288,962	\$ 7,191,634	\$ 12,327,833	\$ 6,184,616	\$ 1,724,024	\$ 1,744,119	\$ 1,833,506	\$ 1,788,688	\$ 2,442,676	\$ 1,831,204
Net (Expense)/Revenue:										
Governmental Activities	\$ (49,040,738)	\$ (48,719,870)	\$ (46,177,262)	\$ (51,469,233)	\$ (52,140,822)	\$ (50,352,235)	\$ (54,189,436)	\$ (46,593,718)	\$ (46,086,216)	\$ (47,119,090)
Business-Type Activities	2,861	31,734	3,081	(17,788)	(62,115)	(66,807)	42,617	(30,636)	(12,684)	(15,719)
Total District-Wide Net Expense	\$ (49,037,877)	\$ (48,688,136)	\$ (46,174,181)	\$ (51,487,021)	\$ (52,202,937)	\$ (50,419,042)	\$ (54,146,819)	\$ (46,624,354)	\$ (46,098,900)	\$ (47,134,809)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes, Levied for General Purposes, Net	\$ 42,127,705	\$ 41,301,672	\$ 40,491,836	\$ 38,926,028	\$ 37,514,654	\$ 36,307,156	\$ 36,417,885	\$ 36,046,947	\$ 35,454,808	\$ 34,491,065
Taxes Levied for Debt Service	2,618,226	2,424,616	2,618,288	3,309,458	3,384,198	3,458,801	3,348,072	3,083,050	2,927,866	2,931,840
Federal & State Aid Not Restricted	5,045,351	5,020,289	5,074,685	9,624,963	8,693,712	9,076,950	8,154,002	6,723,025	7,114,398	8,149,046
Transportation	119,749	-	-	-	-	-	-	-	-	-
Miscellaneous Income	708,491	582,016	692,633	702,533	652,205	544,166	682,395	750,773	733,606	695,745
Amortization of Gain on Early Retirement of Debt	-	-	-	-	34,618	34,618	34,618	34,619	34,618	34,619
Cancellation of Accounts Payable	-	-	-	-	-	-	-	-	39,005	-
Cancellation of EDA Receivable	-	-	-	-	-	-	-	-	-	(35,294)
Total Governmental Activities	50,619,522	49,328,593	48,877,442	52,562,982	50,279,387	49,421,691	48,636,972	46,638,414	46,304,301	46,267,021
Business-Type Activities:										
Adjustment to Capital Assets	(34,702)	-	-	-	-	69,593	-	-	-	-
Investment Earnings	-	-	-	-	529	1,230	3,051	2,953	2,308	2,499
Total Business-Type Activities	(34,702)	-	-	-	529	70,823	3,051	2,953	2,308	2,499
Total District-Wide	\$ 50,584,820	\$ 49,328,593	\$ 48,877,442	\$ 52,562,982	\$ 50,279,916	\$ 49,492,514	\$ 48,640,023	\$ 46,641,367	\$ 46,306,609	\$ 46,269,520
Change in Net Position:										
Governmental Activities	\$ 1,578,784	\$ 608,723	\$ 2,700,180	\$ 1,093,749	\$ (1,861,435)	\$ (930,544)	\$ (5,552,464)	\$ 44,696	\$ 218,085	\$ (852,069)
Business-Type Activities	(31,841)	31,734	3,081	(17,788)	(61,586)	4,016	45,668	(27,683)	(10,376)	(13,220)
Total District	\$ 1,546,943	\$ 640,457	\$ 2,703,261	\$ 1,075,961	\$ (1,923,021)	\$ (926,528)	\$ (5,506,796)	\$ 17,013	\$ 207,709	\$ (865,289)

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

	FISCAL YEAR ENDING JUNE 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>General Fund:</b>										
Restricted	\$ 4,714,286	\$ 4,714,856	\$ 4,249,714	\$ 2,504,730	\$ 1,675,613	\$ 557,903	\$ 2,935,478	\$ 1,338,338	\$ 1,022,157	\$ 4,774,637
Assigned	1,322,937	1,536,468	1,849,135	2,014,037	2,125,628	2,881,855	1,447,135	1,617,516	1,902,591	-
Unassigned	621,351	526,943	507,317	533,214	557,967	1,788,253	1,008,487	1,014,529	483,659	353,293
<b>Total General Fund</b>	<b>\$ 6,658,574</b>	<b>\$ 6,778,267</b>	<b>\$ 6,606,166</b>	<b>\$ 5,051,981</b>	<b>\$ 4,359,208</b>	<b>\$ 5,228,010</b>	<b>\$ 5,391,100</b>	<b>\$ 3,970,383</b>	<b>\$ 3,408,407</b>	<b>\$ 5,127,930</b>
<b>All Other Governmental Funds:</b>										
Assigned	\$ 199,588	\$ 3,212	\$ 3,246	\$ 34	\$ 20,076	\$ 29,970	\$ 12,402	\$ 33,565	\$ 250,000	\$ 441,284
Committed	-	-	-	-	1,105,302	-	-	-	-	-
Unassigned:										
Capital Projects Fund	-	-	-	-	-	-	-	-	-	128,279
Debt Service Fund	-	-	-	-	-	-	-	-	31,078	-
<b>Total All Other Governmental Funds</b>	<b>\$ 199,588</b>	<b>\$ 3,212</b>	<b>\$ 3,246</b>	<b>\$ 34</b>	<b>\$ 1,125,378</b>	<b>\$ 29,970</b>	<b>\$ 12,402</b>	<b>\$ 33,565</b>	<b>\$ 281,078</b>	<b>\$ 569,563</b>

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Revenues:</b>										
Tax Levy	\$ 44,745,931	\$ 43,726,288	\$ 43,110,124	\$ 42,235,486	\$ 40,898,852	\$ 39,765,957	\$ 39,765,957	\$ 39,129,997	\$ 38,382,674	\$ 37,422,905
Miscellaneous	828,240	582,016	692,633	702,533	652,205	544,166	682,395	750,773	733,606	695,745
State Sources	11,466,885	10,507,992	10,030,475	9,784,761	8,836,440	9,208,751	8,097,046	6,845,006	6,688,886	8,316,989
Federal Sources	791,250	795,366	815,315	778,493	762,328	821,131	1,015,262	802,633	2,013,042	829,453
<b>Total Revenue</b>	<b>57,832,306</b>	<b>55,611,662</b>	<b>54,648,547</b>	<b>53,501,273</b>	<b>51,149,825</b>	<b>50,340,005</b>	<b>49,560,660</b>	<b>47,528,409</b>	<b>47,818,208</b>	<b>47,265,092</b>
<b>Expenditures:</b>										
Current Expense:										
Instruction	23,230,051	21,328,653	20,402,607	19,620,788	19,197,583	18,987,367	17,822,651	17,192,773	18,024,839	18,197,892
Undistributed Expenditures	30,720,622	30,561,968	28,704,036	28,158,781	28,064,179	27,256,044	26,213,499	26,088,073	27,645,143	25,078,803
Capital Outlay	1,973,130	1,608,321	4,281,132	3,493,388	1,707,668	882,782	1,506,711	775,374	1,002,028	1,246,592
Special Schools	58,570	86,003	74,267	71,712	58,490	69,048	77,077	33,983	80,512	70,828
Debt Service	2,421,850	2,424,650	2,615,076	3,329,512	3,394,113	3,441,288	3,369,450	3,333,050	3,359,150	3,344,908
<b>Total Expenditures</b>	<b>58,404,223</b>	<b>56,009,595</b>	<b>56,077,118</b>	<b>54,674,181</b>	<b>52,422,033</b>	<b>50,636,529</b>	<b>48,989,388</b>	<b>47,423,253</b>	<b>50,111,672</b>	<b>47,939,023</b>
<b>Excess (Deficiency) of Revenues Over/(Under) Expenditures</b>	<b>(571,917)</b>	<b>(397,933)</b>	<b>(1,428,571)</b>	<b>(1,172,908)</b>	<b>(1,272,208)</b>	<b>(296,524)</b>	<b>571,272</b>	<b>105,156</b>	<b>(2,293,464)</b>	<b>(673,931)</b>
<b>Other Financing Sources/(Uses):</b>										
Cancellation of EDA Receivable	-	-	-	-	-	-	-	-	-	(35,294)
Cancellation of Accounts Payable	-	-	-	-	-	-	-	-	39,005	-
Transfer to Charter Schools	-	-	-	(11,840)	(22,394)	(31,998)	-	-	-	-
Lease Purchase Proceeds	-	-	-	-	1,200,000	-	-	-	-	-
Capital Leases (Nonbudget)	650,000	570,000	2,985,968	752,177	321,208	183,000	828,282	209,307	246,451	650,000
<b>Total Other Financing Sources/(Uses)</b>	<b>650,000</b>	<b>570,000</b>	<b>2,985,968</b>	<b>740,337</b>	<b>1,498,814</b>	<b>151,002</b>	<b>828,282</b>	<b>209,307</b>	<b>285,456</b>	<b>614,706</b>
<b>Net Change in Fund Balances</b>	<b>\$ 78,083</b>	<b>\$ 172,067</b>	<b>\$ 1,557,397</b>	<b>\$ (432,571)</b>	<b>\$ 226,606</b>	<b>\$ (145,522)</b>	<b>\$ 1,399,554</b>	<b>\$ 314,463</b>	<b>\$ (2,008,008)</b>	<b>\$ (59,225)</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>4.3%</b>	<b>4.5%</b>	<b>5.0%</b>	<b>6.5%</b>	<b>6.7%</b>	<b>6.9%</b>	<b>7.1%</b>	<b>7.1%</b>	<b>6.8%</b>	<b>7.2%</b>

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

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

FISCAL YEAR ENDED JUNE 30,	TUITION	TRANSPORTATION AGREEMENTS	INTEREST ON INVESTMENTS	PRIOR YEAR REFUNDS	MISCELLANEOUS	SALE & TRANSPORTATION FEES	FEDERAL REIMBURSEMENT	REBATES FOR ENERGY CONSERVATION	TOTAL
2018	\$ 125,792	\$ 119,749	\$ -	\$ -	\$ 508,978	\$ -	\$ -	\$ -	754,519
2017	98,963	56,542	29,974	7,332	344,122	-	-	-	536,933
2016	16,240	-	-	3,530	576,643	-	-	-	596,413
2015	-	-	17,948	-	597,275	-	-	-	615,223
2014	166,523	-	32,990	-	452,671	-	-	-	652,184
2013	18,533	-	49,433	-	476,145	-	-	-	544,111
2012	71,309	62,258	93,590	-	455,023	-	-	-	682,180
2011	74,326	54,663	85,238	22,532	427,470	38,334	45,723	-	748,286
2010	109,297	57,147	98,828	2,351	391,027	-	-	68,430	727,080
2009	83,904	93,302	93,658	3,751	335,862	-	-	76,330	686,807

MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT  
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
2018	\$ 19,058,600	\$ 2,645,137,300	\$ 34,515,900	\$ 1,963,500	\$ 249,161,500	\$ 16,099,700	\$ 55,530,100	\$ 3,021,466,600	\$ 5,591,644	\$ 3,027,058,244	2.260	\$ 3,027,058,244
2017	18,152,400	2,628,474,600	35,211,000	2,544,000	249,120,600	16,368,800	52,814,900	3,002,686,300	5,503,089	3,008,189,389	2.226	3,008,189,389
2016	20,976,500	2,603,839,000	36,682,600	2,167,100	249,910,900	16,368,800	49,704,300	2,979,649,200	5,450,433	2,985,099,633	2.205	3,128,816,643
2015	22,987,200	2,580,361,200	38,040,700	2,341,800	256,944,800	16,368,800	50,204,300	2,967,248,800	5,541,405	2,972,790,205	2.170	2,972,790,205
2014	25,778,700	2,565,183,800	39,418,600	2,283,700	260,207,300	16,368,800	56,132,200	2,965,373,100	5,480,053	2,970,853,153	2.109	3,145,328,147
2013	28,587,900	2,532,413,700	40,497,600	2,933,500	270,483,900	16,368,800	56,932,200	2,968,217,600	7,676,777	2,975,894,377	2.020	3,120,094,011
2012	33,786,000	2,563,221,000	41,927,400	2,838,700	282,365,000	22,014,400	63,483,400	3,009,635,900	8,901,541	3,018,537,441	1.915	3,190,029,902
2011	17,360,100	1,541,272,500	21,760,600	3,023,000	149,260,800	9,287,700	29,815,900	1,771,780,600	5,092,638	1,776,873,238	3.224	3,419,519,452
2010	17,529,990	1,543,351,150	21,166,210	2,814,750	151,250,400	9,632,700	29,815,900	1,775,561,100	5,574,837	1,781,135,937	3.153	3,419,519,452
2009	18,184,300	1,545,481,100	21,002,200	2,795,800	150,000,300	9,632,700	29,815,900	1,776,912,300	5,060,019	1,781,972,319	3.068	3,497,216,064

Source: Burlington County Abstract of Rates

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

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE		OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE	
	LOCAL SCHOOL	REGIONAL SCHOOL	TOTAL DIRECT	TOWNSHIP MEDFORD TOWNSHIP	BURLINGTON COUNTY		MUNICIPAL OPEN SPACE
2018	1.511	0.742	2.253	0.406	0.380	0.024	3.063
2017	1.488	0.738	2.226	0.406	0.446	0.024	3.102
2016	1.465	0.740	2.205	0.410	0.447	0.030	3.092
2015	1.450	0.720	2.170	0.411	0.435	0.030	3.046
2014	1.422	0.687	2.109	0.411	0.403	0.030	2.953
2013	1.374	0.646	2.020	0.412	0.395	0.029	2.856
2012	1.318	0.597	1.915	0.413	0.401	0.029	2.758
2011	2.238	0.986	3.224	0.521	0.695	0.030	4.470
2010	2.197	0.956	3.153	0.495	0.729	0.030	4.407
2009	2.154	0.914	3.068	0.495	0.715	0.030	4.308

Source: Municipal Tax Collector



**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO**

TAXPAYER	2018		% OF TOTAL DISTRICT NET ASSESSED VALUE
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	
The Estaugh T/A Medford Leas	\$ 27,941,000		0.92%
Sharp Run, LLC	15,344,900		0.51%
Medford Associates, L.P.	12,659,000		0.42%
Medford Supermarket Properties	9,401,500		0.31%
Haynes Run, LLC.	8,458,400		0.28%
Medford Convalescent & Nursing Center	8,049,200		0.27%
Medford Center Associates	7,833,600		0.26%
Verizon, Inc.	7,200,000		0.24%
Medford Investor Associates	5,450,433		0.18%
Depetris Family c/o Tauton Forge	5,353,400		0.18%
Total	<u>\$ 107,691,433</u>		<u>3.56%</u>

TAXPAYER	2009		% OF TOTAL DISTRICT NET ASSESSED VALUE
	TAXABLE ASSESSED VALUE	RANK (OPTIONAL)	
The Estaugh	\$ 18,959,900		1.07%
Wharton Hardware	8,480,000		0.48%
Medford Associates, LLP	5,800,000		0.33%
Medford Supermarket Properties	4,507,000		0.26%
Medford Convalescent & Nursing Center	4,100,000		0.00%
Haynes Run Apartments	3,550,000		0.20%
Medford Medical Group	3,500,000		0.20%
Medford Center Associates	3,163,600		0.18%
Medford Investors Associates	700,000		0.04%
Ironstone Village	600,000		0.03%
Total	<u>\$ 53,360,500</u>		<u>2.79%</u>

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

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY	
		AMOUNT	PERCENTAGE OF LEVY
2018	\$ 44,745,931	\$ 44,745,931	100.00%
2017	43,110,124	43,110,124	100.00%
2016	42,235,486	42,235,486	100.00%
2015	40,898,852	40,898,852	100.00%
2014	39,765,957	39,765,957	100.00%
2013	39,765,957	39,765,957	100.00%
2012	39,129,997	39,129,997	100.00%
2011	38,382,674	38,382,674	100.00%
2010	37,422,905	37,422,905	100.00%
2009	37,190,584	37,190,584	100.00%

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

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

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES			TOTAL DISTRICT	PER CAPITA
	GENERAL OBLIGATION BONDS	CAPITAL LEASES			
2018	\$ 15,255,000	\$ 3,623,306	\$	18,878,306	N/A
2017	16,885,000	3,902,378		20,787,378	N/A
2016	18,455,000	4,126,119		22,581,119	N/A
2015	20,525,000	2,037,548		22,272,548	N/A
2014	24,815,000	1,963,953		26,778,953	1,147
2013	27,065,000	911,870		27,976,870	1,204
2012	29,260,000	1,194,743		30,454,743	1,310
2011	31,305,000	728,136		32,033,136	1,385
2010	33,230,000	850,659		34,080,659	1,480
2009	35,100,000	1,085,300		36,185,300	1,592

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

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

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING			PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING		
2018	15,255,000	-	15,255,000	0.50%	N/A
2017	16,885,000	-	16,885,000	0.56%	N/A
2016	18,453,000	-	18,453,000	0.62%	N/A
2015	20,235,000	-	20,235,000	0.68%	N/A
2014	24,815,000	-	24,815,000	0.84%	1,062
2013	27,065,000	-	27,065,000	0.91%	1,164
2012	29,260,000	-	29,260,000	0.97%	1,259
2011	31,305,000	-	31,305,000	1.76%	1,353
2010	33,230,000	-	33,230,000	1.87%	1,443
2009	35,100,000	-	35,100,000	1.97%	1,544

**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2018**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Lenape Regional High School	\$ 51,010,000	17.72%	\$ 9,038,972
Medford Township	50,334,014	100%	50,334,014
Burlington County	20,931,640	7.04%	1,473,211
Subtotal, Overlapping Debt			60,846,197
Medford Township Public School District Debt			15,255,000
Total Direct & Overlapping Debt			\$ 76,101,197

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

MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT  
 LEGAL DEBT MARGIN INFORMATION  
 LAST TEN FISCAL YEARS  
 (Dollars in Thousands)

	FISCAL YEAR									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Debt Limit	\$ 91,097,962	\$ 94,102,446	\$ 94,102,446	\$ 94,102,466	\$ 95,326,820	\$ 96,548,371	\$ 98,669,564	\$ 101,646,063	\$ 102,730,334	\$ 100,526,487
Total Net Debt Applicable to Limit	15,255,000	16,885,000	18,453,000	20,235,000	24,815,000	27,065,000	29,260,000	31,305,000	33,230,000	35,100,000
Legal Debt Margin	\$ 75,842,962	\$ 77,217,446	\$ 75,649,446	\$ 73,867,466	\$ 70,511,820	\$ 69,483,371	\$ 69,409,564	\$ 70,341,063	\$ 69,500,334	\$ 65,426,487
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit (3.0%)	0.502%	0.538%	0.588%	0.645%	0.781%	0.841%	0.890%	0.924%	0.970%	1.047%

Legal Debt Margin Calculation for Fiscal Year 2017

Equalized Valuation Basis	
2017	\$ 3,008,189,389
2016	3,128,816,643
2015	2,972,790,205
	<u>\$ 9,109,796,237</u>
Average Equalized Valuation of Taxable Property	<u>\$ 3,036,598,746</u>
Debt Limit (3 % of Average Equalization Value)	\$ 91,097,962
Net Bonded School Debt	<u>15,255,000</u>
Legal Debt Margin	<u>\$ 75,842,962</u>

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

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

YEAR	POPULATION (a)	PERSONAL INCOME (b)	BURLINGTON COUNTY PER CAPITA INCOME	UNEMPLOYMENT RATE (d)
2018	N/A	N/A	N/A	N/A
2017	23,496	\$ 1,215,048,648	37,511	4.5%
2016	23,440	1,148,442,800	48,995	4.5%
2015	23,141	1,078,995,407	46,627	6.0%
2014	23,357	1,255,368,679	53,747	5.1%
2013	23,245	1,200,325,310	51,638	6.0%
2012	23,246	1,189,009,654	51,149	5.7%
2011	23,132	1,144,363,172	49,471	5.5%
2010	23,032	1,096,000,752	47,586	5.7%
2009	22,726	1,076,848,784	47,384	5.3%

**Source:**

- (a) Population information provided by US Bureau of the Census; Population Division  
 (b) Personal income calculated using population and per capita personal income  
 (c) Per Capita Personal Income provided by the NJ Dept. of Labor and Workforce Development  
 (d) Unemployment data provided by the NJ Dept. of Labor and Workforce Development  
 N/A - Information not available

**PRINCIPAL EMPLOYERS**

	2017 EMPLOYEES
Medford Township Board of Education	N/A
The Estaugh	N/A
Shop Rite	N/A
Medford Convalescent	N/A
Acme	N/A
McDonalds	N/A
Total	-

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

Function/Program	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Instruction:										
Regular	193	185	178	167	156	212	212	214	238	238
Special Education	60	62	53	47	46	48	48	48	49	49
Other Special Education	30	26	27	34	34	118	118	118	120	121
Support Services:										
School Administrative Services	33	33	30	29	29	18	18	18	20	20
General & Business Administrative Services	10	10	10	7	7	6	6	6	6	7
Plant Operations & Maintenance	29	29	31	23	22	27	27	27	30	32
Pupil Transportation	52	56	55	55	51	50	50	50	56	57
Business & Other Support Services	5	5	5	14	14	5	5	5	5	5
<b>Total</b>	<b>412</b>	<b>406</b>	<b>389</b>	<b>376</b>	<b>359</b>	<b>484</b>	<b>484</b>	<b>486</b>	<b>529</b>	<b>535</b>

**Source:** District Personnel Records

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS**

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO		AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						ELEMENTARY	MIDDLE SCHOOL				
2018	2,719	\$ 54,009,243	\$ 19,864	0.0055%	227	1:12	1:11	2,710	2,596	-0.84%	95.48%
2017	2,741	51,976,624	18,963	0.0059%	227	1:12	1:11	2,733	2,625	-1.12%	93.87%
2016	2,734	49,180,910	17,989	0.0059%	227	1:12	1:11	2,734	2,630	-1.12%	93.87%
2015	2,736	47,851,281	17,490	0.0058%	243	1:11	1:12	2,736	2,632	-1.12%	93.87%
2014	2,767	47,851,281	17,294	0.0070%	236	1:11	1:14	2,767	2,666	-5.76%	94.98%
2013	2,936	46,312,459	15,774	0.0074%	260	1:13	1:16	2,936	2,818	-2.56%	96.08%
2012	3,013	44,113,227	14,641	0.0074%	265	1:14	1:17	3,013	2,897	-1.82%	96.02%
2011	3,069	43,314,829	14,114	0.0066%	267	1:19	1:22	3,069	2,953	-1.54%	96.00%
2010	3,118	45,750,494	14,673	0.0074%	287	1:17	1:19	3,117	2,986	1.10%	95.77%
2009	3,083	43,347,523	14,060	0.0079%	287	1:14	1:19	3,083	2,969	0.78%	96.58%

**Sources:** District records

**Note:** Enrollment based on annual October district count.

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



**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEAR**

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>DISTRICT BUILDINGS</b>										
Elementary Schools:										
Chairville School (2004):										
Square Feet	64,000	64,000	64,000	64,000	64,000	64,000	64,000	64,000	64,000	64,000
Capacity (Students)	500	500	500	500	500	500	500	500	500	500
Enrollment	344	364	392	423	463	463	503	495	476	454
Cranberry Pines School (1979):										
Square Feet	52,231	52,231	52,231	52,231	52,231	52,231	52,231	52,231	52,231	52,231
Capacity (Students)	479	479	479	479	479	479	479	479	479	479
Enrollment (a)	406	382	373	340	355	355	362	378	392	406
Kirby's Mill School (2004):										
Square Feet	66,000	66,000	66,000	66,000	66,000	66,000	66,000	66,000	66,000	66,000
Capacity (Students)	515	515	515	515	515	515	515	515	515	515
Enrollment	357	331	332	324	327	327	331	364	394	407
Milton Allen School (1926):										
Square Feet	59,396	59,396	59,396	59,396	59,396	59,396	59,396	59,396	59,396	59,396
Capacity (Students)	486	486	486	486	486	486	486	486	486	486
Enrollment	317	337	345	362	376	376	388	389	392	392
Taunton Forge School (1975):										
Square Feet	42,772	42,772	42,772	42,772	42,772	42,772	42,772	42,772	42,772	42,772
Capacity (Students)	447	447	447	447	447	447	447	447	447	447
Enrollment	275	291	283	310	310	310	327	347	378	385
Middle School:										
Haines 6th Grade Center (1960):										
Square Feet	50,363	50,363	50,363	50,363	50,363	50,363	50,363	50,363	50,363	50,363
Capacity (Students)	461	461	461	461	461	461	461	461	461	461
Enrollment	324	319	357	320	350	350	369	377	348	357
Memorial Middle School (1968):										
Square Feet	118,750	118,750	118,750	118,750	118,750	118,750	118,750	118,750	118,750	118,750
Capacity (Students)	1131	1131	1131	1131	1131	1131	1131	1131	1131	1131
Enrollment	696	712	670	725	749	749	737	726	741	673
Other Buildings:										
Transportation Center (2003):										
Square Feet	9,400	9,400	9,400	9,400	9,400	9,400	9,400	9,400	9,400	9,400
Warehouse: Old Bus Garage (1946):										
Square Feet	4,420	4,420	4,420	4,420	4,420	4,420	4,420	4,420	4,420	4,420

Number of Schools at June 30, 2017:  
 Elementary = 5  
 Middle School = 1  
 Sixth Grade Center = 1  
 Other = 2

Source: District Facilities Office  
 Note: Year of original construction is shown in parentheses.  
 Enrollment is based on the annual October District count.

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

UNDISTRIBUTED EXPENDITURES - REQUIRED  
MAINTENANCE FOR SCHOOL FACILITIES

11-000-261-xxx

	CHAIRVILLE SCHOOL	CRANBERRY PINES SCHOOL	HAINES 6TH GRADE CENTER	KIRBY'S MILL SCHOOL	MEMORIAL MIDDLE SCHOOL	MILTON ALLEN SCHOOL	TAUNTON FORGE SCHOOL	TOTAL
2018	\$ 108,481	\$ 141,352	\$ 104,014	\$ 114,814	\$ 145,097	\$ 101,704	\$ 108,276	\$ 823,738
2017	98,768	137,433	119,718	108,538	195,647	115,693	130,482	906,279
2016	104,052	139,720	114,394	91,341	316,778	136,507	109,642	1,012,434
2015	69,036	108,099	103,178	69,714	230,406	118,879	116,181	815,493
2014	50,093	82,107	94,435	88,311	241,904	96,665	98,182	751,696
2013	54,389	79,857	85,913	60,108	209,699	101,942	102,177	694,085
2012	58,330	73,886	71,941	53,978	179,811	109,904	100,275	648,125
2017	45,540	72,597	76,925	44,991	176,664	108,539	104,596	629,852
2010	55,536	88,240	93,567	54,501	215,078	132,121	127,556	766,599
2009	54,259	108,678	124,562	56,745	210,357	141,241	117,117	812,959

Source: District records

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2018**

	COVERAGE	DEDUCTIBLE
<b>Burlington County Insurance Pool, Joint Insurance Fund (BCIPJIF):</b>		
Property / Inland Marine / Automobile Physical Damages (per occurrence)	\$ 250,000	\$ 500
General Liability / Auto Liability	250,000	
Educators Legal Liability	175,000	
Workers Compensation-Self Insured Retention	250,000	
Crime- Self insured Retention	250,000	500
<b>School Pool For Excess Liability Limits **</b>		
Property / Inland Marine / Automobile Physical Damages (per occurrence)	150,000,000	
Crime	500,000	
Workers Compensation	Statutory	
Employers Liability	20,000,000	
General Liability / Auto Liability	20,000,000	
Educators' Legal Liability	20,000,000	
<b>Travelers Insurance Company</b>		
Boiler and Machinery	125,000,000	1,000
<b>AIG / Commerce and Industry Insurance company</b>		
Pollution Legal Liability	3,000,000	25,000
<b>AIG / Lexington Insurance Company, Inc.</b>		
Cyber Liability	1,000,000	25,000
<b>Selective Insurance Company of America:</b>		
Surety - Treasurer of Monies	325,000	
Surety - Board Secretary	250,000	

**Excess and Reinsurance Carriers Involved \*\***

Property and Crime	SPELLJIF, Great American Insurance Company Axis Surplus Insurance Company Westchester Fire Insurance Company Alterra Excess & Surplus Insurance Company Ironshore Specialty Insurance Company Steadfast Insurance Company RSUI Indemnity Company James River Insurance Company BRIT / Lloyd's of London Arch Specialty Insurance Company
General Liability and Automobile Liability	SPELLJIF, Great American Insurance Company
Workers Compensation	SPELLJIF, Great American Insurance Company, Safety National Casualty Company
Educator Legal Liability	SPELLJIF, Great American Insurance Company, General Reinsurance Corp.

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**SINGLE AUDIT SECTION**

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EXHIBIT K-1

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

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

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

**Internal Control Over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Kevin P. Frenia  
Certified Public Accountant  
Public School Accountant, No. 1011

Medford, New Jersey  
February 11, 2019





HOLMAN | FRENIA  
ALLISON, P.C.

Certified Public Accountants & Consultants

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EXHIBIT K-2

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

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

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

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

**Management's Responsibility**

Management is responsible for compliance with 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 Medford Township Public School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards, the Uniform Guidance and New Jersey OMB's Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

## Opinion on Each Major Federal and State Program

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

## Report on Internal Control Over Compliance

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

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

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

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Kevin P. Frenia  
Certified Public Accountant  
Public School Accountant, No. 1011

Medford, New Jersey  
February 11, 2019

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR FISCAL YEAR ENDED JUNE 30, 2018**

FEDERAL GRANTOR PASS-THROUGH GRANTOR/ PROGRAM TITLE	CFDA NUMBER	FAIN NUMBER	GRANT OR STATE PROJECT NUMBER	PROGRAM AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2017	CASH RECEIVED	BUDGETARY EXPENDITURES	SUBRECIPIENT EXPENDITURES	REPAYMENT OF PRIOR YEARS' BALANCES	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2018	UNEARNED REVENUE AT JUNE 30, 2018	DUE TO GRANTOR AT JUNE 30, 2018
<b>U.S. Department of Agriculture</b>													
Passed Through New Jersey Department of Agriculture:													
Child Nutrition Cluster:													
Food Distribution Program (Noncash Assistance)	10.555	181N1304N1099	Unavailable	\$54,584	7/1/17-6/30/18	\$ -	\$ 54,584	\$ (49,433)	\$ -	\$ -	\$ -	\$ 5,151	\$ -
Food Distribution Program (Noncash Assistance)	10.555	171N1304N1099	Unavailable	73,272	7/1/16-6/30/17	6,038	-	(6,038)	-	-	-	-	-
National School Lunch Program	10.555	181N1304N1099	100-010-3350-026	96,975	7/1/17-6/30/18	-	76,243	(96,975)	-	-	(20,732)	-	-
National School Lunch Program	10.555	171N1304N1099	100-010-3350-026	117,975	7/1/16-6/30/17	(7,676)	7,676	-	-	-	-	-	-
Healthy Hunger-Free Kids Act	10.555	181N1304N1099	100-010-3350-026	9,159	7/1/17-6/30/18	-	7,173	(9,159)	-	-	(1,986)	-	-
Healthy Hunger-Free Kids Act	10.555	171N1304N1099	100-010-3350-026	10,127	7/1/16-6/30/17	(684)	684	-	-	-	-	-	-
Total Child Nutrition Cluster						(2,322)	146,360	(161,605)	-	-	(22,718)	5,151	-
<b>Total U.S. Department of Agriculture</b>						(2,322)	146,360	(161,605)	-	-	(22,718)	5,151	-
<b>U.S. Department of Health and Human Services</b>													
Passed Through New Jersey Department of Human Services:													
Medical Assistance Program (SEM)													
	93.778	1706NJMAP	100-054-7540-211	23,352	7/1/17-6/30/18	-	23,352	(23,352)	-	-	-	-	-
<b>Total U.S. Department of Health and Human Services</b>						-	23,352	(23,352)	-	-	-	-	-
<b>U.S. Department of Education</b>													
Passed Through New Jersey Department of Education:													
Title I - Part A	84.010	S010A170030	100-034-5064-194	84,403	7/1/17-6/30/18	-	58,435	(84,403)	-	-	(25,968)	-	-
Title I - Part A	84.010	S010A160030	100-034-5064-194	71,836	7/1/16-6/30/17	(16,214)	16,214	-	-	-	-	-	-
Subtotal						(16,214)	74,649	(84,403)	-	-	(25,968)	-	-
Title IIA - Part A	84.367	S367A180029	100-034-5063-290	41,260	7/1/17-6/30/18	-	35,726	(41,260)	-	-	(5,534)	-	-
Title IIA - Part A	84.367	S367A170029	100-034-5063-290	54,806	7/1/16-6/30/17	(47,906)	47,906	-	-	-	-	-	-
Subtotal						(47,906)	83,632	(41,260)	-	-	(5,534)	-	-
Title III - Immigrant	84.365	S365A170009	100-034-5064-187	1,719	7/1/17-6/30/18	-	1,719	(1,719)	-	-	-	-	-
Title III - Immigrant	84.365	S365A160009	100-034-5064-187	2,259	7/1/16-6/30/17	(2,259)	2,259	-	-	-	-	-	-
Title III - English Language Acquisition	84.365	S365A180009	100-034-5064-187	5,028	7/1/17-6/30/18	-	5,028	(5,028)	-	-	-	-	-
Title III - English Language Acquisition	84.365	S365A170009	100-034-5064-187	12,321	7/1/16-6/30/17	(12,321)	12,321	-	-	-	-	-	-
Subtotal						(14,580)	21,327	(6,747)	-	-	-	-	-
Title IV - Part A	84.424	S42A180031	100-034-5063-348	10,000	7/1/17-6/30/18	-	6,874	(10,000)	-	-	(3,126)	-	-
Special Education Cluster:													
L.D.E.A. Part B, Basic Regular	84.027	H027A160100	100-034-5065-016	594,602	7/1/17-6/30/18	-	555,106	(592,114)	-	-	(37,008)	-	-
L.D.E.A. Part B, Basic Regular	84.027	H027A150100	100-034-5065-016	602,542	7/1/16-6/30/17	(28,476)	28,476	-	-	-	-	-	-
Subtotal						(28,476)	583,582	(592,114)	-	-	(37,008)	-	-
L.D.E.A. Preschool	84.173A	H173A160114	100-034-5065-020	33,374	7/1/17-6/30/18	-	32,693	(33,374)	-	-	(681)	-	-
Subtotal							32,693	(33,374)	-	-	(681)	-	-
Total Special Education Cluster						(28,476)	616,275	(625,488)	-	-	(37,689)	-	-
<b>Total U.S. Department of Education</b>						(107,176)	802,757	(767,898)	-	-	(72,317)	-	-
<b>Total Expenditures of Federal Awards</b>						\$ (109,498)	\$ 972,469	\$ (952,855)	\$ -	\$ -	\$ (95,035)	\$ 5,151	\$ -

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

MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR FISCAL YEAR ENDED JUNE 30, 2018

STATE GRANTOR/PROGRAM TITLE OR CLUSTER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2017	CASH RECEIVED	BUDGETARY EXPENDITURES	SUBRECIPIENT EXPENDITURES	PRIOR YEARS' BALANCES	BALANCE AT JUNE 30, 2018		MEMO							
									(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES						
<b>New Jersey Department of Education:</b>																		
General Fund:																		
Categorical Special Education Aid	495-034-5120-089	\$ 1,680,355	7/1/17-6/30/18	\$ -	\$ 1,680,355	\$(1,680,355)	\$ -	\$ -	\$ -	\$ -	\$ 146,019	\$ 1,680,355						
Equalization Aid	495-034-5120-078	2,700,883	7/1/17-6/30/18	-	2,700,883	(2,700,883)	-	-	-	-	234,700	2,700,883						
Security Aid	495-034-5120-084	78,003	7/1/17-6/30/18	-	78,003	(78,003)	-	-	-	-	6,778	78,003						
Per Pupil Growth Aid	495-034-5120-097	26,465	7/1/17-6/30/18	-	26,465	(26,465)	-	-	-	-	2,300	26,465						
PARCC Readiness Aid	495-034-5120-098	26,465	7/1/17-6/30/18	-	26,465	(26,465)	-	-	-	-	2,300	26,465						
Professional Learning Community Aid	495-034-5120-101	265,390	7/1/17-6/30/18	-	265,390	(265,390)	-	-	-	-	2,293	265,390						
Total State Aid Public																		
Transportation Aid	495-034-5120-014	230,547	7/1/17-6/30/18	-	230,547	(230,547)	-	-	-	-	20,034	230,547						
Lead Testing	495-034-5120-104	10,409	7/1/17-6/30/18	-	10,409	(10,409)	-	-	-	-	-	10,409						
Nonpublic Transportation Aid	495-034-5120-014	31,900,000	7/1/17-6/30/18	-	31,900,000	(31,900,000)	-	-	-	(31,900)	-	31,900						
Nonpublic Transportation Aid	495-034-5120-014	21,500	7/1/17-6/30/18	(21,500)	21,500	-	-	-	-	(225,056)	-	225,056						
Extraordinary Aid	495-034-5120-044	228,056	7/1/17-6/30/18	(248,477)	248,477	-	-	-	-	(75,286)	-	1,557,377						
Reimbursed TPAF Social Security Contributions	495-034-5094-003	1,557,377	7/1/17-6/30/18	(70,750)	70,750	-	-	-	-	-	-	-						
Reimbursed TPAF Social Security Contributions	495-034-5094-003	1,477,882	7/1/17-6/30/18	-	1,477,882	-	-	-	-	-	-	-						
Noncash Assistance: On Behalf Post-Retirement Long Term Contributions	100-034-5094-004	3,345	7/1/17-6/30/18	-	3,345	(3,345)	-	-	-	-	-	3,345						
On Behalf TPAF Pension Contributions (Non-Budgeted)	100-034-5095-002	2,885,880	7/1/17-6/30/18	-	2,885,880	(2,885,880)	-	-	-	-	-	2,885,880						
On Behalf TPAF Post-Retirement Medical (Non-Budgeted)	100-034-5095-001	1,863,928	7/1/17-6/30/18	-	1,863,928	(1,863,928)	-	-	-	-	-	1,863,928						
Total General Fund																		
Special Revenue Fund:				(340,727)	11,355,488	(11,347,003)	-	-	-	(332,242)	-	414,424						
Non-Public Aid:																		
Auxiliary Services Aid Cluster (Ch. 192):																		
Compensatory Education	100-034-5120-067	46,064	7/1/17-6/30/18	-	46,064	(24,341)	-	(2,597)	-	21,723	-	24,341						
Remedial Education	100-034-5120-067	38,519	7/1/17-6/30/18	2,597	-	(903)	-	-	-	-	-	903						
E.S.L.	100-034-5120-067	903	7/1/17-6/30/18	639	-	-	-	(639)	-	-	-	-						
E.S.L.	100-034-5120-067	914	7/1/17-6/30/18	-	-	-	-	-	-	-	-	-						
Total Auxiliary Services Aid Cluster																		
Handicapped Services Aid Cluster				3,236	46,967	(25,244)	-	(3,236)	-	21,723	-	25,244						
Handicapped Services Cluster (Ch. 193):																		
Supplemental Instruction	100-034-5120-066	17,445	7/1/17-6/30/18	-	17,445	(6,185)	-	-	-	11,260	-	6,185						
Supplemental Instruction	100-034-5120-066	15,694	7/1/17-6/30/18	1,883	-	(7,946)	-	(1,883)	-	20,024	-	7,946						
Speech	100-034-5120-066	28,570	7/1/17-6/30/18	6,981	-	(4,013)	-	(6,981)	-	1,094	-	4,013						
Speech	100-034-5120-066	26,506	7/1/17-6/30/18	-	5,107	-	-	(361)	-	2,547	-	6,365						
Annual Examination	100-034-5120-066	5,107	7/1/17-6/30/18	361	8,912	(6,365)	-	(1,260)	-	-	-	-						
Annual Examination	100-034-5120-066	8,912	7/1/17-6/30/18	1,260	-	-	-	-	-	-	-	-						
Examination & Classification	100-034-5120-066	8,819	7/1/17-6/30/18	-	-	-	-	(10,485)	-	35,525	-	24,509						
Examination & Classification	100-034-5120-066	8,819	7/1/17-6/30/18	-	-	-	-	-	-	-	-	-						
Total Handicapped Services Cluster																		
NJ Schools to Watch Grant	N/A	3,000	7/1/17-6/30/18	3,000	-	-	-	-	3,000	-	-	-						
Textbooks	100-034-5120-064	16,434	7/1/17-6/30/18	-	16,434	(16,434)	-	-	-	-	-	16,434						
Nursing	100-034-5120-070	30,264	7/1/17-6/30/18	-	30,264	(29,100)	-	-	1,164	-	-	29,100						
Technology	100-034-5120-373	11,100	7/1/17-6/30/18	-	11,100	(11,100)	-	-	-	-	-	11,100						
Home Instruction	100-034-5120-065	2,247	7/1/17-6/30/18	(1,028)	-	(2,247)	-	-	-	-	-	2,247						
Home Instruction	100-034-5120-065	2,247	7/1/17-6/30/18	-	1,028	-	-	-	-	-	-	1,028						
Security Aid	100-034-5120-509	23,400	7/1/17-6/30/18	-	23,400	(22,500)	-	-	900	-	-	22,500						
Total Special Revenue Fund																		
Enterprise Fund:				15,693	189,227	(131,134)	-	(13,721)	(2,247)	3,000	59,312	131,134						
National School Lunch Program (State Share)	100-010-3350-023	7,721	7/1/17-6/30/18	-	6,048	(7,721)	-	-	(1,673)	-	-	7,721						
National School Lunch Program (State Share)	100-010-3350-023	7,137	7/1/17-6/30/18	(479)	479	-	-	-	-	-	-	-						
Total Enterprise Fund																		
Total State Financial Assistance				(479)	6,527	(7,721)	-	-	-	(1,673)	-	7,721						
Less: Grants Not Subject to Major Program Determination:																		
On Behalf Post-Retirement Long Term Disability Insurance Contributions	100-034-5094-004	3,345	7/1/17-6/30/18	-	-	-	-	-	-	-	-	3,345						
On Behalf TPAF Pension Contributions (Non-Budgeted)	100-034-5095-002	2,885,880	7/1/17-6/30/18	-	-	-	-	-	-	-	-	2,885,880						
On Behalf TPAF Post-Retirement Medical (Non-Budgeted)	100-034-5095-001	1,863,928	7/1/17-6/30/18	-	-	-	-	-	-	-	-	1,863,928						
Total State Financial Assistance subject to Calculation for Major Program Determination																		
				(325,513)	11,551,242	(11,485,858)	\$	(13,721)	\$	(336,162)	\$	3,000	\$	59,312	\$	414,424	\$	11,485,858

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

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE**  
**FINANCIAL ASSISTANCE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Note 1. Basis of Presentation**

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

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

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

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

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 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 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.

**MEDFORD TOWNSHIP PUBLIC SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE  
FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$14,213 for the general fund and \$(25,465) for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 23,352	\$ 11,361,216	\$ 11,384,568
Special Revenue Fund	767,898	105,669	873,567
Food Service Fund	<u>160,718</u>	<u>7,721</u>	<u>168,439</u>
Total Awards & Financial Assistance	<u>\$ 951,968</u>	<u>\$ 11,474,606</u>	<u>\$ 12,426,574</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 Medford Township Public School District had no loan balances outstanding at June 30, 2018.

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

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

**Financial Statements**

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

Internal control over financial reporting:

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

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

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

**Federal Awards**

Internal control over major programs:

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

    2) Significant deficiency(ies) identified? \_\_\_\_\_ 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 2 CFR 200 section .516(a) of Uniform Guidance? \_\_\_\_\_ yes      X   no

Identification of major programs:

<b><u>CFDA Number(s)</u></b>	<b><u>FAIN Number(s)</u></b>	<b><u>Name of Federal Program or Cluster</u></b>
_____ 84.027 _____	_____ H027A160100 _____	_____ Special Education Cluster _____
_____ 84.173A _____	_____ H173A160114 _____	_____ Special Education Cluster _____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Dollar threshold used to determine Type A programs \_\_\_\_\_ \$750,000 \_\_\_\_\_

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

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

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

**State Financial Assistance**

Dollar threshold used to determine Type A programs \_\_\_\_\_ \$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 deficiency(ies) identified? \_\_\_\_\_ yes \_\_\_\_\_ X \_\_\_\_\_ no

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

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

Identification of major programs:

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

**Name of State Program**

495-034-5094-003	Reimbursed T.P.A.F.



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

**Section II – Financial Statement Findings**

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

None.

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

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

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

**FEDERAL AWARDS**

None.

**STATE FINANCIAL ASSISTANCE**

None.

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

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

Financial Statement Findings

No Prior Year Findings.

Federal Awards

No Prior Year Findings.

State Financial Assistance

No Prior Year Findings.