

***NEW HANOVER TOWNSHIP  
BOARD OF EDUCATION  
COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2018***

**SCHOOL DISTRICT  
OF  
NEW HANOVER TOWNSHIP**

***New Hanover Township Board of Education  
Wrightstown, New Jersey***

***Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2018***

**COMPREHENSIVE ANNUAL**

**FINANCIAL REPORT**

*of*

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION**

**WRIGHTSTOWN, NEW JERSEY**

*For the Fiscal Year Ended June 30, 2018*

*Prepared by*

***New Hanover Township Board of Education  
Business Office***

## STATE BOARD OF EDUCATION

ARCELIO APONTE ..... President	Middlesex
KATHY A. GOLDENBERG ..... Vice President	Burlington
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**Dr. Lamont Repollet, Commissioner of Education  
Secretary, State Board of Education**

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
OUTLINE FOR COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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*INTRODUCTORY SECTION*

# NEW HANOVER TOWNSHIP SCHOOL DISTRICT



*(New Hanover Township Elementary School)*

NEW HANOVER TOWNSHIP  
BOARD OF EDUCATION  
WRIGHTSTOWN, NEW JERSEY  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**NEW HANOVER TOWNSHIP SCHOOL DISTRICT**  
**New Hanover Township \* Wrightstown Borough**

122 Fort Dix Street  
 Wrightstown NJ 08562  
 609-723-2139

[www.newhanover.k12.nj.us](http://www.newhanover.k12.nj.us)

Dr. Richard Wiener, Superintendent  
 Dr. Scott Larkin, Principal

November 27, 2018

Honorable President and  
 Members of the Board of Education  
 New Hanover Township School District  
 County of Burlington  
 Wrightstown, New Jersey 08562

Dear Board Members/Citizens:

The Comprehensive Annual Financial Report of the New Hanover Township School District (District) for the fiscal year ended June 30, 2018 is hereby submitted in accordance with Governmental Accounting Standards Board Statement 34 and 44. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the New Hanover Township School Board of Education (Board.). To the best of our knowledge and belief, data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

- The Introductory Section includes this transmittal letter, the District's organizational chart, a list of principal officials, and a list of consultants and advisors.
- The Financial Section includes the basic financial statements and schedules, as well as the auditor's report thereon.
- The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.

- The Single Audit Section which states that the District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations", and the state Treasury Circular Letter 04-04 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, is included in the single audit section of this report.

## **SCHOOL DISTRICT ORGANIZATION**

The New Hanover Township School District is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14 and Statement 34. All funds and account groups of the District as included in this report. The New Hanover Township School Board of Education constitutes the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular and vocational as well as special education for handicapped students. The District completed the 2017-2018 fiscal year with an average daily enrollment of 187.92 students. Enrollment is defined as students on roll and students placed out of District. Established in 1939, the District is one building. Encompassing over 35,582 square feet, one floor, one gym, and full service cafeteria make up the District's school facilities.

The District is classified as a consolidated school district. This is different than being classified as a regional school district. The tax levy percentage is set by the County Tax Assessor based on an equalized value calculation. The Board of Education composition does not require a certain number of representatives from each town. Both towns vote on board members from each district.

The district receives students from the Borough of Wrightstown and the Township of New Hanover. The students attend the school until 8<sup>th</sup> grade. High School students attend Bordentown Regional High School or they can choose to attend the County Vocational School District. With the enactment of the "School Choice" law, students can also choose to attend a choice school in nearby towns. The school and towns are rich in New Jersey history, being centered next door to Fort Dix and near to McGuire Air Force Base. The school is friendly, warm, and full of school pride.

The Board of Education is comprised of seven members. The Board of Education meets on the third Thursday of the month for regular board meetings. In the months of February, March, May, August and September, there are two meetings per month. All other months have one meeting per month. The meeting format changed in 2013, from individual committees to a committee of the whole structure. When there are two meetings a month, the first meeting is for discussion of agenda items and little action is

taken. The action meeting is the second meeting of the month. During its meetings the board determines District goals and priorities and conducts the business of the Board of Education. All Board meetings are open to the public and begin at 7 p.m. in the school library, unless a time change is needed which is then properly advertised.

The New Hanover Township PTO is very active in the District and provides community support for a variety of programs and activities for the students. Many fundraisers are held throughout the year, with advertising on the District's website, which helps support many aspects of the school. It is a wonderful community organization who has the students first and foremost.

The current District website of [www.newhanover.k12.nj.us](http://www.newhanover.k12.nj.us) is an extensive website that both staff and parents can utilize to find out anything they need to know about the District. Parents can e-mail teachers at any time. Additionally, all staff members have telephone extensions to communicate with parents if that is an easier way to reach them. The district has also purchased subscription to an "instant alert" program which enables further communication to parents/guardians about events at the school.

#### **EDUCATIONAL PROGRAM/REPORTING ENTITY AND ITS SERVICES**

As stated earlier, the District completed the 2017-2018 fiscal year with an average daily enrollment of 187.92 students. Enrollment is defined as students on roll and students placed out of District. The following details the changes in the student enrollment of the District over the past few years.

<b>Average Daily Enrollment</b>		
<b>Fiscal Year</b>	<b>Student Enrollment</b>	<b>Percent Change</b>
2017-2018	187.92	.009
2016-2017	186.22	-.29
2015-2016	186.76	.57
2014-2015	185.71	-1.47
2013-2014	188.49	.05
2012-2013	188.40	4.46
2011-2012	180	----
2010-2011	181	11
2009-2010	163	.25
2008-2009	161	10

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. The school follows the District-wide goals and educational approaches to the teaching of children, while maintaining a unique personality that make up that particular school. All curricula in our District are under review for update to meet recent changes to the New Jersey Student Learning Standards (formerly the New Jersey Core Curriculum Content Standards).

**Elementary School:** Currently the Administrative makeup of the building is that of a Superintendent who is present at least two times a week and a full time Principal. In July 2015, the district entered into a Business Service Agreement with another district for Superintendent Services two days a week. This is a five year contract which will give the district stability in the position of Superintendent. In July 2014 the district created a Director of Curriculum position in an effort to focus on student achievement. In July 2018 the district ended the contracted Child Study Team Services with North Hanover. The Director of Curriculum is now the Director of CST and Curriculum and has increased time in the district. There is one nurse. All of these new positions have helped the district raise their QSAC (Quality Single Accountability Continuum) scores. New programs, such as an afterschool extra help program, and homework club focus on assisting students in their educational studies.

The school is unique in the sense that while it is small, it offers many after school activities and sports programs for all students to participate in. Every winter there is the traditional Holiday Music Concert, and in the spring there is a musical play. Clubs such as Safety Patrol, Yearbook, Student Council, and Junior Beta allow all students to participate in a school activity. The following sports are available for all students- cheerleading, soccer, basketball (both boys and girls). During the school year there are many activities for the students to become involved in.

Starting in the 2016-2017 school year, in an answer to a very large wait list for preschool, the district changed from full day preschool to single session preschool. Surprisingly, the turnout was not as anticipated and in the 2017-2018 school year the district switched back to full day preschool. Increased Title 1 funds have also allowed for an afterschool and summer program for at risk students. In summer 2018 the district held its first theatre camp enrichment program. This program was very successful and plans are in place for future programs during the summer. Together, all programs have allowed the district's test scores to increase. The county office has been very pleased with the hard work that has been invested in the educational program at New Hanover Township School District.



### *Fire Prevention Day*

The school can be best described as a warm, friendly and a full of school spirit environment.

New Hanover Township School offers a comprehensive educational program that was developed to meet the needs of all students, whether they are in the need of advanced placement courses, remedial instruction, or something in between.

### **New Jersey Student Learning Standards (formerly the New Jersey Core Curriculum Contents Standards)**

Our instruction and support materials are in line with the New Jersey Student Learning Standards (formerly the New Jersey Core Curriculum Contents Standards). District curricula are under review in order to meet the changes of Common Core Standards and recently imposed changes by the NJ Department of Education. New curriculum was written over the summers of 2013, 2014, 2015, 2016 and 2017 along with purchasing of new textbooks to be aligned to the newly written curriculum.

### **Staff Development**

The New Hanover Township School District provides its teaching staff with many opportunities for professional development.

New teachers have an additional day dedicated to new teacher training. A teacher's manual is given to all new teachers as well as an assigned mentor to provide support throughout the school year.

In the beginning of the year, one full day is dedicated to staff development. The teachers meet in the morning for sessions, have lunch, and then in the afternoon have breakout sessions regarding the training.

During the year there are different days dedicated to staff development. The topics can range from bullying, character education, technology diversification and assessment. The teachers spend the morning in workshops, have lunch and then in the afternoon have breakout sessions to work on their assessments. Faculty members are also afforded, upon board approval, professional development outside of the District.

The new regulations for teacher evaluation, which New Hanover Township School District implemented successfully PARCC (Partnership for Assessment of Readiness for College and Careers) testing.

In 2014-2015 the district implemented Achieve 3000- a self-guided reading assessment program for grades 5-8. This program was so successful in integrating reading and tying into PARCC testing that it has been expanded to start at grade 3.

In 2017-2018 the district institute Responsive Classroom, an evidence-based approach to education that focuses on the strong relationship between academic success and social-emotional learning (SEL). This has been very successful in the district. Additionally, the district is currently working on being named a National School of Character. This multi year project completed the first steps in 2017-2018 towards reaching their goal.

The district continues to stay in compliance with reporting of HIB instances. The Administration works diligently to make all students, board members, and staff aware of such compliance.

### **Technology:**

The District's technology plan was approved and the District is moving forward with Technology. They currently do not have a full time Technology Supervisor, but are very fortunate to have a staff member whose responsibilities include overseeing technology in the District. The district does employ an outside technology consulting company who assists the district with purchasing, support, and maintenance of the information technology within the district. Recently the time allotted was increased for the outside consultant due to increased purchases in technology.

The district budgets funds each year to enhance and upgrade their technology in the district. Additionally, the PTO has been very supportive in purchasing technology for the district.



## Business Office

The business office is comprised of the following individuals: School Business Administrator (Business Services Agreement) and two Administrative Assistants. This office is responsible for financially running the school District. Increased workload due to challenges faced from State and Federal mandates, while maintaining current staff levels, continues to be a challenge. The office is continually looking to streamline costs and find new opportunities for the District. The office continues to be a hard working component of the entire District.



*Spring Musical – Sold Out Show*



*Science Fair June 2018*



*Holiday Show 2017- students using sign language as they sing*

## **ECONOMIC CONDITION AND OUTLOOK**

Wrightstown and New Hanover are in transition mode development-wise. A new development is planned for the center of Wrightstown, and the community looks to stay stabilized with a leveling off of new housing and a concentration on ratable income being brought into the towns. As of this writing, the development is still being revised. Joint Base McGuire-Dix-Lakehurst is still active, which has helped lessen the economic hardships being felt in nearby towns. The activity of the military base has a direct financial connection to the district in the form of 8002 Impact Aid. The district receives monies from the Federal Government for Impact Aid due to the acreage of the Fort. Any major change in the status of the Fort will have a direct financial impact to the School District.

In New Hanover (also known as Cookstown), there is construction of new homes- not a large number, but still positive for the town. In 2013 the Board of Education approved a demographic study to see where the population is currently at and where it is estimated to be in the next few years. The outcome of the demographic study was a predicted increase of 45 students over the next 5 years. The district discussed the results of the study at a board meeting in spring 2014 and also continued to discuss enrollment in September 2015. Enrollment has leveled off and for now, there are no major plans for expansion of the school.

## **MAJOR INITIATIVES**

Adding onto the summer 2011 multi-million dollar renovation project, in summer 2012 the district renovated all parking lots in the district. The front parking lot, formerly in a U shape with a grass field was renovated to include additional parking spaces, ADA compliance, and a better drainage system. The back parking lot was reconfigured to allow for safer student pick up and drop off. New drainage systems were installed to address some water issues due to the grading of the land. This project has been a success. In summer 2014 the district applied for and received funding for a ROD IV grant. These projects were completed during summer 2015. The main projects were a new front door security vestibule and air conditioning of the gymnasium. There are some minor projects planned for the future, but no commitments have been made from the facilities committee of the Board of Education.

The district is currently working on continued projects to steer them into the future of the 79 year old school district –

- Addressing Choice Schools which are now competing for New Hanover students (and the state aid that goes with each student)
- Balancing the school budget with restrictions in place from the state of NJ.
- Preparing all students for a successful high school education.
- Working on an efficient use of space in the district

The Board works closely with the Superintendent and Business Administrator to develop goals and objectives for the District.

## **INTERNAL CONTROLS**

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

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

As part of the District's single audit, described earlier, tests are made to determine adequacy of the internal control system, 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.

The District Business Office has finally settled into a new normal. The office and all paperwork involved in running the district have been filed on a timely basis and operating procedures and controls are in place. Both Business Service Agreements of the Superintendent and Business Administrator cannot function successfully without the hard work, commitment and dedication of the office staff personnel from the Business, General and Child Study Team Offices. The future looks bright in the business office with a completed Standard Operating Procedure Manual along with a planned Purchasing Manual for additional compliance with auditing standards.

## **BUDGETARY CONTROLS**

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipalities. Annual appropriated budgets are adopted for the general fund and special revenue funds. The final budget amount as amended for the fiscal year is reflected in the financial section.

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



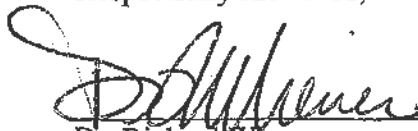
## INDEPENDENT AUDIT

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. In 2013 the district went out on RFP for a new auditing firm. The firm of Cannone and Company was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet requirements of the Single Audit Act of 1984, as amended and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor's report on the basic financial statements, combining, individual fund 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.

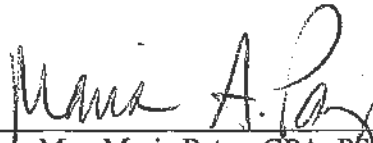
## ACKNOWLEDGEMENTS

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

Respectfully submitted,

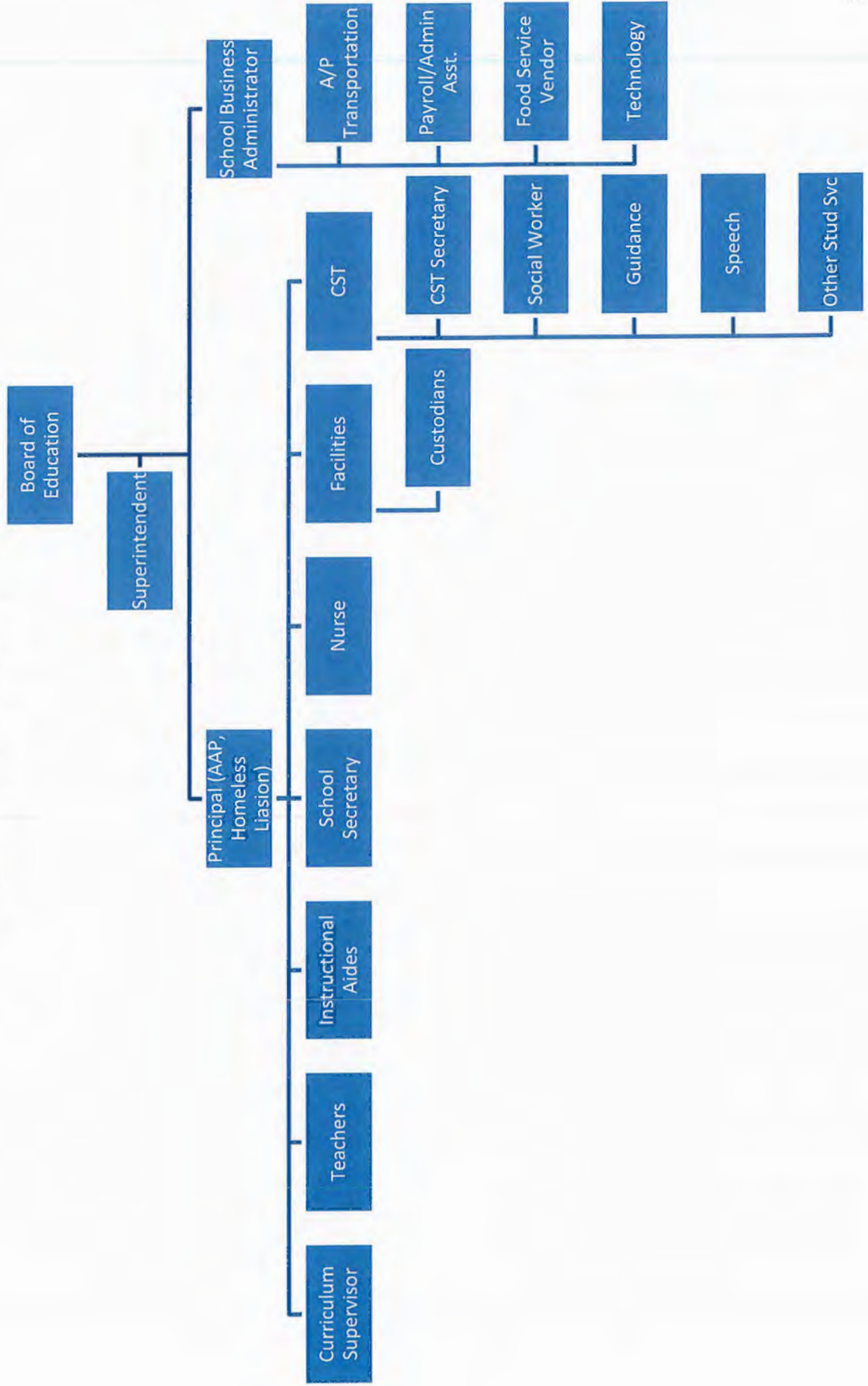


Dr. Richard Wiener,  
Superintendent of Schools



Mrs. Maria Pastry, CPA, PSA, SFO  
School Business Administrator/  
Secretary to the Board

# New Hanover Township School District Organizational Chart



**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
WRIGHTSTOWN, NEW JERSEY**

**ROSTER OF OFFICIALS  
JUNE 30, 2018**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Charles Roohr, President	2020
Carli Haas, Vice President	2018
Christel Beck	2018
William Castner	2020
Christina Ford	2019
Rick Martin	2019
Drew Slater	2019

**Other Officials**

Dr. Richard Weiner, Superintendent

Maria Anne Parry, CPA, PSA, SFO, School Business Administrator/Board Secretary

Schoolwide Solutions, Reconciling Agent

Kenny, Gross, Kovats & Parton, Solicitor



**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
WRIGHTSTOWN, NEW JERSEY**

**CONSULTANTS AND ADVISORS  
June 30, 2018**

***Audit Firm***

Cannone & Company, P.A.  
485 Morris Avenue  
Springfield, NJ 07081

***Attorneys***

Kenny, Gross, Kovats & Parton  
Michael J. Gross  
130 Maple Avenue, Building 8  
Red Bank, NJ 07701

***Official Depositories***

TD Bank

Beneficial Bank

BB & T

***FINANCIAL SECTION***

MEMBER:  
American Society of Certified Public Accountants  
New Jersey Society of Certified Public Accountants

## **Independent Auditor's Report**

The Honorable President and  
Members of the Board of Education  
New Hanover Township School District  
County of Burlington  
Wrightstown, New Jersey

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the New Hanover Township School District Board of Education, in the 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 general accepted in the United States of America, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the 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 of material misstatement.

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

### ***Other Matters***

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis and Budgetary Comparison Information on pages 20 through 28 and 78 through 92 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.

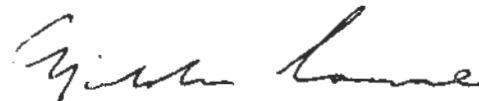
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the New Hanover Township School District Board of Education's basic financial statements. The accompanying introductory section, combining fund financial statements, financial schedules and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory section, financial schedules and statistical section 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 November 30, 2018 on our consideration of New Hanover Township School District Board of Education'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 New Hanover Township School District Board of Education's internal control over financial reporting and compliance.



Nicholas A. Cannone  
Licensed Public School Accountant  
No. CS-02103  
Cannone & Company, PA  
Certified Public Accountants  
Springfield, New Jersey

November 30, 2018

**REQUIRED SUPPLEMENTARY INFORMATION**  
**PART I**

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***MANAGEMENT'S DISCUSSION AND ANALYSIS***

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

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

The Management's Discussion and Analysis (MD&A) is a new element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* issued in June 1999.

### **Financial Highlights**

Key financial highlights for 2018 are as follows:

In total, net assets decreased **\$483,245**, which represents an approximate 6 percent decrease from 2017.

Breaking down the detail of the statement of net assets, for governmental activities one will see that total assets of such governmental activities decreased by \$490,448 as cash and cash equivalents and investments decreased by \$476,330 and restricted cash increased by \$176,739.

*New Hanover Township had \$6,219,926 in expenses; only \$932,254 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$1,689,350, federal and state aid unrestricted for \$3,101,505, and miscellaneous income for \$13,572 were adequate to provide for these programs. Of these total revenues of \$5,736,681, there was \$6,219,926 in expenditures. The General Fund's fund balance decreased \$483,245 over 2017.*

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

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

This annual report consists of three parts—management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of New Hanover Township School:



### District-Wide Financial Statements (Statement of Net Assets and Statement of Activities)

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the New Hanover Township's overall financial status.

### Fund Financial Statements

- The remaining statements are fund financial statements that focus on individual parts of New Hanover Township, reporting New Hanover Township's operations in more detail than the district-wide statements.
- The governmental funds statements tell how basic services like regular and special education were financed in the short term as well as what remains for future spending.
- Proprietary funds statements offer short and long-term financial information about the activities New Hanover Township operates like businesses, such as food services.
- Fiduciary funds statements provide information about the financial relationships in which New Hanover Township School acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of New Hanover Township School Board of Education's budget for the year.

**Figure A-1  
Major Features of District-Wide and Fund Financial Statements**

	District-wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses: food services	Instances in which the district administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial statements	•Statement of net assets •Statement of activities	•Balance sheet •Statement of revenues, expenditures, and changes in fund balances	•Statement of net assets •Statement of revenues, expenses, and changes in fund net assets •Statement of cash flows	•Statement of fiduciary net assets •Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of assets/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term, and long-term. Monmouth Regional's funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions, during the year, regardless of when cash is received or paid

Figure A-1 summarizes the major features of New Hanover Township School's financial statements, including the portion of New Hanover Township's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Continued

## **Fund Financial Statements (Continued)**

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

### **Reporting the School District as a Whole Statement of Net Assets and the Statement of Activities**

While this document contains the large number of funds used by New Hanover Township to provide programs and activities, the view of New Hanover Township School, as a whole looks at all financial transactions and asks the question, "How did we do financially during 2017-2018?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. These bases of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Assets and the Statement of Activities, New Hanover Township School is divided into two district kinds of activities:

**Governmental activities** – All of New Hanover Township School's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

**Business-Type Activity** – This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

### **Reporting New Hanover Township School's Most Significant Funds Fund Financial Statements**

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

#### **Governmental Funds**

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

## Governmental Funds (Continued)

District's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

## Enterprise Fund

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

## Notes to the Financial Statements

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

## The School District as a Whole

Recall that the Statement of Net Assets provides the perspective of New Hanover Township School as a whole. Net assets may serve over time as a useful indicator of a government's financial position. New Hanover Township's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Table 1 provides a summary of New Hanover Township School's net assets for 2018 with comparative amounts for 2017.

**Table A-1**  
**Summary of Net Assets**

	NHTS Total 2018	NHTS Total 2017	Increase (Decrease) From 2017	Total Percentage Change 2018-2017
Current and Other Assets	\$ 3,365,426	\$ 3,787,819	\$ (422,393)	-11.15%
Capital Assets	5,982,225	6,150,493	\$ (168,268)	-2.74%
<b>Total Assets</b>	<b>\$ 9,347,651</b>	<b>\$ 9,938,312</b>	<b>\$ (590,661)</b>	<b>-5.94%</b>
Long-Term Debt Outstanding	\$ 108,472	\$ 128,175	\$ (19,703)	-15.37%
Deferred Pension Liability	1,247,090	1,332,167		100.00%
Other Liabilities	5,944	8,631	\$ (2,687)	-31.13%
<b>Total Liabilities</b>	<b>\$ 1,361,506</b>	<b>\$ 1,468,973</b>	<b>\$ (22,390)</b>	<b>-1.52%</b>
<b>Net Assets:</b>				
Invested in capital assets, net of related debt	\$ 5,961,135	\$ 6,123,053	\$ (161,918)	-2.64%
Restricted	2,852,672	3,279,239	\$ (426,567)	-13.01%
Unrestricted	(827,662)	(932,953)	\$ 105,291	-11.29%
<b>Total Net Assets</b>	<b>\$ 7,986,145</b>	<b>\$ 8,469,339</b>	<b>\$ (483,194)</b>	<b>-5.71%</b>

Continued

**The School District as a Whole (Continued)**

Table 2 shows changes in net assets for fiscal year 2018 with comparative amounts for 2017.

**Table A-2  
Summary of Changes in Net Assets**

	<b>NHSD Total 2018</b>	<b>NHSD Total 2017</b>	<b>Increase (Decrease) 2017</b>	<b>Percentage Change 2018-2017</b>
<b>REVENUES</b>				
Program Revenues:				
Charges for Services Federal and State	\$ 93,936	\$ 46,005	\$ 47,931	104.19%
Categorical Grants	3,101,505	3,103,195	(1,690)	-0.05%
General Revenues:				
Property Taxes	1,689,350	1,656,225	33,125	2.00%
Grants and contributions not rest.	838,318	805,075	33,243	4.13%
Other	13,572	47,246	(33,674)	-71.27%
<b>Total Revenues</b>	<b>\$ 5,736,681</b>	<b>\$ 5,657,746</b>	<b>\$ 78,935</b>	<b>1.40%</b>
<b>EXPENSES</b>				
Instruction	\$ 3,000,999	\$ 3,078,758	\$ (77,759)	-2.53%
Student Support Services	3,218,927	3,565,902	(346,975)	-9.73%
Other	-	-	-	0.00%
<b>Total</b>	<b>\$ 6,219,926</b>	<b>\$ 6,644,660</b>	<b>\$ (424,734)</b>	<b>-6.39%</b>
<b>Increase (Decrease) in Net Assets</b>	<b>\$ (483,245)</b>	<b>\$ (986,914)</b>	<b>\$ 503,669</b>	<b>-51.03%</b>

**Governmental Activities**

The unique nature of property taxes in New Jersey creates the legal requirements to annually seek over approval for New Hanover Township School District operations. Property taxes made up approximately 29 percent of revenues for governmental activities for New Hanover Township School District for fiscal year 2018. New Hanover Township's total revenues were \$5,736,681 for the year ended June 30, 2018. Federal, state, and local grants and state aid accounted for another approximately 61 percent of revenue.

An important note here is that starting with the 2015-2016 school year audit, per GASB #68, documentation of pension payment is now required on the financial statements. In the 2015-2016 statements, this number represented \$1,032,956. In 2016-2017, this number represented \$1,276,518. In 2017-2018, this number represented \$1,002,155. By adding these liabilities to the statement of net assets, they have a dramatic effect on the fund balance.

**Business-Type Activities**

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

Food service expenditures exceeded revenues by **\$63,934**.

Charges for services represent **\$61,725** of revenue. This represents amounts paid by patrons for daily food service.

Continued

Federal and state reimbursement for meals, including payments free and reduced lunches and breakfast, and donated commodities was **\$80,154**.

#### **Governmental Activities**

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

**Table A-3**  
**Cost of Services vs Net Cost of Services**

	<b>Total Cost of Services 2018</b>	<b>Net Cost of Services 2018</b>
Instruction	<b>\$ 3,000,999</b>	<b>\$ 2,437,766</b>
Support Services:		
Pupil and Instructional Staff	<b>1,402,121</b>	<b>1,318,435</b>
Administration	<b>521,240</b>	<b>410,048</b>
Operation and Maintenance of Facilities	<b>625,072</b>	<b>599,123</b>
Pupil Transportation	<b>526,723</b>	<b>520,408</b>
compensated absences	<b>(7,815)</b>	<b>(7,815)</b>
transfer to Food Service/pension plan	<b>25,927</b>	<b>25,927</b>
<b>Total Expenses</b>	<b>\$ 6,094,267</b>	<b>\$ 5,303,892</b>

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

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

General administration, school administration, and business include expenses associated with administrative and financial supervision of New Hanover Township School District.

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

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

#### **The School District's Funds**

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to **\$5,600,438** and expenditures were **\$5,920,484**. The net change in fund balance for the year was a decrease of **\$320,046**. This is attributed to increased expenditures in benefits, plant maintenance, central services, and almost no increases in state aid, tax levy and impact aid over 2017.

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

Continued

## The School District's Funds (Continued)

**Table A-4**  
**Summary of Revenues-Governmental Funds**

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) 2017</u>	<u>Percent of Increase (Decrease)</u>
Local Sources	\$ 1,740,769	31.08%	\$ 39,531	2.27%
State Sources	3,018,806	53.90%	65,827	2.18%
Federal Sources	840,863	15.01%	(33,264)	-3.96%
<b>Total</b>	<b>\$ 5,600,438</b>	<b>100.00%</b>	<b>\$ 72,094</b>	<b>1.29%</b>

The increase in Local Sources is mostly attributed to an increase in interest income.

The increase in State Sources is mostly attributed to increases in State Aid and grants.

The decrease in Federal Sources is mostly due to a decrease in grants and a slight increase in Federal Impact Aid.

The following schedule presents a summary of General Fund, Special Revenue Fund and Debt Service Fund expenditures for the fiscal year ended June 30, 2018 and the percentage of increases and decreases in relation to prior year amounts.

**Table A-5**  
**Summary of Expenditures-Governmental Funds**

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 2017</u>	<u>Percent of Increase (Decrease)</u>
Current Expense:				
Instruction	\$ 1,922,905	32.48%	\$ (104,767)	-7.01%
Undistributed Expenditures	3,981,183	67.24%	(237,065)	-6.51%
Capital Outlay	16,396	0.28%	3,904	0.11%
Debt Service	-	0.00%	-	0.00%
<b>Total</b>	<b>\$ 5,920,484</b>	<b>100.00%</b>	<b>\$ (337,928)</b>	<b>-5.71%</b>

Changes in expenditures were the results of varying factors. The current expense decrease was due to lower tuition and education costs. The decreases in undistributed expenditures were due to lower transportation and maintenance costs. The capital outlay increase was due to expenditures for a STEM classroom in the middle school.

Continued

## General Fund Budgeting Highlights

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

Over the course of the year, New Hanover Township School revised the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- Change over in Administration in the Business Office
- Extraordinary aid, which is state aid for special education students whose individual program cost exceeds \$40,000 per year, was not anticipated as there is no guarantee from the Department of Education that these funds would be available.
- TPAF, which is the state's contribution to the pension fund, is neither a revenue item nor an expenditure item to the district but is required to be reflected in the financial statements. DCRP- a new pension classification bears an employer cost which began in fiscal year 2012-2013.
- Tuition for special education students over or under what has been estimated during budget preparation.
- Student transportation adjustments.
- An increase in capital outlay purchases for the instructional programs and the operations/maintenance department.

## Capital Assets

At the end of the fiscal year 2018, the School District had \$5,971,823 invested in land, building, furniture and equipment, and vehicles. Table A-6 shows fiscal year 2018 balances compared to 2017.

**Table A-6**  
**Summary of Capital Assets**  
**(Net of Depreciation)**

	<b>NHSD Total 2018</b>	<b>NHSD Total 2017</b>	<b>Increase (Decrease) From 2017</b>	<b>TTI % Change 2018-2017</b>
Land	\$ 90,000	\$ 90,000	\$ -	0.00%
Construction in Progress	\$ -	\$ -	\$ -	0.00%
Site Improvements	145,000	145,000	-	0.00%
Buildings	9,621,148	9,621,148	-	0.00%
Machinery and Equipment	262,387	257,571	4,816	1.87%
Less: depreciation	(4,146,712)	(3,974,645)	(172,067)	4.33%
<b>Total</b>	<b>\$5,971,823</b>	<b>\$6,139,074</b>	<b>\$ (167,251)</b>	<b>-2.72%</b>

Continued

## **Debt Administration**

At June 30, 2018, New Hanover Township School had **\$114,416** of outstanding debt. Of this amount, **\$98,845** is for compensated absences; **\$4,883** is for PERS payment deferral; and **\$10,688** is for capital leases.

## **For the Future**

The New Hanover Township School District is in good financial condition presently. The School District is proud of its community support of the public schools. The Business Office and Administration, with the support of the Board, has a clear path on a plan for future success. The future of tax levy apportionment between the two towns, land swap for redevelopment in Wrightstown, choice schools, and the continued impact of a new government in Trenton are aspects that remain as open items on the Board's checklist of to-do items. With proper planning, these tasks will be handled with the mindset of what is best for the students of the district.

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

## **Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of New Hanover Township School District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, contact Mrs. Maria Parry, School Business Administrator ([mparry@newhanover.k12.nj.us](mailto:mparry@newhanover.k12.nj.us)), at New Hanover Township School, 122 Fort Dix Street, Wrightstown NJ 08562 or visit the district website at [www.newhanover.k12.nj.us](http://www.newhanover.k12.nj.us)

Concluded



***BASIC FINANCIAL STATEMENTS***

## ***DISTRICT-WIDE FINANCIAL STATEMENTS***

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

**New Hanover Township Board of Education**  
**Statement of Net Position**  
**6/30/2018**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 716,462	\$ 23,988	\$ 740,450
Investments			-
Receivables, governmental entities	49,363		49,363
Other receivables (net)			-
Inventory		2,647	2,647
Restricted assets:			-
Cash and cash equivalents	1,626,462		1,626,462
Capital reserve account - cash	696,545		696,545
Capital assets, net (Note 4):	5,971,823	10,402	5,982,225
Deferred outflows of resources related to pensions	249,959		249,959
Total Assets	<u>9,310,614</u>	<u>37,037</u>	<u>9,347,651</u>
<b>LIABILITIES</b>			
Cash Overdraft			-
Accounts payable			-
Accrued Interest Expense			-
Payable to federal government			-
Deferred inflows of resources related to pensions	244,935		244,935
Pension liability for PERS - non current	1,002,155		1,002,155
Noncurrent liabilities (Note 5):			
Due within one year	5,944		5,944
Due beyond one year	108,472		108,472
Total liabilities	<u>1,361,506</u>	<u>-</u>	<u>1,361,506</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	5,961,135		5,961,135
Restricted for:			
Debt service			-
Capital projects	696,545		696,545
Other purposes	2,156,127		2,156,127
Unrestricted	(864,699)	37,037	(827,662)
Total net assets	<u>\$ 7,949,108</u>	<u>\$ 37,037</u>	<u>\$ 7,986,145</u>

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

New Hanover Township Board of Education  
Statement of Activities  
For the Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Instruction:							
Regular	\$ 2,406,921	\$ 32,211	\$ 472,637	\$ (1,902,073)		\$ (1,902,073)	
Special education	508,797		58,385	(450,412)		(450,412)	
Other special instruction	85,281			(85,281)		(85,281)	
Vocational				-		-	
Other instruction				-		-	
Nonpublic school programs				-		-	
Adult/continuing education programs				-		-	
Support services:							
Tuition	768,327		83,686	(684,641)		(684,641)	
Student & instruction related services	633,794			(633,794)		(633,794)	
School administrative services	179,688		49,952	(129,736)		(129,736)	
General and business administrative services	118,252		9,082	(109,170)		(109,170)	
Central Services	223,300		52,158	(171,142)		(171,142)	
Plant operations and maintenance	625,072		25,949	(599,123)		(599,123)	
Pupil transportation	526,723		6,315	(520,408)		(520,408)	
Business and other support services				-		-	
Compensated absences	(7,815)			7,815		7,815	
Pension plan expense	25,927			(25,927)		(25,927)	
Special schools				-		-	
Proportionate share of pension plan expense				-		-	
Debt service				-		-	
Interest on long-term debt				-		-	
Unallocated depreciation				-		-	
Total governmental activities	<u>6,094,267</u>	<u>32,211</u>	<u>758,164</u>	<u>(5,303,892)</u>	<u>-</u>	<u>(5,303,892)</u>	
Business-type activities:							
Food Service	125,659	61,725	80,154		16,220	16,220	
Total business-type activities	<u>125,659</u>	<u>61,725</u>	<u>80,154</u>	<u>-</u>	<u>16,220</u>	<u>16,220</u>	
Total primary government	<u>\$ 6,219,926</u>	<u>\$ 93,936</u>	<u>\$ 838,318</u>	<u>\$ -</u>	<u>\$ (5,303,892)</u>	<u>\$ 16,220</u>	<u>\$ (5,287,672)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purposes, net				1,689,350		\$ 1,689,350	
Taxes levied for debt service						-	
Federal and State aid not restricted				3,101,505		3,101,505	
Investment Earnings				17,310		17,310	
Miscellaneous Income				1,898		1,898	
Adjustments:							
PPRS payment				611		611	
Fixed Assets Adjustment				(11,580)		(11,580)	
Capital Lease Payments				5,333		5,333	
Food Service Transfer						-	
Total general revenues, special items, extraordinary items and transfers				<u>4,804,427</u>	<u>-</u>	<u>4,804,427</u>	
Change in Net Assets				(499,465)	16,220	(483,245)	
Net Assets—beginning				8,441,693	27,697	8,469,390	
Net Assets—ending				<u>\$ 7,942,228</u>	<u>\$ 43,917</u>	<u>\$ 7,986,145</u>	

## ***FUND FINANCIAL STATEMENTS***

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

**GOVERNMENTAL FUNDS**

New Hanover Township Board of Education  
Balance Sheet  
Governmental Funds  
June 30, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	728,838	(12,376)			716,462
Investments					0
Receivables, net					0
Receivables- Intergovernmental (other)	7,500				7,500
Receivables - State	33,015	0	0		33,015
Receivables - Federal		8,848			8,848
Interest receivable on investments					0
Inventory					0
Restricted cash and cash equivalents	2,323,007				2,323,007
Other assets					0
	<u>3,092,360</u>	<u>(3,528)</u>	<u>0</u>	<u>0</u>	<u>3,088,832</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable					0
Accrued interest					0
Interfund payable	6,880				6,880
Payable to federal government					0
Payable to state government					0
Payable to local government					0
Deferred revenue		0			0
Total liabilities	<u>6,880</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,880</u>
<b>Fund Balances:</b>					
<b>Restricted Fund Balance:</b>					
Reserve for Capital Reserve	696,545				696,545
Maintenance Reserve	131,462				131,462
Impact Aid Reserve	1,495,000				1,495,000
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	316,043				316,043
Reserve for Excess Surplus					0
<b>Assigned Fund Balance:</b>					
Unreserved - Designated for Subsequent Year's Expenditures	47,803				47,803
Unreserved - Designated for Impact Aid Reserve	165,819				165,819
<b>Committed Fund Balance</b>					
Reserve for encumbrances	91,507				91,507
<b>Unreserved, reported in:</b>					
General fund	141,301				141,301
Special Revenue fund		(3,528)			(3,528)
Debt service fund					0
Capital projects fund					0
Permanent fund					0
Total Fund balances	<u>3,085,480</u>	<u>(3,528)</u>	<u>0</u>	<u>0</u>	<u>3,081,952</u>
Total liabilities and fund balances	<u>3,092,360</u>	<u>(3,528)</u>	<u>0</u>	<u>0</u>	

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

The net pension liability for PERKS is not due and payable in the current period and is not reported in the governmental funds \$ (1,002,155)

Deferred outflows and inflows or resources related to pensions are applicable to future periods and therefore are not reported in the funds:

Deferred outflows of resources related to pensions \$ 249,959  
Deferred inflows of resources related to pensions \$ (244,935)

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$10,118,535 and the accumulated depreciation is \$4,146,712 (See Note 4) 5,971,823

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 Note 5) (114,416)

Net assets of governmental activities \$ 7,942,228

**New Hanover Township Board of Education**  
**Statement of Revenues, Expenditures, And Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2018**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local sources:					
Local tax levy	\$ 1,689,350				\$ 1,689,350
Transportation Fees					-
Rental Facilities					-
Interest on Investments	17,310				17,310
Tuition charges	32,211				32,211
Miscellaneous	1,898				1,898
Total - Local Sources	1,740,769	-	-	-	1,740,769
State sources	2,980,009	38,797			3,018,806
Federal sources	674,859	166,004			840,863
Total revenues	5,395,637	204,801	-	-	5,600,438
<b>EXPENDITURES</b>					
Current:					
Regular instruction	1,363,025	117,589			1,480,614
Special education instruction	357,010				357,010
Other special instruction	85,281				85,281
Vocational education					-
Other instruction					-
Nonpublic school programs					-
Adult/continuing education programs					-
Support services and undistributed costs:					
Tuition	684,641	83,686			768,327
Student & instruction related services	633,794				633,794
School administrative services	49,825				49,825
General administrative services	94,641				94,641
Central services	87,703				87,703
Administrative information technology					-
Plant operations and maintenance	397,982				397,982
Pupil transportation	510,304				510,304
Undistributed expenditures - Food Services					-
Unallocated benefits	1,438,607				1,438,607
Special schools					-
ARRA - Equalization Stabilization Fund (ESF)					-
ARRA - Government Services Fund (GSF)					-
Transfer to charter school					-
Debt service:					
Principal					-
Interest and other charges					-
Capital outlay	16,396				16,396
Total expenditures	5,719,209	201,275	-	-	5,920,484
Excess (Deficiency) of revenues over expenditures	(323,572)	3,526	-	-	(320,046)
<b>OTHER FINANCING SOURCES (USES)</b>					
Capital leases (non-budgeted)					-
Writeoff of Receivables - net					-
Transfers in - Food Service					-
Transfers out					-
Total other financing sources and uses					-
Net change in fund balances	(323,572)	3,526	-	-	(320,046)
Fund balance—July 1	3,409,052	(7,054)			3,401,998
Fund balance—June 30	\$ 3,085,480	\$ (3,528)	\$ -	\$ -	\$ 3,081,952



**New Hanover Township Board of Education  
Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended June 30, 2018**

<b>Total net change in fund balances - governmental funds (from B-2)</b>		(320,046)
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.		
Depreciation expense	\$ (172,067)	
Fixed assets adjustment	(11,580)	
Capital outlays	<u>16,396</u>	
		\$ (167,251)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets:		
Repayment of Bond Principal		
Retirement of Bonds Outstanding	<u>                    </u>	
		\$ -
Payment of long-term liabilities is an expenditure in the governmental funds and reduces long-term liabilities in the statement of net assets.		
Capital Lease Payments	\$ 5,333	
Voluntary Separation of Service Program Payments	<u>611</u>	
		\$ 5,944
The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the governmental funds:		
Change in Pension Liability (net)	274,363	
Change in Deferred Outflows	(111,004)	
Change in Deferred Inflows	<u>(189,286)</u>	
		\$ (25,927)
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 net assets.		
Proceeds from issuance of long-term debt		
Refunds - bond insurance		
Acceptance of Voluntary Separation Program		
Capital lease proceeds	<u>                    </u>	
		\$ -
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
Prior year accrued interest on long term debt which was paid in the current year		
Decrease in compensated absences payable	<u>7,815</u>	
		\$ 7,815
<b>Change in net assets of governmental activities</b>		<u><u>\$ (499,465)</u></u>

*PROPRIETARY FUNDS*

New Hanover Township Board of Education  
Statement of Net Position  
Proprietary Funds  
June 30, 2018

	Business-type Activities - Enterprise Funds	
	Food Service	Totals
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 23,988	\$ 23,988
Investments		-
Interfund receivable	6,880	6,880
Other receivables		-
Inventories:		
Commodities	932	932
Regular	1,715	1,715
Total current assets	33,515	33,515
Noncurrent assets:		
Furniture, machinery & equipment	53,624	53,624
Less accumulated depreciation	(43,222)	(43,222)
Total noncurrent assets	10,402	10,402
Total assets	43,917	43,917
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable		-
Interfund payable		-
Deposits payable		-
Compensated absences		-
Total current liabilities		-
Noncurrent Liabilities:		
Compensated absences		-
Total noncurrent liabilities		-
Total liabilities		-
<b>NET ASSETS</b>		
Invested in capital assets net of related debt		-
Restricted for:		
Capital projects		-
Unrestricted	43,917	43,917
Total net assets	\$ 43,917	\$ 43,917

## Exhibit B-5

**New Hanover Township Board of Education**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2018**

	<b>Business-type Activities -</b>	
	<b>Food</b>	<b>Total</b>
	<b>Service</b>	<b>Enterprise</b>
Operating revenues:		
Charges for services:		
Daily sales - reimbursable programs	\$ 29,360	29,360
Daily sales - non-reimbursable programs	18,709	18,709
Special functions	3,568	3,568
Deductions from employees' salaries		-
Food Distribution Program	10,088	10,088
Total operating revenues	<u>61,725</u>	<u>61,725</u>
Operating expenses:		
Cost of sales - reimbursable programs	43,780	43,780
Cost of sales - non-reimbursable programs	4,330	4,330
Salaries	39,333	39,333
Employee benefits		-
Purchased property service		-
Other purchased professional services		-
Cleaning, repair and maintenance services	4,351	4,351
Management Fees	11,000	11,000
Rentals		-
Insurance	2,691	2,691
Uniforms		-
General supplies	4,168	4,168
Miscellaneous expense	4,902	4,902
Depreciation	1,016	1,016
Food distribution program Expense	10,088	10,088
Total Operating Expenses	<u>125,659</u>	<u>125,659</u>
Operating income (loss)	<u>(63,934)</u>	<u>(63,934)</u>
Nonoperating revenues:		
State sources:		
State school lunch program	1,210	1,210
Federal sources:		
National school lunch	54,137	54,137
School breakfast program	24,807	24,807
Special milk program		-
Interest and investment revenue		-
Subsidy Operating - General Fund		-
Total nonoperating revenues	<u>80,154</u>	<u>80,154</u>
Income (loss) before contributions & transfers	<u>16,220</u>	<u>16,220</u>
Capital contributions		-
Change in net assets	16,220	16,220
Total net assets—beginning	27,697	27,697
Total net assets—ending	<u>\$ 43,917</u>	<u>\$ 43,917</u>

New Hanover Township Board of Education  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2018

	Business-type Activities - Enterprise Funds	
	Food Service	Total Enterprise
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	\$ (70,910)	\$ (70,910)
Payments to employees		-
Payments for employee benefits		-
Payments to suppliers		-
Net cash provided by (used for) operating activities	<u>(70,910)</u>	<u>(70,910)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State Sources	1,210	1,210
Federal Sources	78,944	78,944
Operating subsidies and transfers from other funds		-
Net cash provided by (used for) non-capital financing activities	<u>80,154</u>	<u>80,154</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Change in capital contributions		-
Purchases of capital assets		-
Gain/Loss on sale of fixed assets (proceeds)		-
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest and dividends		-
Proceeds from sale/maturities of investments		-
Net cash provided by (used for) investing activities	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	9,245	9,245
Balances—beginning of year	14,743	14,743
Balances—end of year	<u>23,988</u>	<u>23,988</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	(63,934)	(63,934)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities		-
Depreciation and net amortization	1,017	1,017
Purchase of Fixed Assets		-
(Increase) decrease in accounts receivable, net	(2,086)	(2,086)
(Increase) decrease in inventories	1,025	1,025
(Increase) decrease in other current assets		-
Increase (decrease) in accounts payable		-
Increase (decrease) in due to general fund	(6,932)	(6,932)
Total adjustments	<u>(6,976)</u>	<u>(6,976)</u>
Net cash provided by (used for) operating activities	<u>\$ (70,910)</u>	<u>\$ (70,910)</u>

*FIDUCIARY FUNDS*

New Hanover Township Board of Education  
Statement of Fiduciary Net Position  
Fiduciary Funds  
6/30/2018

	Agency Fund	
	Student Activity	Payroll
<b>ASSETS</b>		
Cash and cash equivalents	\$ 698	\$ 141,056
Investments, at fair value:		
U.S. government obligations		
NJ municipal bonds		
Due from General Fund		
Total investments	-	-
Total assets	698	\$ 141,056
<b>LIABILITIES</b>		
Accounts payable		
Due to General Fund		
Payable to student groups	698	
Accrued salaries and wages		99,649
Net Payroll		8,802
Payroll deductions and withholdings		32,605
Total liabilities	698	\$ 141,056
<b>NET ASSETS</b>	\$ -	\$ -

***NOTES TO THE FINANCIAL STATEMENTS***



**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

The financial statements of the New Hanover Township School District Board of Education have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The accompanying financial statements present the financial position of the District and the various funds and fund types, the result of operations of the District and the various fund and fund types, and the cash flows of the proprietary funds. The financial statements are presented as of June 30, 2018.

**A. Reporting Entity:**

New Hanover Township School District Board of Education is a Type II district located in the County of Burlington, State of New Jersey. As a Type II district, the District functions independently through a Board of Education (Board). The Board is comprised of nine members appointed to three-year terms.

The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular, vocational, as well as special education for handicapped youngsters.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include educational services to grade levels Pre-K through 8. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

**B. Basis of Presentation, Basis of Accounting:**

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

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation

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

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

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

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types."

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued):

Governmental Fund Types

General Fund: The general fund is the general operating fund of the District and is used to account for all expendable financial resources except those required to be accounted for in another fund.

Special Revenue Fund: The District accounts for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes in the special revenue funds.

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.

Proprietary Fund Type

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

Fiduciary Fund Types

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

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued):

Nonexpendable Trust Fund: A nonexpendable trust fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal.

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

Expendable Trust Funds: Expendable trust funds are used to account for the assets that the District holds whose principal and income may be expended in the course of their designated operations so that they are depleted by the end of their designated life.

C. Basis of Accounting:

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

*District-wide, Proprietary, and Fiduciary Fund Financial Statements:* The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued):

*Governmental Fund Financial Statements:* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

It is the District's policy, that when an expenditure is incurred for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, to apply restricted resources first followed by unrestricted resources. Similarly, within unrestricted fund balance, it is the District's policy to apply committed resources first followed by assigned resources and then unassigned resources when an expenditure is incurred for which amounts in any of those unrestricted fund balance classifications could be used.

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost reimbursement grants, categorical block grants and general revenue. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs followed by general revenue.

D. 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 and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. 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. 6:20-2A.2(m)1.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgets/Budgetary Control (Continued):

All budget amendments must be approved by School Board resolution. Budget amendments were made during the year ended June 30, 2018.

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.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Budgets/Budgetary Control (Continued):**

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary) "revenues"	\$ 5,402,314	\$ 205,161
Adjust for State Aid Payment:		
Add: Prior Year Payment	228,089	7,054
Less: Current Year Payment	(234,766)	(3,528)
Adjust for Encumbrances:		
Add Prior Year Encumbrances		
Less Current Year Encumbrances		(3,886)
Total Revenues (GAAP Basis)	<u>\$ 5,395,637</u>	<u>\$ 204,801</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary) "total outflows"	\$ 5,719,209	\$ 205,161
Adjustments:		
Add Prior Year Encumbrances		
Less Current Year Encumbrances		(3,886)
Total Expenditures (GAAP Basis)	<u>\$ 5,719,209</u>	<u>\$ 201,275</u>

**E. 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 reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

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.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Short-term Interfund Receivables/Payables:

Short-term interfund receivables/payables represents 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.

G. Inventories and Prepaid Expenses:

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

H. Fixed Assets:

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The School District does not possess any infrastructure. The capitalization threshold used by school districts in the State of New Jersey is \$2,000.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method under the half-year convention over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Buildings	50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office & computer equipment	5-10
Instructional equipment	10
Grounds equipment	15



**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Fixed Assets (continued):

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the fund financial statements.

I. Accrued Salaries and Wages:

Certain District employees, who provide services to the District over the ten month academic year, have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account.

J. Compensated Absences:

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

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

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Compensated Absences (Continued):

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave that is expected to become eligible for payment upon termination. The District estimates its accrued compensated absences liability based on the accumulated sick and vacation days at the balance sheet date by those employees who are currently eligible to receive termination payments. Salary-related payments for the employer's share of social security and medicare taxes, as well as pension contributions, are included.

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

K. Deferred Revenue:

Deferred revenue in the special revenue fund represents cash which has been received but not yet earned.

L. Accrued Liabilities and Long-Term Obligations:

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

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Net Assets:

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

N. Fund Balance Reserves:

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

O. Memorandum Only - Total Columns:

Total columns are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Jersey School Districts are limited as to the types of investments and types of financial institutions they may invest in. *N.J.S.J8A: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.

P. Tuition Receivable/Payable:

Tuition charges are established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined. These adjustments are recorded upon certification by the State Board of Education, which is normally three years following the contract year.

Accordingly, the tuition rate adjustments for the years 2015-2016 have been certified and finalized. Tuition charges for the years subsequent to the years 2015-2016 have been estimated and projected based on calculated tuition costs per pupil and number of students.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

Cash and cash equivalents includes petty cash, change funds, amounts in deposits, and short term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB Statement No. 40, *Governmental Accounting Standards Board Deposit and Investment Risk Disclosures*, requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents, and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk - In accordance with its cash management plan, the District ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk - The District limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed below and on the following page.

**A. Deposits:**

New Jersey statutes require that school districts deposit public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation (FDIC), the Savings Association Insurance Fund, or by any other agency of the United States that insure deposits. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

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

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds; or

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

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

A. Deposits (Continued):

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

The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which mature or are to be redeemed within one year, except that up to 25% of the Fund may be invested in eligible securities which mature within two years; provided, however, that the average maturity of all investments in the Fund shall not exceed one year. Collateralization of Fund investments is generally not required. "Other Than State" participants contribute one tenth of one percent per year of the value of the aggregate units owned by them to establish a Reserve Fund, which is supplemented by the proportional interest of "Other Than State" participants in gains on investment transactions realized.

The Reserve Fund is available to cover losses of "Other Than State" participants occasioned by the bankruptcy of an issuer of an investment held by the Fund and losses on sales of securities

B. Investments:

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

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury bills, notes and bonds.
- Government money market mutual funds.
- Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- Bonds or other obligations of the school district or local unit of which the school district is a part.
- Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments, New Jersey State Department of Treasury.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

B. Investments (Continued):

- Local government investment pools.
- New Jersey State Cash Management Fund.
- Repurchase agreements of fully collateralized securities, subject to special conditions.

As of June 30, 2018, cash and cash equivalents of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>
Checking, Savings and Money Management	\$ 3,205,211
NJ Cash Management Account	\$ <u>0</u>
	<u>\$ 3,205,211</u>
	=====

All of the balances were covered by the either federal depository insurance or by a collateral pool maintained by the banks as required by New Jersey statutes.

Risk Category

All bank deposits, as of the balance sheet date, are entirely insured or collateralized by a collateral pool maintained by public depositories as required by the Governmental Unit Deposit Program Act. In general, bank deposits are classified as to credit risk by three categories described below:

Category 1 – Insured or collateralized with securities held by the Board or by its agent in the Board’s name.

Category 2 – Collateralized with securities held by the pledging public depository’s trust department or agent in the Board’s name.

Category 3 – Uncollateralized including any deposits that are collateralized with securities held by the pledging public depository, or by its trust department or agent, but not in the Board’s name.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

B. Investments (Continued):

As of June 30, 2018, the Board has funds invested and on deposit in checking accounts, Money Market/Statement Savings, New Jersey Cash Management Account. These funds constitute "deposits with financial institutions" as defined by GASB Statement No. 3 and are summarized as follows:

<u>Risk Category</u>	<u>Amount</u>
1	\$ 3,205,211
2	None
3	None
	\$ 3,205,211
	=====

NOTE 3. GOVERNMENTAL UNIT DEPOSIT PROTECTION ACT (GUDPA)

The District has deposited cash in 2018 with an approved public fund depository qualified under the provisions of the Government Unit Deposit Protection Act. In addition to savings and checking accounts the District invests monies in certificates of deposits.

The Governmental Unit Deposit Protection Act P.L. 1970, Chapter 236, was passed to afford protection against bankruptcy or default by a depository. C.17:9-42 provides that no governmental unit shall deposit funds in a public depository unless such funds are secured in accordance with this act. C.17:9-42 provides that every public depository having public funds on deposit shall, as security for such deposits, maintain eligible collateral having a market value at least equal to either (1) 5% of the average daily balance of collected public funds on deposit during the 6 month period ending on the next preceding valuation date (June 30 or December 31) or (2) at the election of the depository, at least equal to 5% of the average balance of collected public funds on deposit on the first, eighth, fifteenth, and twenty-second days of each month in the 6 month period ending on the next preceding valuation date (June 30 or December 31). No public depository shall be required to maintain any eligible collateral pursuant to this act as security for any deposit or deposits of any governmental unit to the extent such deposits are insured by F.D.L.C. or any other U.S. agency which insures public depository funds.



**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**NOTE 3. GOVERNMENTAL UNIT DEPOSIT PROTECTION ACT (GUDPA)**  
**(Continued)**

No public depository shall at any time receive and hold on deposit for any period in excess of 15 days public funds of a governmental unit(s) which, in the aggregate, exceed 75% of the capital funds of the depository, unless such depository shall, in addition to the security required to be maintained under the paragraph above, secure such excess by eligible collateral with a market value at least equal to 100% of such excess.

In the event of a default, the Commissioner of Banking within 20 days after the default occurrence shall ascertain the amount of public funds on deposit in the defaulting depository and the amounts covered by federal deposit insurance and certify the amounts to each affected governmental unit. Within 10 days after receipt of the certification, each unit shall furnish to the Commissioner verified statements of its public deposits. The Commissioner shall ascertain the amount derived or to be derived from the liquidation of the collateral maintained by the defaulting depository and shall distribute such proceeds pro rata among the governmental units to satisfy the net deposit liabilities to such units.

If the proceeds of the sale of the collateral are insufficient to pay in full the liability to all affected governmental units, the Commissioner shall assess the deficiency against all other public depositories having public funds on deposit determined by a formula determined by law. All sums collected by the Commissioner shall be paid to the governmental units having deposits in the defaulting depository in the proportion that the net deposit liability to each such governmental unit bears to the aggregate of the net deposit liabilities to all such governmental units.

All public depositories are required to furnish information and reports dealing with public funds on deposit every six months, June 30th and December 31st, with the Commissioner of Banking. Any public depository which refuses or neglects to give any information so requested may be excluded by the Commissioner from the right to receive public funds for deposit until such time as the Commissioner shall acknowledge that such depository has furnished the information requested.

Upon review and approval of the Certification Statement that the public depository complies with statutory requirements, the Commissioner issues forms approving the bank as a municipal depository. The District should request copies of these approval forms semiannually to assure that all depositories are complying with requirements.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**NOTE 4. CAPITAL ASSETS**

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements/ Adjustments</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
<i>Capital assets not being depreciated:</i>				
Land	90,000	-	-	90,000
Land Improvements	145,000			145,000
Total capital assets not being depreciated	<u>235,000</u>	<u>-</u>	<u>-</u>	<u>235,000</u>
<i>Capital assets being depreciated:</i>				
Building and building improvements	9,621,148			9,621,148
Machinery and equipment	257,571	4,816		262,387
Totals at historical cost	<u>9,878,719</u>	<u>4,816</u>	<u>-</u>	<u>9,883,535</u>
Less accumulated depreciation for :				
Building, Improvements, and Equipment	3,974,645	172,067		4,146,712
Total	<u>3,974,645</u>	<u>172,067</u>	<u>-</u>	<u>4,146,712</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>5,904,074</u>	<u>(167,251)</u>	<u>-</u>	<u>5,736,823</u>
Governmental activity capital assets, net	<u>\$ 6,139,074</u>	<u>\$ (167,251)</u>	<u>\$ -</u>	<u>\$ 5,971,823</u>
<b>Business-type activities:</b>				
<i>Capital assets being depreciated:</i>				
Equipment	\$ 53,624	\$ -	\$ -	\$ 53,624
Less accumulated depreciation	<u>41,627</u>	<u>1,016</u>	<u>-</u>	<u>\$ 42,643</u>
Enterprise fund capital assets, net	<u>\$ 11,997</u>	<u>\$ (1,016)</u>	<u>\$ -</u>	<u>\$ 10,981</u>

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

NOTE 4. CAPITAL ASSETS (Continued)

On January 11, 2001, the NJ State Department of Education announced that effective July 1, 2001, the capitalization threshold used by school districts in the State of New Jersey is increased to \$2,000. The previous threshold was \$500. Applying the higher capitalization threshold retroactively (removal of old assets from the General Fixed Assets Account Group) will be permitted by the State regulations in situations where (1) the assets have been fully depreciated, or (2) the assets have exceeded their useful lives. The retirement of machinery and equipment is due to the retroactive application of the higher threshold of equipment capitalization. That is, the District has removed from their records assets with a historical cost greater than \$500 but not greater than \$2,000 that were fully depreciated or had exceeded their useful lives.

Depreciation expense was charged to functions as follows:

Instruction	\$ 12,438
Student and Instruction - Related Services	-
School Administrative Related Services	-
General and Business Administrative Services	-
Central Services	
Administrative Information Technology	-
Plant Operations and Maintenance	159,629
Pupil Transportation	-
Business and Other Support Services	-
Unallocated	-
Total	<u>\$ 172,067</u>

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**NOTE 5. GENERAL LONG-TERM DEBT**

During the fiscal year ended June 30, 2018, the following changes occurred in liabilities reported in the general long-term debt account group:

	Balance 7/1/2017	Issued	Retired	Balance 6/30/2018	Amounts Due Within One Year
Capital Lease Payable	\$ 16,021	\$ -	\$ 5,333	\$ 10,688	\$ 5,333
PERS Payment Deferral	5,494		611	4,883	\$ 611
Compensated Absences Payable	106,660		7,815	98,845	
	<u>\$ 128,175</u>	<u>\$ -</u>	<u>\$ 13,759</u>	<u>\$ 114,416</u>	<u>\$ 5,944</u>

**A. Bonds Payable:**

As of June 30, 2018, the District did not have any outstanding bonds.

**B. Bonds Authorized But Not Issued:**

As of June 30, 2018, the District authorized but not used bonds.

**C. Public Employees' Retirement System (PERS) Payment Deferral:**

On March 17, 2009, P.L. 2009, c. 19 (S-21) was signed into legislation and provided regular and vocational school districts the option of deferring fifty percent (50%) of the school district's 2008-09 regular PERS pension liability. School districts that elected to defer the pension liability were required to begin repaying the deferred amount over fifteen (15) years, starting in April of 2012. The amount to be paid will fluctuate based on the pension system investment earnings on the unfunded liability. At any time, however, upon requesting a payoff amount from the Division of Pensions and Benefits, a school district may pay off the deferred amount. The deferral of the aforementioned PERS payment was only an option for the 2008-09 fiscal year. Commencing in the fiscal year June 30, 2010 and beyond, the full annual PERS pension liability will be required to be budgeted and paid.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

NOTE 5. GENERAL LONG-TERM DEBT (Continued)

On April 30, 2009, the School District adopted a resolution electing to defer fifty percent (50%) of the April 2009 payment, equaling a total deferral of \$9,160.00. The following is a schedule for the payment of the PERS deferral, based on an interest rate of 8.25%. N.J.S.A. 43:15A-25b requires the use of "regular interest" when the actuary calculates the amortization of the unfunded accrued liability of the pension system, which is set by the State Treasurer (N.J.S.A. 43: 15A-6n) and currently is 8.25%.

<u>Fiscal Year Ending June 30,</u>	<u>Deferral Payment</u>	<u>Payment</u>	<u>Total Projected Payment</u>
2019-2022	2,442	1,309	3,751
2023-2026	2,441	504	2,945
Total	<u>4,883</u>	<u>1,813</u>	<u>6,696</u>

D. Capital Leases Payable:

The District is leasing several copiers under capital leases. The following is a schedule of the future minimum lease payments under these capital leases and the net minimum Lease payments at June 30, 2018

	Total
Year ending June 30,	
2019	\$ 6,771
2020	3,386
Total Minimum Lease Payments	10,157
Less: Amount Representing Interest	0
Net Minimum Lease Payments	<u>\$ 10,157</u>

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**NOTE 6. PENSION PLANS**

***Plan Descriptions***

All required employees of the District are covered by either the Public Employees' Retirement System (PERS) or the Teachers' Pension and Annuity Fund (TPAF) which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

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

The TPAF was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The TPAF is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related noncontributing employers.

Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the DOE who have titles that are unclassified, professional and certified.

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

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

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

NOTE 6. PENSION PLANS (Continued)

Plan Descriptions (Continued)

Public Employees' Retirement System (PERS)(Continued)

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 PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For the year ended June 30, 2018, the District recognized pension expense of \$ 105,838 consisting of employer contributions of \$ 39,882 and non-employer contributions of \$ 65,956. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 23,597	\$ -
Changes of assumptions	201,900	201,159
Net difference between projected and actual earnings on pension plan investments	6,824	-
Changes in proportion and differences between District contributions and proportionate share of contributions	17,638	43,776
District contributions subsequent to the measurement date		
Total:	<u>\$ 249,959</u>	<u>\$ 244,935</u>

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

NOTE 6. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

\$0 reported as deferred outflows of resources related to pensions resulting from school district, charter school, or renaissance school project contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2017, the plan measurement date is June 30, 2017) will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2018	\$	23,592
2019	\$	35,600
2020	\$	21,572
2021	\$	(28,691)
2022	\$	(20,912)
<b>Total</b>	<b>\$</b>	<b>31,161</b>

**Additional Information**

Collective balances at December 31, 2016 and 2017 are as follows:

	<u>12/31/2016</u>	<u>12/31/2017</u>
Collective deferred outflows of resources	\$ 360,963	\$ 249,959
Collective deferred inflows of resources	55,649	244,935
Collective net pension liability	1,276,518	1,002,155
District's Proportion	<u>0.0043%</u>	<u>0.0043%</u>

The District made an adjustment in the District-Wide Financial Statements to record the collective net pension liability reported above of \$ 1,276,518. This liability was recorded as of July 1, 2016 and is a result of implementing Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment to GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*.



**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

NOTE 6. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF)

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.

For the year ended June 30, 2018, the District recognized pension expense of \$768,671 and revenue of \$768,671 for support provided by the State. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 72,330	\$ 18,919
Changes of assumptions	2,193,646	
Net difference between projected and actual earnings on pension plan investments	55,997	
Changes in proportion and differences between District contributions and proportionate share of contributions	23,465	8,229
District contributions subsequent to the measurement date	-	-
Total:	<u>\$ 2,345,438</u>	<u>\$ 27,148</u>

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

NOTE 6. PENSION PLANS (Continued)

Teachers' Pension and Annuity Fund (TPAF) (Continued)

\$0 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2018	121,838
2019	193,478
2020	161,774
2021	90,704
2022	102,832
Therafter	<u>(282,134)</u>
Total	<u>\$ 388,492</u>

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

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.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

NOTE 6. PENSION PLANS (Continued)

Significant Legislation

During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by  $\frac{1}{2}$  of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Districts' normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits, accordingly, the pension costs for TPAF and PERS were reduced.

Contribution Requirements

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

During the fiscal year ended June 30, 2018, the State of New Jersey contributed \$ 428,059 to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$125,304 during the year ended June 30, 2018 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

NOTE 7. POST-RETIREMENT BENEFITS

General Information about the OPEB Plan

Plan description and benefits provided

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

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program (APB) who retired from a board of education or county college with 25 years of service (GASB Cod. Sec. 2300.106(g)).

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

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

Employees covered by benefit terms. At June 30, 2017, the following employees were covered by the benefit terms:

TPAF participant retirees

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

PERS participant retirees

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

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

NOTE 7. POST-RETIREMENT BENEFITS (Continued)

Total OPEB Liability

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASB No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education/board of trustees. Note that actual numbers are published in the [NJ State's CAFR](https://www.nj.gov/treasury/omb/publications/archives.shtml) (<https://www.nj.gov/treasury/omb/publications/archives.shtml>)

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

Inflation	2.5%	
Salary Increases	<u>TPAF</u>	<u>PERS</u>
Through 2026	1.55-4.55% Based on years of service	2.15-4.15% Based on age
Therafter	2.00-5.45% Based on years of service	3.15-5.15% Based on age
Discount rate	3.58%	

Healthcare cost trend rates:

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 5.0% long-term

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

NOTE 7. POST-RETIREMENT BENEFITS (Continued)

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.

Retirees' share of benefit related  
Costs

For 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.

The discount rate was based on the Bond Buyer 60 20-Bond Municipal Bond Index.

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 an actuarial experience study for the period 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.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

NOTE 7. POST-RETIREMENT BENEFITS (Continued)

Total OPEB Liability (Continued)

Changes in the Total OPEB Liability reported by the State of New Jersey:

	Total OPEB Liability
Balance at 6/30/16	\$ 57,831,784,184
Changes for the year:	
Service cost	\$ 2,391,878,884
Interest	\$ 1,699,441,736
Changes of benefit terms	\$ -
Differences between expected and actual experience	\$ -
Changes in assumptions or other inputs	\$ (7,086,599,129)
Benefit payments	\$ (1,242,412,566)
Contributions from the member	<u>\$ 45,748,749</u>
Net changes	<u>\$ (4,191,942,326)</u>
Balance at 6/30/17	<u>\$ 53,639,841,858</u>
The State's total OPEB liability attributable to the District:	\$ 7,111,265

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

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

	<u>June 30, 2017</u>		
<u>Local Education (\$ millions)</u>	1% Decrease 2.58%	Current Discount Rate 3.58%	1% Increase 4.58%
Total OPEB Liability	\$63,674,362,200	\$53,639,841,858	\$45,680,364,953

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

NOTE 7. POST-RETIREMENT BENEFITS (Continued)

Total OPEB Liability (Continued)

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

Local Education (\$ millions)	June 30, 2017		
	1% Decrease	Health Care Cost Trend Rate	1% Increase
Total OPEB Liability	\$44,113,584,560	\$53,639,841,858	\$66,290,599,457

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

For the year ended June 30, 2017, the board of education/board of trustees recognized OPEB expense of \$3,348,490,523 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75 and in which there is a special funding situation.

In accordance with GASB No. 75, the New Hanover Township Board of Education proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2017, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	Deferred Outflow: Of Resources	Deferred inflows Of Resources
Changes in proportion	\$ 99,843,255	\$ (99,843,255)
Changes of assumptions or other inputs	\$	\$ (6,343,769,032)
Total	\$ 99,843,255	\$ (6,443,612,287)



**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

NOTE 7. POST-RETIREMENT BENEFITS (Continued)

Total OPEB Liability (Continued)

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

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

For the fiscal year ended June 30, 2018, the State of New Jersey contributed on behalf of the District \$428,059 to the TPAF for post-retirement benefits.

NOTE 8. INTERFUND RECEIVABLES AND PAYABLES

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

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund		\$ 6,880
Special Revenue Fund		
Capital Projects Fund		
Debt Service Fund		
Enterprise Fund	6,880	
Trust and Agency Fund		
	<u>\$6,880</u>	<u>\$6,880</u>

These amounts represent temporary advances between the various funds.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**NOTE 9. CONTINGENCIES**

The District receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2009-2010 fiscal year were subject to the Single Audit Act of 1984 and New Jersey OMB Circular 04-04 which mandates that grant revenues and expenditures be audited in conjunction with the Board's annual audit. Substantially, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. Further, the School Child Nutrition Program is a recipient of federal (USDA) reimbursements and is subject to certain related federal regulations. The federal reimbursements are subject to subsequent audit and interpretation by the New Jersey Department of Education. The Board and management do not believe such an audit would result in material amounts of disallowed costs.

**NOTE 10. LITIGATION**

There is no litigation, pending litigation, claims, contingent liabilities, unasserted claims or assessments or statutory violations which involve the Board of Education and which might materially affect the financial position of the District, as of the date of this report.

**NOTE 11. COMPENSATED ABSENCES**

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

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

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

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

NOTE 11. COMPENSATED ABSENCES (Continued)

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees.

Compensated absences will be paid from the fund from which the employees' salaries are paid.

NOTE 12. DEFERRED COMPENSATION

The Board offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 403(b). The plan, which is administered by a benefits management company, permits participants to defer a portion of their salary until future years. Amounts deferred under the plan are not available to employees until termination, retirement, death or unforeseeable emergency. The Board has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The Board offers several plan administrators for its employees to utilize.

NOTE 13. RISK MANAGEMENT

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

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

**New Jersey Unemployment Compensation Insurance** – The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Contributory Method". Under this plan, the District and its employees contribute to the New Jersey Unemployment Trust Fund for benefits paid to its former employees. The District remits quarterly the amounts due to the State.

**Joint Insurance Pool** – The School District is a member of the Burlington and Camden County Educator's Insurance Consortium, a sub-fund of the New Jersey School Boards Association Insurance Group. The Fund provides its members with the following coverages:

Property – Blanket Building & Grounds	Electronic Data Processing
Equipment Breakdown	Crime
Comprehensive General Liability	Automotive Liability
Worker's Comprehensive & Employer's Liability	School Leaders Errors & Omissions Liability

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

NOTE 13. RISK MANAGEMENT (Continued)

Annual contributions to the Fund are determined by the Fund's Board of Trustees. The School District is jointly and personally liable for claims insured by the Fund and its members during the period of its membership, including liability for supplemental assessments, if necessary. The Fund's Board of Trustees may authorize refunds to its members in any fund year for which contributions exceed the amount necessary to fund all obligations for that year.

The Fund publishes its own financial report for the year ended June 30, 2018, which can be obtained from the following address:

New Jersey School Boards Association Insurance Group  
450 Veterans Drive  
Burlington, NJ 08016

NOTE 14. CALCULATION OF EXCESS SURPLUS

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the end of the fiscal year of June 30 if a required minimum amount is not appropriated as budgeted fund balance in their subsequent year's budget. The Excess Fund Balance at June 30, 2018 is \$ 0. The Excess Fund Balance at June 30, 2017 was \$316,043.

NOTE 15. 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 16. OTHER

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

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

NOTE 17. SUBSEQUENT EVENTS

The New Hanover Township Board of Education has evaluated subsequent events occurring after June 30, 2018 through the date of November 30, 2018, which is the date the financial statements were available to be issued. The District has determined there are no material subsequent events needed to be disclosed.

NOTE 18. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the New Hanover Township Board of Education by inclusion of \$1 on October 19, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund, and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriated additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A.19:60-2. Pursuant to N.J.A.C.6:23A-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	\$ 696,495
Increased by:	
Interest Earnings	48
Transfers	
	<hr/>
Ending Balance, June 30, 2018	<u>\$ 696,543</u>

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

NOTE 19. ECONOMIC DEPENDENCY

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

NOTE 20. GASB #54 – FUND BALANCE DISCLOSURES

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

- Non-spendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because legal or contractual constraints.
- Restricted - includes fund balance amounts that are constrained for specific purposes which are externally imposed by external parties, constitutional provision or enabling legislation.
- Committed - includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.
- Assigned - includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Business Administrator.
- Unassigned - includes balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

NOTE 20. GASB #54 – FUND BALANCE DISCLOSURES (Continued)

General Fund – Of the \$3,320,246 General Fund fund balance at June 30, 2018, \$316,043 is restricted for excess surplus – current year; \$2,323,005 is restricted for other purposes. \$257,326 is assigned for other purposes; \$47,803 is assigned as designated for subsequent year's expenditures and \$376,069 is unassigned.

NOTE 21. DEFICIT FUND BALANCES

The District has a deficit fund balance of \$3,528 in the Special Revenue Fund as of June 30, 2018 as reported in the fund statements (modified accrual basis). *N.J.S.A. 18A:22-44.2* provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal year, the school district cannot recognize the June state aid payment(s) (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to *N.J.S.A. 18A:22-44.2* any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of \$3,528 [is equal to (or) is less than] the last state aid payment.

NOTE 22. FEDERAL IMPACT AID RESERVE

As permitted by P.L.2015, c.46 which amended *N.J.S.A. 18A:7F-41* a federal impact reserve account was established by the New Hanover Township Board of Education by transfer of \$650,000 on 6/9/17 by board resolution for the amount of federal impact aid funds - general fund - received during the current fiscal year for use as general fund expenditures in subsequent fiscal years. The Federal Impact Aid - General Reserve Account is maintained in the general fund and its activity is included in the general fund annual budget.

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

NOTE 22. FEDERAL IMPACT AID RESERVE (Continued)

The activity of the Federal Impact Aid Reserve for the July 1, 2017 to June 30, 2018 fiscal year is as follows

Beginning Balance, July 1, 2017	\$ 1,300,000
Increased by:	
Interest Earnings	
Transfers	<u>195,000</u>
Ending Balance, June 30, 2018	<u>\$ 1,495,000</u>

NOTE 23. ESTIMATES

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.



***REQUIRED SUPPLEMENTARY INFORMATION  
PART II***

***BUDGETARY COMPARISON SCHEDULES***

New Hanover Township Board of Education  
 Budgetary Comparison Schedule  
 General Fund  
 Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 1,689,350	\$ -	\$ 1,689,350	\$ 1,689,350	\$ -
Transportation Fees From Other LEAs		-			-
Rental Facilities		-			-
Tuition		-		32,211	32,211
Interest Income - Other		-		17,262	17,262
Interest Earned on Capital Reserve Funds	48	-	48	48	-
Miscellaneous	3,002	-	3,002	1,898	(1,104)
<b>Total - Local Sources</b>	<u>1,692,400</u>	<u>-</u>	<u>1,692,400</u>	<u>1,740,769</u>	<u>48,369</u>
State Sources:					
Categorical Special Education Aid	139,209	-	139,209	139,209	-
Categorical Transportation Aid	161,552	-	161,552	161,552	-
Categorical Security Aid	49,643	-	49,643	49,643	-
Equalization Aid	1,917,619	3,215	1,920,834	1,920,834	-
Extraordinary Aid -Current Year		-		18,332	18,332
Lead Testing Reimbursement		-		702	702
Adjustment Aid	135,141	-	135,141	135,141	-
Non Public Transportation Aid		-		870	870
Other State Aid	7,040	-	7,040	7,040	-
TPAF Pension (On-Behalf - Non-Budgeted)		-		428,059	428,059
TPAF Social Security (Reimbursed - Non-Budgeted)		-		125,304	125,304
<b>Total State Sources</b>	<u>2,410,204</u>	<u>3,215</u>	<u>2,413,419</u>	<u>2,986,686</u>	<u>573,267</u>
Federal Sources:					
Impact Aid	479,696	-	479,696	674,859	195,163
Education Jobs Fund		-			-
<b>Total - Federal Sources</b>	<u>479,696</u>	<u>-</u>	<u>479,696</u>	<u>674,859</u>	<u>195,163</u>
<b>Total Revenues</b>	<u>4,582,300</u>	<u>3,215</u>	<u>4,585,515</u>	<u>5,402,314</u>	<u>816,799</u>
<b>EXPENDITURES:</b>					
Current Expense:					
<b>Regular Programs - Instruction</b>					
Local Contrib. - Trans to Special Rev - Regular		-			-
Preschool - Salaries of Teachers	34,543	3,726	38,269	34,974	3,295
Kindergarten - Salaries of Teachers	142,719	22,734	165,453	165,452	1
Grades 1-5 - Salaries of Teachers	561,594	107,603	669,197	669,196	1
Grades 6-8 - Salaries of Teachers	319,819	(3,000)	316,819	295,058	21,761
Grades 9-12 - Salaries of Teachers		-		-	-
<b>Regular Programs - Home Instruction:</b>					
Salaries of Teachers	2,000	(2,000)		-	-
Purchased Professional-Educational Services		-			-
<b>Regular Programs - Undistributed Instruction</b>					
Other Salaries for Instruction	104,762	(3,000)	101,762	92,399	9,363
Purchased Professional-Educational Services		-			-
Purchased Technical Services	25,156	29,000	54,156	53,665	491
Other Purchased Services (400-500 series)	9,272	(2,060)	7,212	4,348	2,864
General Supplies	37,997	12,815	50,812	47,933	2,879
Textbooks	15,000	(15,000)			-
Other Objects		-			-
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<u>1,252,862</u>	<u>150,818</u>	<u>1,403,680</u>	<u>1,363,025</u>	<u>40,655</u>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Cognitive - Mild:</b>					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-

New Hanover Township Board of Education  
 Budgetary Comparison Schedule  
 General Fund  
 Fiscal Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
<b>Total Cognitive - Mild</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cognitive - Moderate:</b>					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
<b>Total Cognitive - Moderate</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Learning and/or Language Disabilities:</b>					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
<b>Total Learning and/or Language Disabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Visual Impairments:</b>					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
<b>Total Visual Impairments</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Auditory Impairments:</b>					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
<b>Total Auditory Impairments</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Behavioral Disabilities:</b>					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
<b>Total Behavioral Disabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Multiple Disabilities:</b>					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-

New Hanover Township Board of Education  
 Budgetary Comparison Schedule  
 General Fund  
 Fiscal Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
<b>Total Multiple Disabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	369,947	-	369,947	357,010	12,937
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
<b>Total Resource Room/Resource Center</b>	<u>369,947</u>	<u>-</u>	<u>369,947</u>	<u>357,010</u>	<u>12,937</u>
<b>Autisim:</b>					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
<b>Total Autisim</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Preschool Disabilities - Part-Time:</b>					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
<b>Total Preschool Disabilities - Part-Time</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Preschool Disabilities - Full-Time:</b>					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
<b>Total Preschool Disabilities - Full-Time</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Home Instruction:</b>					
Purchased Professional-Educational Services	-	-	-	-	-
<b>Total Home Instruction</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cognitive - Severe:</b>					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional-Educational Services		-			-
Purchased Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects	-	-	-	-	-

New Hanover Township Board of Education  
 Budgetary Comparison Schedule  
 General Fund  
 Fiscal Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>Total Cognitive - Severe</b>	-	-	-	-	-
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<u>369,947</u>	<u>-</u>	<u>369,947</u>	<u>357,010</u>	<u>12,937</u>
<b>Basic Skills/Remedial - Instruction</b>					
Salaries of Teachers	-	-	-	-	-
Other Salaries for Instruction	-	-	-	-	-
Purchased Professional-Educational Services	-	-	-	-	-
Purchased Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
General Supplies	-	-	-	-	-
Textbooks	-	-	-	-	-
Other Objects	-	-	-	-	-
<b>Total Basic Skills/Remedial - Instruction</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Bilingual Education - Instruction</b>					
Salaries of Teachers	56,063	-	56,063	56,063	-
Other Salaries for Instruction	-	-	-	-	-
Purchased Professional-Educational Services	-	-	-	-	-
Purchased Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
General Supplies	1,950	(1,322)	628	-	628
Textbooks	-	-	-	-	-
Other Objects	-	-	-	-	-
<b>Total Bilingual Education - Instruction</b>	<u>58,013</u>	<u>(1,322)</u>	<u>56,691</u>	<u>56,063</u>	<u>628</u>
<b>School-Spon. Cocurricular Actvts. - Inst.</b>					
Salaries	13,526	1,322	14,848	14,848	-
Purchased Services (300-500 series)	-	-	-	-	-
Supplies and Materials	8,500	1,500	10,000	5,512	4,488
Other Objects	400	-	400	246	154
Transfers to Cover Deficit (Agency Funds)	-	-	-	-	-
<b>Total School-Spon. Cocurricular Actvts. - Inst.</b>	<u>22,426</u>	<u>2,822</u>	<u>25,248</u>	<u>20,606</u>	<u>4,642</u>
<b>School-Spon. Athletics - Inst.</b>					
Salaries of Teachers	8,612	-	8,612	8,612	-
Other Salaries for Instruction	-	-	-	-	-
Purchased Professional-Educational Services	-	-	-	-	-
Purchased Technical Services	-	-	-	-	-
Other Purchased Services (400-500 series)	-	-	-	-	-
General Supplies	2,750	(1,350)	1,400	-	1,400
Textbooks	-	-	-	-	-
Other Objects	-	-	-	-	-
<b>Total School-Spon. Athletics - Inst.</b>	<u>11,362</u>	<u>(1,350)</u>	<u>10,012</u>	<u>8,612</u>	<u>1,400</u>
<b>Other Instructional Programs - Instruction</b>					
Salaries	-	-	-	-	-
Purchased Services (300-500 series)	-	-	-	-	-
Supplies and Materials	-	-	-	-	-
Other Objects	-	-	-	-	-
Transfers to Cover Deficit (Agency Funds)	-	-	-	-	-
<b>Total Other Instructional Programs - Instruction</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Instruction</b>	<u>1,714,610</u>	<u>150,968</u>	<u>1,865,578</u>	<u>1,805,316</u>	<u>60,262</u>
<b>Undistributed Expenditures - Instruction:</b>					
Tuition to CSSD & Regional Day Schools	116,752	(32,531)	84,221	84,220	1
Tuition to Private Schools for the Disabled - Within State	147,430	(24,748)	122,682	102,425	20,257
Tuition to Private Schools for the Disabled & Oth LEAs-Spl - o/s NJ	-	-	-	-	-
Tuition -County Voc School Dist.-Regular	28,583	-	28,583	26,504	2,079
Tuition -County Voc School Dist.-Special	3,980	-	3,980	-	3,980
Tuition - State Facilities	-	-	-	-	-
Tuition - Other	-	-	-	-	-
Tuition - Other LEAs Within State-Regular	345,092	37,735	382,827	378,025	4,802
Tuition - Other LEAs Within State-Special	215,251	(101,998)	113,253	93,467	19,786
<b>Total Undistributed Expenditures - Instruction:</b>	<u>857,088</u>	<u>(121,542)</u>	<u>735,546</u>	<u>684,641</u>	<u>50,905</u>

New Hanover Township Board of Education  
 Budgetary Comparison Schedule  
 General Fund  
 Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Undistributed Expend. - Attendance &amp; Social Work</b>					
Salaries		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-
Other Objects		-			-
<b>Total Undistributed Expend. - Attendance &amp; Social Work</b>	-	-	-	-	-
<b>Undist. Expend. - Health Services</b>					
Salaries	79,243	-	79,243	78,793	450
Purchased Professional and Technical Services	1,400	-	1,400	1,400	-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials	3,500	(600)	2,900	2,878	22
Other Objects	150	-	150	-	150
<b>Total Undistributed Expenditures - Health Services</b>	84,293	(600)	83,693	83,071	622
<b>Undist. Expend. - Other Supp. Serv. Students - Related Serv.</b>					
Salaries of Other Professional Staff		-			-
Purchased Professional - Educational Services	44,800	49,087	93,887	76,877	17,010
Supplies and Materials	100	-	100	-	100
<b>Total Undist. Expend. - Other Supp. Serv. Students - Related Serv.</b>	44,900	49,087	93,987	76,877	17,110
<b>Undist. Expend. - Other Supp. Serv. Students - Extra. Serv.</b>					
Salaries		30,000	30,000	26,879	3,121
Purchased Professional - Educational Services	51,992	(25,000)	26,992	21,695	5,297
Supplies and Materials		-			-
<b>Total Undist. Expend. - Other Supp. Serv. Students - Extra. Serv.</b>	51,992	5,000	56,992	48,574	8,418
<b>Undist. Expend. - Guidance</b>					
Salaries of Other Professional Staff	22,026	-	22,026	16,959	5,067
Salaries of Secretarial and Clerical Assistants		-			-
Other Salaries		-			-
Purchased Professional - Educational Services		-			-
Other Purchased Prof. and Tech. Services	17,232	(14,487)	2,745		2,745
Other Purchased Services (400-500 series)		-			-
Supplies and Materials	2,000	-	2,000	-	2,000
Other Objects		-			-
<b>Total Undist. Expend. - Guidance</b>	41,258	(14,487)	26,771	16,959	9,812
<b>Undist. Expend. - Child Study Teams</b>					
Salaries of Other Professional Staff	23,600	15,000	38,600	37,056	1,544
Salaries of Secretarial and Clerical Assistants	32,190	-	32,190	4,286	27,904
Purchased Professional Educational Services		-			-
Other Purchased Prof and Tech Services	69,285	11,000	80,285	77,062	3,223
Misc. Purch Serv (400 - 500 series o/than resid costs)		-			-
Supplies and Materials	8,000	(5,658)	2,342	529	1,813
Other Objects	350	-	350		350
<b>Total Undist. Expend. - Child Study Teams</b>	133,425	20,342	153,767	118,933	34,834
<b>Undist. Expend. - Improvement of Inst. Serv.</b>					
Salaries of Supervisor of Instruction	152,156	21,453	173,609	173,608	1
Salaries of Other Professional Staff	5,000	(5,000)	-	-	-
Salaries of Secr and Clerical Assist.	54,135	-	54,135	52,825	1,310
Other Salaries		-			-
Purchased Prof- Educational Services	10,000	-	10,000	-	10,000
Other Purch Prof. and Tech. Services		-			-
Other Purch Services (400-500)		-			-
Supplies and Materials		-			-
Other Objects		-			-
<b>Total Undist. Expend. - Improvement of Inst. Serv.</b>	221,291	16,453	237,744	226,433	11,311
<b>Undist. Expend. - Edu. Media Serv./Sch. Library</b>					
Salaries	56,363	-	56,363	53,843	2,520
Other Purchased Prof. and Tech. Services	300	400	700	700	-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials	5,000	(400)	4,600	931	3,669

New Hanover Township Board of Education  
 Budgetary Comparison Schedule  
 General Fund  
 Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Objects		-			-
<b>Total Undist. Expend. - Edu. Media Serv./Sch. Library</b>	<b>61,663</b>	<b>-</b>	<b>61,663</b>	<b>55,474</b>	<b>6,189</b>
<b>Undist. Expend. - Instructional Staff Training Serv.</b>					
Salaries of Supervisors of Instruction		-			-
Salaries of Other Professional Staff		-			-
Salaries of Secretarial and Clerical Assist		-			-
Other Salaries		-			-
Purchased Professional - Educational Serv		-			-
Other Purchased Prof. and Tech. Services		-			-
Other Purchased Services (400-500 series)	10,000	-	10,000	7,473	2,527
Supplies and Materials		-			-
Other Objects		-			-
<b>Total Undist. Expend. - Instructional Staff Training Serv.</b>	<b>10,000</b>	<b>-</b>	<b>10,000</b>	<b>7,473</b>	<b>2,527</b>
<b>Undist. Expend. - Supp. Serv. - General Admin.</b>					
Salaries		-			-
Legal Services	14,600	2,000	16,600	6,425	10,175
Audit Fees	18,250	-	18,250	18,250	-
Architectural/Engineering Services		-			-
Other Purchased Professional Services	48,000	-	48,000	48,000	-
Communications/Telephone	23,000	(2,141)	20,859	15,047	5,812
BOE Other Purchased Services		-			-
Other Purchased Services (400-500 series)	500	-	500	-	500
Other Purchased Prof. and Tech. Services		-			-
Rental		-			-
Travel		-			-
Supplies and Materials		-			-
General Supplies	400	200	600	552	48
BOE In house Training/Meeting Supplies	3,500	(1,900)	1,600	302	1,298
BOE Membership Dues and Fees	5,000	-	5,000	4,042	958
Judgements Against The School Distric		1,700	1,700	1,623	77
Miscellaneous Expenditures	2,500	(821)	1,679	400	1,279
<b>Total Undist. Expend. - Supp. Serv. - General Admin.</b>	<b>115,750</b>	<b>(962)</b>	<b>114,788</b>	<b>94,641</b>	<b>20,147</b>
<b>Undist. Expend. - Support Serv. - School Admin.</b>					
Salaries of Principals/Assistant Principals	36,387	1,857	38,244	38,243	1
Salaries of Other Professional Staff		-			-
Salaries of Secretarial and Clerical Assistants	10,186	1,127	11,313	11,312	1
Other Salaries		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		271	271	270	1
Rental		-			-
Other Objects		-			-
<b>Total Undist. Expend. - Support Serv. - School Admin.</b>	<b>46,573</b>	<b>3,255</b>	<b>49,828</b>	<b>49,825</b>	<b>3</b>
<b>Undist. Expend. - Central Services</b>					
Salaries	25,445	-	25,445	25,428	17
Purchased Professional Services	47,000	11,625	58,625	55,293	3,332
Purchased Technical Services		-			-
Miscellaneous Purchased Services		1,250	1,250	1,248	2
Supplies and Materials	1,595	4,850	6,445	5,609	836
Interest on Current Loans		-			-
Miscellaneous		-			-
Miscellaneous Expenditures	375	(250)	125	125	-
<b>Total Undist. Expend. - Central Services</b>	<b>74,415</b>	<b>17,475</b>	<b>91,890</b>	<b>87,703</b>	<b>4,187</b>
<b>Undist. Expend. - Admin. Info. Tech.</b>					
Salaries		-			-
Purchased Technical Services		-			-
Supplies and Materials		-			-
<b>Total Undist. Expend. - Admin. Info. Tech.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Undist. Expend. - Required Maint.- School Facilities</b>					



New Hanover Township Board of Education  
 Budgetary Comparison Schedule  
 General Fund  
 Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Salaries	26,333	106	26,439	26,438	1
Salaries of Secretarial and Clerical Assistants		-			-
Other Salaries		-			-
Purchased Professional and Technical Services		-			-
Cleaning, Repair and Maintenance Services	135,891	(21,982)	113,909	98,903	15,006
Other Purchased Property Services		-			-
Insurance		-			-
Miscellaneous Purchased Services-Rental		-			-
General Supplies	10,000	-	10,000	823	9,177
Energy (Energy and Electricity)		-			-
Other Objects		-			-
<b>Total Undist. Expend. - Required Maint.- School Facilities</b>	<b>172,224</b>	<b>(21,876)</b>	<b>150,348</b>	<b>126,164</b>	<b>24,184</b>
<b>Undist. Expend. - Custodial Services</b>					
Salaries	78,170	-	78,170	73,968	4,202
Salaries of Secretarial and Clerical Assistants		-			-
Other Salaries		-			-
Purchased Professional and Technical Services	-	3,145	3,145	3,077	68
Cleaning, Repair and Maintenance Services	71,289	(1,793)	69,496	55,495	14,001
Other Purchased Property Services	14,000	-	14,000	10,724	3,276
Insurance	31,119	-	31,119	30,485	634
Miscellaneous Purchased Services-Rental		-			-
General Supplies	15,000	(1,091)	13,909	8,335	5,574
Energy-Natural Gas	22,238	2,628	24,866	22,714	2,152
Energy-Electricity	68,000	6,567	74,567	63,815	10,752
Energy-Gasoline	235	(106)	129	55	74
Other Objects		-			-
<b>Total Undist. Expend. - Other Oper. &amp; Maint. Of Plant</b>	<b>300,051</b>	<b>9,350</b>	<b>309,401</b>	<b>268,668</b>	<b>40,733</b>
<b>Undist. Expend. - Care &amp; Upkeep of Grounds</b>					
Salaries		-			-
General Supplies	-	3,150	3,150	3,150	-
<b>Total Undist. Expend. - Care &amp; Upkeep of Grounds</b>	<b>-</b>	<b>3,150</b>	<b>3,150</b>	<b>3,150</b>	<b>-</b>
<b>Total Undist. Expend. - Oper. And Maint. Of Plant Serv.</b>	<b>472,275</b>	<b>(12,526)</b>	<b>459,749</b>	<b>394,832</b>	<b>64,917</b>
<b>Undist. Expend. - Security</b>					
Salaries		-			-
Purchased Professional and Technical Services		-			-
<b>Total Undist. Expend. - Security</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Undist. Expend. - Student Transportation Serv.</b>					
Management Fees - ESC & CTSA Transportation Programs		-			-
Salaries for pupil trans - (Between Home and School) - Reg	25,445	-	25,445	25,470	(25)
Salaries for pupil trans - (Between Home and School) - Sp Ed		-			-
Salaries for pupil trans - (Other than Bet. Home and School)		-			-
Lease Purchase Payments - School Buses		-			-
Contract Services - (Other than Bet. Home and School) - Vendors	7,000	-	7,000	4,884	2,116
Contract Services - (Between Home and School) - Vendors	66,459	126,428	192,887	174,647	18,240
Contract Services - (Between Home and School) - Joint	50,648	(50,648)	-		-
Contract Services - (Special Ed Stds) - Vendors	244,419	31,273	275,692	275,692	-
Contract Services - (Special Ed Stds) - Joint		-			-
Contract Services - (Reg Ed Stds) - ESCs & CTSA's		-			-
Contract Services - (Special Ed Stds) - ESCs & CTSA's		-			-
Contract Services - Aid in Lieu Of Pymts-NonPub Sch	25,636	4,000	29,636	29,611	25
Miscellaneous Purchased Services-Transportation	5,000	-	5,000	-	5,000
Supplies and Materials	50	-	50		50
Transportation Supplies		-			-
Other Objects		-			-
<b>Total Undist. Expend. - Student Transportation Serv.</b>	<b>424,657</b>	<b>111,053</b>	<b>535,710</b>	<b>510,304</b>	<b>25,406</b>
<b>Undist. Expend. - Business and Other Support Serv.</b>					
Salaries		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-

New Hanover Township Board of Education  
 Budgetary Comparison Schedule  
 General Fund  
 Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Interest on Current Loans	-	-	-	-	-
<b>Total Undist. Expend. - Business and Other Support Serv.</b>	-	-	-	-	-
<b>Undist. Expend. - Food Services</b>					
Transfers to Cover Deficit (Enterprise Fund)		4,811	4,811	-	4,811
<b>Total Undist. Expend. - Food Services</b>	-	4,811	4,811	-	4,811
<b>UNALLOCATED BENEFITS</b>					
Group Insurance		-			-
Social Security Contributions	50,000	(44,236)	5,764	50,601	(44,837)
T.P.A.F. Contributions - ERIP		-			-
Other Retirement Contributions - PERS	38,983	-	38,983	35,935	3,048
Other Retirement Contributions - Deferred PERS	5,674	-	5,674	5,674	-
Other Retirement Contributions - Regular	5,000	147	5,147	2,919	2,228
Unemployment Compensation	5,000	6,000	11,000	9,638	1,362
Workmen's Compensation	32,896	-	32,896	27,200	5,696
Health Benefits	884,858	(130,063)	754,795	749,377	5,418
Tuition Reimbursement	6,000	(11)	5,989	3,900	2,089
Other Employee Benefits	-	-	-	-	-
<b>TOTAL UNALLOCATED BENEFITS</b>	<u>1,028,411</u>	<u>(168,163)</u>	<u>860,248</u>	<u>885,244</u>	<u>(24,996)</u>
On-Behalf TPAF Pension Contributions (non-budgeted)		-		428,059	(428,059)
Reimbursed TPAF Social Security Contributions (non-budgeted)		-		125,304	(125,304)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>	-	-	-	<u>553,363</u>	<u>(553,363)</u>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<u>1,028,411</u>	<u>(168,163)</u>	<u>860,248</u>	<u>1,438,607</u>	<u>(578,359)</u>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<u>3,667,991</u>	<u>(87,654)</u>	<u>3,580,337</u>	<u>3,897,497</u>	<u>(317,150)</u>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<u>5,382,601</u>	<u>63,314</u>	<u>5,445,915</u>	<u>5,702,813</u>	<u>(256,898)</u>
<b>CAPITAL OUTLAY</b>					
<b>Equipment</b>					
<b>Regular Programs - Instruction:</b>					
Instruction	1,500	(1,500)	-	-	-
Grades 1-5	1,500	(1,500)	-	-	-
Grades 6-8	2,000	3,000	5,000	4,816	184
Grades 9-12		-			-
Home Instruction		-			-
<b>Special Education - Instruction:</b>					
Cognitive - Mild		-			-
Cognitive - Moderate		-			-
Learning and/or Language Disabilities		-			-
Visual Impairments		-			-
Auditory Impairments		-			-
Behavioral Disabilities		-			-
Multiple Disabilities		-			-
Resource Room/Resource Center		-			-
Autism		-			-
Preschool Disabilities - Part-Time		-			-
Preschool Disabilities - Full-Time		-			-
Cognitive - Severe		-			-
Basic Skills/Remedial - Instruction		-			-
Bilingual Education - Instruction		-			-
Vocational Programs - Local - Instruction		-			-
School-Sponsored and Other Instructional Program		-			-
Undistributed Expenditures - Instruction	-	-	-	-	-
Undist.Expend.-Support Serv.-Students - Reg.		-			-
Undist.Expend.-Support Serv.-Related & Extra		-			-
Undist.Expend.-Non-Instructional Services		-			-
Undistributed Expenditures - General Admin.		-			-

New Hanover Township Board of Education  
 Budgetary Comparison Schedule  
 General Fund  
 Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - School Admin.		-			-
Undistributed Expenditures - Central Services		-			-
Undistributed Expenditures - Operation of Plant Services		-			-
Undistributed Expenditures - Admin Info Tech	-	-			-
Schools Buses - Regular		-			-
Special Schools (All Programs)		-			-
<b>Total Equipment</b>	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>4,816</u>	<u>184</u>
<b>Facilities Acquisition and Construction Services</b>					
Construction Services		-			-
Architectural/Engineering Services		-			-
Other Purchased Prof. Service		-			-
Assessment for Debt Service on SDA Funding	11,628	-	11,628	11,580	48
Lease Purchase Agreements		-			-
<b>Total Facilities Acquisition and Construction Services</b>	<u>11,628</u>	<u>-</u>	<u>11,628</u>	<u>11,580</u>	<u>48</u>
<b>Assets Acquired Under Capital Leases (non-budgeted)</b>					
<b>Undistributed Expenditures:</b>					
Capital Leases	-	-	-	-	-
<b>Assets Acquired Under Capital Leases (non-budgeted)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Interest Deposit to Capital Reserve</b>					
<b>TOTAL CAPITAL OUTLAY</b>	<u>16,628</u>	<u>-</u>	<u>16,628</u>	<u>16,396</u>	<u>232</u>
<b>SPECIAL SCHOOLS</b>					
<b>Summer School - Instruction</b>					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
<b>Total Summer School - Instruction</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Summer School - Support Services</b>					
Salaries		-			-
Personal Services - Employee Benefits		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-
Other Objects		-			-
<b>Total Summer School - Support Services</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Summer School</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other Special Schools - Instruction</b>					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
<b>Total Other Special Schools - Instruction</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other Special Schools - Support Services</b>					
Salaries		-			-
Personal Services - Employee Benefits		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-
Other Objects		-			-
<b>Total Other Special Schools - Support Services</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Other Special Schools</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Accred. Even./Adult H.S./Post-Grad.-Inst.</b>					

New Hanover Township Board of Education  
 Budgetary Comparison Schedule  
 General Fund  
 Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
<b>Total Accred. Even./Adult H.S./Post-Grad.-Inst.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Accred. Even./Adult H.S./Post-Grad.-Supp. Service</b>					
Salaries		-			-
Personal Services - Employee Benefits		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-
Other Objects		-			-
<b>Total Accred. Even./Adult H.S./Post-Grad.-Supp. Service</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Accred. Even./Adult H.S./Post-Grad.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Adult Education-Local-Instruction</b>					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
<b>Total Adult Education-Local-Instruction</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Adult Education-Local -Support Serv.</b>					
Salaries		-			-
Personal Services - Employee Benefits		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-
Other Objects		-			-
<b>Total Adult Education-Local -Support Serv.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Adult Education-Local</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Vocational Evening-Local-Instruction</b>					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-
Textbooks		-			-
Other Objects		-			-
<b>Total Vocational Evening-Local-Instruction</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Vocational Evening-Local-Support Serv.</b>					
Salaries		-			-
Personal Services - Employee Benefits		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-
Other Objects		-			-
<b>Total Vocational Evening-Local-Support Serv.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Vocational Evening-Local</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Even.-Sch.-Foreign-Born-Local-Inst.</b>					
Salaries of Teachers		-			-
Other Salaries for Instruction		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
General Supplies		-			-

New Hanover Township Board of Education  
 Budgetary Comparison Schedule  
 General Fund  
 Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Textbooks		-			-
Other Objects		-			-
<b>Total Even.-Sch.-Foreign-Born-Local-Inst.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Even.-Sch.-Foreign-Born-Local-Sup. Serv.</b>					
Salaries		-			-
Personal Services - Employee Benefits		-			-
Purchased Professional and Technical Services		-			-
Other Purchased Services (400-500 series)		-			-
Supplies and Materials		-			-
Other Objects ( rounding)		-			-
<b>Total Even.-Sch.-Foreign-Born-Local-Sup. Serv.</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Even.-Sch.-Foreign-Born-Local</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL SPECIAL SCHOOLS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Transfer of Funds to Charter Schools/rounding		-		-	-
<b>TOTAL EXPENDITURES</b>	<b>5,399,229</b>	<b>63,314</b>	<b>5,462,543</b>	<b>5,719,209</b>	<b>(256,666)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(816,929)	(60,099)	(877,028)	(316,895)	560,133
Other Financing Sources(Uses):					
Transfer from Food Services		-			-
Total Other Financing Sources:	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(816,929)	(60,099)	(877,028)	(316,895)	560,133
Fund Balance, July 1	26,682	(98,402)	(72,610)	3,637,141	(1,761,639)
Fund Balance, June 30	<u>\$ (790,247)</u>	<u>\$ (158,501)</u>	<u>\$ (949,638)</u>	<u>\$ 3,320,246</u>	<u>\$ (1,201,506)</u>

New Hanover Township Board of Education  
 Budgetary Comparison Schedule  
 General Fund  
 Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Recapitulation of Fund Balance:</b>					
<b>Restricted Fund Balance:</b>					
Reserve for Capital Reserve				\$ 696,543	
Maintenance Reserve				131,462	
Tuition Reserve					
Impact Aid General Fund Reserve				1,495,000	
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures				316,043	
Reserve for Excess Surplus					
<b>Committed Fund Balance:</b>					
Reserve for encumbrances				91,507	
<b>Assigned Fund Balance:</b>					
Unreserved - Designated for Subsequent Year's Expenditures				47,803	
Unreserved - Designated for Impact Aid Reserve				165,819	
<b>Unrestricted Fund Balance</b>					
				3,320,246	
<b>Reconciliation to Governmental Funds Statements (GAAP):</b>					
Last State Aid Payment not recognized on GAAP basis				(234,766)	
Fund Balance per Governmental Funds (GAAP)				\$ 3,085,480	

**New Hanover Township Board of Education  
Budgetary Comparison Schedule  
Special Revenue Fund  
For the Fiscal Year Ended June 30, 2018**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources		-			\$ -
State Sources	35,271	-	35,271	35,271	-
Federal Sources	183,193	64,131	247,324	169,890	(77,434)
<b>Total Revenues</b>	<b>218,464</b>	<b>64,131</b>	<b>282,595</b>	<b>205,161</b>	<b>(77,434)</b>
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Salaries of Teachers	159,407	(124,136)	35,271	35,271	-
Other Salaries for Instruction		-			-
Other Salaries		-			-
Purchased Professional - Educational Services		-			-
Purchased Professional and Technical Services		-			-
Supplies and Materials		-			-
Other Purchased Services (400-500 series)	59,057	24,816	83,873	79,373	4,500
General Supplies		2,000	2,000		2,000
Textbooks		-			-
Tuition		2,945	2,945	2,945	-
Other Objects		-			-
<b>Total Instruction</b>	<b>218,464</b>	<b>(94,375)</b>	<b>124,089</b>	<b>117,589</b>	<b>6,500</b>
<b>Support Services</b>					
Salaries of Other Professional Staff		-			-
Salaries of Secretaries & Clerical Assistants		-			-
Other Salaries		-			-
Personal Services - Employee Benefits		-			-
Purchased Professional Services		152,506	152,506	83,222	69,284
Other Purchased Professional Services		5,000	5,000	4,350	650
Purchased Technical Services		-			-
Rentals		-			-
Contracted Services Transportation		-			-
Tuition		-			-
Travel		-			-
Other Purchased Services (400-500 series)		-			-
Supplies & Materials		1,000	1,000		1,000
Other Objects		-			-
<b>Total Support Services</b>	<b>-</b>	<b>158,506</b>	<b>158,506</b>	<b>87,572</b>	<b>70,934</b>

**New Hanover Township Board of Education  
 Budgetary Comparison Schedule  
 Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2018**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES (CONT'D.)</b>					
<b>Facilities Acquisition and Construction Services:</b>					
Buildings		-			-
Instructional Equipment		-			-
Noninstructional Equipment		-			-
<b>Total Facilities Acquisition and Construction Services</b>	-	-	-	-	-
<b>Transfer to Charter School</b>					-
<b>Total Expenditures</b>	218,464	64,131	282,595	205,161	77,434
<b>Other Financing Sources (Uses)</b>					
Transfer in from General Fund		-			-
Transfer Out to Whole School Reform (General Fund)		-			-
<b>Total Other Financing Sources (Uses)</b>	-	-	-	-	-
<b>Total Outflows</b>	218,464	64,131	282,595	205,161	77,434
<b>Excess (Deficiency) of Revenues Over (Under)</b>					
<b>Expenditures and Other Financing Sources (Uses)</b>	\$ -	\$ -	\$ -	\$ -	\$ -



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

New Hanover Township Board of Education  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 Note to RSI  
 For the Fiscal Year Ended June 30, 2018

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

		General Fund		Special Revenue Fund
<b>Sources/inflows of resources</b>				
Actual amounts (budgetary basis) "revenue"				
from the budgetary comparison schedule	[C-1]	\$ 5,402,314	[C-2]	\$ 205,161
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized:				
Current year				(3,886)
Prior year				
State aid payment recognized for budgetary purposes, not recognized for GAAP statements		(234,766)		(3,528)
Prior year state aid payment recognized for GAAP purposes in current year		228,089		7,054
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	\$ 5,395,637	[B-2]	\$ 204,801
<b>Uses/outflows of resources</b>				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]	5,719,209	[C-2]	205,161
Differences - budget to GAAP				
The district budgets for claims and compensated absences only to the extent expected to be paid, rather than on the modified accrual basis.				
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.				
				(3,886)
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.				
Net transfers (outflows) to general fund		-		-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	\$ 5,719,209	[B-2]	\$ 201,275

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***REQUIRED SUPPLEMENTARY INFORMATION  
PART III***

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

**New Hanover Township Board of Education**  
**Schedules of Required Supplementary Information**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE**  
**OF THE NET PENSION LIABILITY**  
**PERS**  
**Last Four Fiscal Years\***

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
District's proportion of the net pension liability	0.0044%	0.0046%	0.0043%	0.4300%
District's proportionate share of the net pension liability	\$ 825,459	\$1,032,956	\$1,276,518	\$1,022,155
District's covered employee payroll	\$ 309,658	\$ 402,744	\$ 349,034	\$ 278,302
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	269.17%	256.58%	365.73%	367.29%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%

\*This schedule does not contain ten years of information since GASB #68 was implemented during the fiscal year ending June 30, 2015.

**New Hanover Township Board of Education**  
**Schedules of Required Supplementary Information**  
**SCHEDULE OF DISTRICT CONTRIBUTIONS**  
**PERS**  
**Last Four Fiscal Years\***

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Contractually required contribution	\$ 36,346	\$ 39,561	\$ 38,290	\$ 39,882
Contributions in relation to the contractually required contribution	<u>\$ (36,346)</u>	<u>\$ (39,561)</u>	<u>\$ (38,290)</u>	<u>\$ (39,882)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 309,658	\$ 402,744	\$ 349,034	\$ 278,302
Contributions as a percentage of its covered-employee payroll	11.73%	9.82%	10.98%	14.33%

\*This schedule does not contain ten years of information since GASB #68 was implemented during the fiscal year ending June 30, 2015.

**New Hanover Township Board of Education**  
**Schedules of Required Supplementary Information**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE**  
**OF THE NET PENSION LIABILITY**  
**TPAF**  
**Last Four Fiscal Years\***

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
District's proportion of the net pension liability	0.0132%	0.0138%	0.0144%	0.0165%
State's proportionate share of the net pension liability attributable to the District	\$7,074,208	\$8,750,849	\$11,358,251	\$11,095,951
District's covered employee payroll	\$1,583,511	\$1,823,578	\$ 1,756,096	\$ 1,724,404
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	446.74%	479.88%	646.79%	643.47%
Plan fiduciary net position as a percentge of the total pension liability	33.64%	28.71%	22.33%	25.41%

\*This schedule does not contain ten years of information since GASB #68 was implemented during the fiscal year ending June 30, 2015.

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***SCHEDULES RELATED TO ACCOUNTING AND REPORTING  
FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS***



**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS  
PUBLIC EMPLOYEE'S RETIREMENT SYSTEM AND  
TEACHERS' PENSION AND ANNUITY FUND**

	<b>2018</b>
<b>Total OPEB Liability</b>	
Service Cost	359,139
Interest Cost	224,058
Changes of Assumptions	(894,585)
Member Contributions	6,065
Gross Benefit Payments	(164,712)
Net Change in Total OPEB Liability	(470,035)
Total OPEB Liability - Beginning	7,581,300
Total OPE Liability - Ending	7,111,265
Covered-Employee Payroll	2,105,130
Total OPEB Liability as a Percentage of Covered Employee Payroll	337.81%

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

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*OTHER SUPPLEMENTARY INFORMATION*

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***SPECIAL REVENUE FUND  
DETAIL STATEMENTS***

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

**New Hanover Township Board of Education  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2018**

	Title I Part A	Title II (Carryover)	Title II	Title III	I.D.E.A. Part B Basic	I.D.E.A. Preschool	Preschool Education Aid	Total
<b>REVENUES</b>								
Local Sources								-
State Sources							35,271	35,271
Federal Sources	71,068	4,936	8,621	2,947	79,373	2,945		169,890
<b>Total Revenues</b>	<b>-</b>	<b>71,068</b>	<b>4,936</b>	<b>8,621</b>	<b>79,373</b>	<b>2,945</b>	<b>35,271</b>	<b>- 205,161</b>
<b>EXPENDITURES:</b>								
<b>Instruction:</b>								
Salaries of Teachers							35,271	35,271
Other Salaries for Instruction								-
Purchased Professional - Educational Services								-
Purchased Professional and Technical Services								-
Other Purchased Services (400-500 series)	-	-			79,373			79,373
General Supplies								-
Tuition						2,945		2,945
Other Objects								-
<b>Total instruction</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>79,373</b>	<b>2,945</b>	<b>35,271</b>	<b>- 117,589</b>
<b>Support services:</b>								
Salaries of Other Professional Staff								-
Salaries -Support Staff								-
Other Salaries								-
Personal Services - Employee Benefits								-
Tuition								-
Purchased Professional Services	66,718	4,936	8,621	2,947				83,222
Other Purchased Professional Services	4,350							4,350
Purchased Technical Services								-
Rentals								-
Travel								-
Other Purchased Services (400-500 series)								-
Supplies & Materials								-
<b>Total support services</b>	<b>71,068</b>	<b>4,936</b>	<b>8,621</b>	<b>2,947</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>- 87,572</b>
<b>EXPENDITURES (CONT'D):</b>								
<b>Facilities acquisition and const. serv.:</b>								
Buildings								-
Instructional Equipment								-
Noninstructional Equipment								-

New Hanover Township Board of Education  
 Special Revenue Fund  
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2018

	Title I Part A	Title II (Carryover)	Title II	Title III	I.D.E.A. Part B Basic	I.D.E.A. Preschool	Preschool Education Aid	Total
Total facilities acquisition and const. serv.	-	-	-	-	-	-	-	-
Transfer to Charter Schools	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	- 71,068	4,936	8,621	2,947	79,373	2,945	35,271	- 205,161
<b>Other Financing Sources (Uses)</b>								
Transfer In from General Fund	-	-	-	-	-	-	-	-
Contribution to Whole School Reform	-	-	-	-	-	-	-	-
<b>Total Outflows</b>	- 71,068	4,936	8,621	2,947	79,373	2,945	35,271	- 205,161
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**New Hanover Township Board of Education  
Special Revenue Fund  
Schedule of Preschool Education Aid Expenditures  
Budgetary Basis  
For the Fiscal Year Ended June 30, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>EXPENDITURES:</b>			
<b>Instruction:</b>			
Salaries of Teachers	\$ 35,271	\$ 35,271	\$ -
<b>Total instruction</b>	<u>35,271</u>	<u>35,271</u>	<u>-</u>
<b>Total Expenditures</b>	<u>\$ 35,271</u>	<u>\$ 35,271</u>	<u>\$ -</u>

CALCULATION OF BUDGET & CARRYOVER

Total 2017-18 Preschool Education Aid Allocation	\$ 35,271
Add: Actual ECPA Carryover (June 30, 2017)	
Add: Budgeted Transfer from the General Fund 2017-18	
Less: Adjustment to Carryover	
Total Preschool Education Aid Funds Available for 2017-2018 Budget	<u>35,271</u>
Less: 2017-2018 Budgeted Preschool Education Aid (Including prior year budgeted carryover)	<u>35,271</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2018	-
Less: 2017-2018 Commissioner-approved Transfer to the General Fund	
Add: June 30, 2018 Unexpended Preschool Education Aid Funds	
2017-2018- Actual Carryover - Preschool Education Aid Funds	<u>\$ -</u>
2017-2018 Preschool Education Aid Funds Carryover Budgeted in 2018-2019	<u>-</u>

***CAPITAL PROJECTS FUND  
DETAIL STATEMENTS***

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

**NOT APPLICABLE**

***PROPRIETARY FUNDS  
DETAIL STATEMENTS***

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

**Food Services Fund** - This fund provides for the operation of food services in all schools within the school district.

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



***FIDUCIARY FUNDS  
DETAIL STATEMENTS***

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

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

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

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Agency		Total
	Student Activity	Payroll	
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 698	\$ 141,056	\$ 141,754
Due from General Fund	-		-
<b>Total Assets</b>	<b>\$ 698</b>	<b>\$ 141,056</b>	<b>\$ 141,754</b>
<b>LIABILITIES:</b>			
Payroll Deductions and Withholdings	\$	\$ 32,605	\$ 32,605
Net Payroll		8,802	8,802
Payable to Student Groups	698		698
Summer Payment Plan		99,649	99,649
Due to General Fund	-		-
<b>Total Liabilities</b>	<b>\$ 698</b>	<b>\$ 141,056</b>	<b>\$ 141,754</b>
<b>Total Net Assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
STUDENT ACTIVITY AGENCY FUND  
STATEMENT OF ACTIVITY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

<u>Schools</u>	<u>Balance July 1, 2017</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2018</u>
New Hanover Elementary School	\$ <u>1,020</u>	\$ <u>6,402</u>	\$ <u>6,724</u>	\$ <u>698</u>
Total	\$ <u>1,020</u>	\$ <u>6,402</u>	\$ <u>6,724</u>	\$ <u>698</u>

NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
PAYROLL AGENCY FUND  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2018</u>
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 106,319	\$ 2,757,241	2,722,504	\$ 141,056
Due from General Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 106,319</u>	<u>\$ 2,757,241</u>	<u>2,722,504</u>	<u>\$ 141,056</u>
 <b>LIABILITIES:</b>				
Payroll deductions and withholdings	\$ 14,282	\$ 1,299,747	\$ 1,281,424	\$ 32,605
Summer payment plan	92,023	99,928	92,302	99,649
Net payroll	14	1,357,566	1,348,778	8,802
Due to General Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>\$ 106,319</u>	<u>\$ 2,757,241</u>	<u>\$ 2,722,504</u>	<u>\$ 141,056</u>

## ***LONG-TERM DEBT SCHEDULES***

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

NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
 COUNTY OF BURLINGTON  
 GENERAL LONG-TERM DEBT ACCOUNT GROUP  
 STATEMENT OF OBLIGATIONS UNDER CAPITAL LEASES  
 June 30, 2018

Series	Amount of Original Issue	Amount Outstanding July 1, 2017	Issued Current Year	Retired Current Year	Amount Outstanding June 30, 2018
Xerox D95CP and Xerox 3615DN Copiers	\$ 29,237	\$ 16,021	\$ —	\$ 5,333	\$ 10,688
		\$ 16,021	\$ 0	\$ 5,333	\$ 10,688

***STATISTICAL SECTION***

*INTRODUCTION TO THE STATISTICAL SECTION*



**New Hanover Township Board of Education  
Introduction to the Statistical Section**

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b>	<b>104-110</b>
These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	
<b>Revenue Capacity</b>	<b>111-117</b>
These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	
<b>Debt Capacity</b>	<b>118-121</b>
These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	
<b>Demographic and Economic Information</b>	<b>122-123</b>
These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	
<b>Operating Information</b>	<b>124-128</b>
These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	

***FINANCIAL TRENDS***

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION**  
**Net Assets by Component,**  
**Last ten fiscal years**  
*(accrual basis of accounting)*

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 2,921,484	\$ 3,211,022	\$ 4,117,542	\$ 5,967,273	\$ 6,472,119	\$ 6,311,711	\$ 6,200,240	\$ 6,304,829	\$ 6,123,053	\$ 5,961,135
Restricted (Deficit)	1,397,249	2,516,844	4,261,114	1,625,575	3,421,945	4,793,948	3,972,374	4,033,376	3,279,239	2,852,672
Unrestricted (Deficit)	4,884,490	2,813,852	438,147	740,468	2,162,567	714,163	173,760	(903,647)	(962,787)	(864,699)
<b>Total governmental activities net assets</b>	<b>\$ 9,203,223</b>	<b>\$ 8,541,718</b>	<b>\$ 8,816,803</b>	<b>\$ 8,333,316</b>	<b>\$ 12,056,631</b>	<b>\$ 11,819,822</b>	<b>\$ 10,346,374</b>	<b>\$ 9,434,558</b>	<b>\$ 8,439,505</b>	<b>\$ 7,949,108</b>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ 16,367	\$ 13,783	\$ 11,200	\$ 8,617	\$ 6,034	\$ 10,665	\$ 7,544	\$ 5,582	\$ -	\$ -
Restricted										
Unrestricted	(15,828)	(13,720)	(11,996)	(8,094)	5,031	3,881	2,775	16,164	29,834	37,037
<b>Total business-type activities net assets</b>	<b>\$ 539</b>	<b>\$ 63</b>	<b>\$ (796)</b>	<b>\$ 523</b>	<b>\$ 11,065</b>	<b>\$ 14,546</b>	<b>\$ 10,319</b>	<b>\$ 21,746</b>	<b>\$ 29,834</b>	<b>\$ 37,037</b>
<b>District-wide</b>										
Invested in capital assets, net of related debt	\$ 2,937,851	\$ 3,224,805	\$ 4,128,742	\$ 5,975,890	\$ 6,478,153	\$ 6,322,376	\$ 6,207,784	\$ 6,310,411	\$ 6,123,053	\$ 5,961,135
Restricted (Deficit)	1,397,249	2,516,844	4,261,114	1,625,575	3,421,945	4,793,948	3,972,374	4,033,376	3,279,239	2,852,672
Unrestricted (Deficit)	4,868,662	2,800,132	426,151	732,374	2,167,598	718,044	176,535	(887,483)	(932,953)	(827,662)
<b>Total district net assets</b>	<b>\$ 9,203,762</b>	<b>\$ 8,541,781</b>	<b>\$ 8,816,007</b>	<b>\$ 8,333,839</b>	<b>\$ 12,067,696</b>	<b>\$ 11,834,368</b>	<b>\$ 10,356,693</b>	<b>\$ 9,456,304</b>	<b>\$ 8,469,339</b>	<b>\$ 7,986,145</b>

Source: School District Financial Reports

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION**  
**Changes in Net Assets/Net Position**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Expenses</b>										
<b>Governmental activities</b>										
Instruction										
Regular	\$ 1,167,471	\$ 1,520,786	\$ 1,003,047	\$ 1,264,540	\$ 1,966,485	\$ 2,056,945	\$ 2,232,690	\$ 2,371,121	\$ 2,461,432	\$ 2,406,921
Special education	579,859	523,957	247,622	152,841	280,249	274,523	302,044	465,231	530,880	508,797
Other special education										
Vocational										
Other instruction	23,755	9,570	28,912	76,830	114,858	137,260	116,125	150,315	86,446	85,281
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Instruction	1,763,082	1,612,258	1,689,218	1,500,493	1,194,480	1,174,787	1,185,617	1,331,632	1,036,253	768,327
Student & instruction related services			2,112		402,013	537,148	635,242	588,257	648,074	633,794
General and Business Administrative services	668,497	531,789	69,908	72,726	125,793	173,639	138,115	115,647	118,222	118,252
School Administrative services			567,029	451,262	186,943	121,960	166,125	173,683	181,086	179,688
Central Services			183,372	168,201	205,894	210,117	236,214	246,067	277,248	223,300
Administrative information technology					225	8,508				
Plant operations and maintenance			278,503	240,952	520,827	544,560	535,468	569,338	628,894	625,072
Improvement of instructional staff	7,000	30,000	4,558	7,874						
Pupil transportation			214,969	213,534	239,332	261,831	323,897	459,139	550,918	528,723
Unallocated Benefits	234,262	227,893	768,395	997,590						
Compensated absences	336,185	322,304					(67)			(7,815)
Compensated absences - unallocated	290,247	296,537	40,416	19,272	4,334	2,825				
Proportionate share of pension plan expense							40,495			25,927
Fixed asset adjustment				490,714						
Transfer to Food Service					7,747	15,810				
Unallocated depreciation	198,125	205,619	119,436	144,950						
Total governmental activities expenses	5,258,483	5,280,713	5,217,487	5,801,779	5,249,180	5,519,913	5,911,965	6,470,430	6,519,453	6,094,267
<b>Business-type activities:</b>										
Food service	124,242	91,296	80,778	114,637	115,850	127,607	125,691	126,970	125,207	125,659
Enrichment Program										
Total business-type activities expense	124,242	91,296	80,778	114,637	115,850	127,607	125,691	126,970	125,207	125,659
Total district expenses	\$ 5,392,725	\$ 5,372,009	\$ 5,298,275	\$ 5,916,416	\$ 5,365,030	\$ 5,647,520	\$ 6,037,656	\$ 6,597,400	\$ 6,644,660	\$ 6,219,926
<b>Program Revenues</b>										
<b>Governmental activities</b>										
Charges for services:										
Instruction (tuition)										\$ 32,211
Special Education										
Plant Operations and Maintenance										
Pupil transportation										
Central and other support services										
Operating grants and contributions	489,421	468,811	418,721	270,742	2,966,320	601,944	592,690	627,130	723,911	758,164
Capital grants and contributions										
Total governmental activities program revenues	489,421	468,811	418,721	270,742	2,966,320	601,944	592,690	627,130	723,911	790,375
<b>Business-type activities</b>										
Charges for services:										
Food service	\$ 43,937	\$ 30,782	\$ 27,112	\$ 44,943	\$ 41,501	\$ 45,546	\$ 49,177	\$ 50,351	\$ 46,005	\$ 61,725
Enrichment Program										
Operating grants and contributions	45,651	51,729	52,805	71,013	81,290	86,627	80,904	85,934	81,164	80,154
Capital grants and contributions								120,491	-	
Total business-type activities program revenues	89,588	82,511	79,917	115,956	122,791	132,173	130,081	256,776	127,169	141,879
Total district program revenues	\$ 579,009	\$ 551,322	\$ 498,638	\$ 386,698	\$ 3,089,111	\$ 734,117	\$ 722,771	\$ 883,906	\$ 851,080	\$ 932,254

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION**  
**Changes in Net Assets/Net Position**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (4,779,062)	\$ (4,811,902)	\$ (4,798,776)	\$ (5,531,037)	\$ (2,282,860)	\$ (4,917,969)	\$ (5,319,275)	\$ (5,843,300)	\$ (5,795,542)	\$ (5,303,892)
Business-type activities	(34,654)	(8,785)	(861)	1,319	6,941	4,566	4,390	129,806	1,962	16,220
<b>Total district-wide net expense</b>	<b>\$ (4,813,716)</b>	<b>\$ (4,820,687)</b>	<b>\$ (4,799,637)</b>	<b>\$ (5,529,718)</b>	<b>\$ (2,275,919)</b>	<b>\$ (4,913,403)</b>	<b>\$ (5,314,885)</b>	<b>\$ (5,713,494)</b>	<b>\$ (5,793,580)</b>	<b>\$ (5,287,672)</b>
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental activities										
Property taxes levied for general purposes, net	\$ 1,542,274	\$ 1,542,274	\$ 1,587,925	\$ 1,576,150	\$ 1,607,673	\$ 1,623,750	\$ 1,623,750	\$ 1,656,225	\$ 1,656,225	\$ 1,689,350
Taxes levied for debt service										
Unrestricted grants and contributions	2,463,271	2,576,499	3,531,557	3,433,804	4,423,713	3,054,046	3,081,993	3,116,399	3,103,195	3,101,505
Payments in lieu of taxes										
Investment earnings	71,650	27,547	74,425	29,236			50	50	50	17,310
Miscellaneous income		3,478	14,637		40,503	13,921	19,405	1,945	44,996	1,898
Cancellation of receivables/payables	5,682	8,899								
Transfers	34,388	(8,300)			(79,502)					
Other Adjustments					17,389	(11,642)	(887,988)	38,486	2,200	(5,636)
<b>Total governmental activities</b>	<b>4,117,265</b>	<b>4,150,397</b>	<b>5,208,544</b>	<b>5,038,190</b>	<b>6,009,776</b>	<b>4,680,075</b>	<b>3,837,210</b>	<b>4,813,105</b>	<b>4,806,666</b>	<b>4,804,427</b>
Business-type activities										
Investment earnings	40	10								
Miscellaneous Income										
Transfers	7,000	8,300								
<b>Total business-type activities</b>	<b>7,040</b>	<b>8,310</b>								
<b>Total district-wide</b>	<b>\$ 4,124,305</b>	<b>\$ 4,158,707</b>	<b>\$ 5,208,544</b>	<b>\$ 5,038,190</b>	<b>\$ 6,009,776</b>	<b>\$ 4,680,075</b>	<b>\$ 3,837,210</b>	<b>\$ 4,813,105</b>	<b>\$ 4,806,666</b>	<b>\$ 4,804,427</b>
<b>Change in Net Assets</b>										
Governmental activities	\$ (661,797)	\$ (661,505)	\$ 409,768	\$ (492,847)	\$ 3,726,916	\$ (237,894)	\$ (1,482,065)	\$ (1,030,195)	\$ (988,876)	\$ (499,465)
Business-type activities	(27,614)	(475)	(861)	1,319	6,941	4,566	4,390	129,806	1,962	16,220
<b>Total district</b>	<b>\$ (689,411)</b>	<b>\$ (661,980)</b>	<b>\$ 408,907</b>	<b>\$ (491,528)</b>	<b>\$ 3,733,857</b>	<b>\$ (233,328)</b>	<b>\$ (1,477,675)</b>	<b>\$ (900,389)</b>	<b>\$ (986,914)</b>	<b>\$ (483,245)</b>

Source: School District Financial Reports

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION**  
**Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>General Fund</b>										
Reserved	\$ 6,120,770	\$ 3,015,243	\$ 315,211	\$ 81,874	\$ 2,830,102	\$ 4,793,948	\$ 4,219,165	\$ 4,033,376	\$ 3,279,239	\$ 2,639,050
Committed			2,605,307	660,239	-					91,507
Assigned		24,557	264,894	517,390	102,911	23,305	13,092	34,675	60,099	213,622
Unreserved	705,239	250,000	534,618	806,992	2,175,227	805,519	711,709	69,502	69,714	141,301
<b>Total general fund</b>	<b>\$ 6,826,009</b>	<b>\$ 3,289,800</b>	<b>\$ 3,720,030</b>	<b>\$ 2,066,495</b>	<b>\$ 5,108,240</b>	<b>\$ 5,622,772</b>	<b>\$ 4,943,966</b>	<b>\$ 4,137,553</b>	<b>\$ 3,409,052</b>	<b>\$ 3,085,480</b>
<b>All Other Governmental Funds</b>										
Reserved, reported in:										
Capital projects fund	\$ 230	\$ 2,082,127	\$ 1,075,702	\$ -						
Debt service fund										
Committed, reported in:										
Capital projects fund				404,439	591,842					
Unreserved, reported in:										
Special revenue fund	921	224	(5,240)	(3,748)	(6,492)	(4,454)	(5,879)	(5,487)	(7,054)	(3,528)
Capital projects fund							217,067			
Debt service fund										
Permanent fund										
<b>Total all other governmental funds</b>	<b>\$ 1,151</b>	<b>\$ 2,082,351</b>	<b>\$ 1,070,462</b>	<b>\$ 400,691</b>	<b>\$ 585,350</b>	<b>\$ (4,454)</b>	<b>\$ 211,188</b>	<b>\$ (5,487)</b>	<b>\$ (7,054)</b>	<b>\$ (3,528)</b>

Source: School District Financial Reports

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION**  
**Changes in Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

Fiscal Year Ending June 30, 2018

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Revenues</b>										
Local Tax levy	\$ 1,689,350	\$ 1,656,225	\$ 1,656,225	\$ 1,623,750	\$ 1,623,750	\$ 1,607,673	\$ 1,576,150	\$ 1,587,925	\$ 1,542,274	\$ 1,542,274
Tuition Charges	32,211									
Transportation Fees										
Interest Earnings	17,310	50	50	50						
Other Local Revenue	1,898	44,963	1,946	20,154	49,672	40,503	28,236	83,785	31,024	71,650
State sources	3,018,806	2,952,979	2,987,477	2,771,400	2,717,645	5,171,759	2,641,733	2,672,893	1,930,279	2,746,737
Federal sources	840,863	874,127	876,543	902,534	902,594	2,218,274	1,082,813	1,377,385	1,115,031	205,956
<b>Total revenue</b>	<b>5,600,438</b>	<b>5,528,344</b>	<b>5,522,241</b>	<b>5,317,888</b>	<b>5,293,661</b>	<b>9,038,209</b>	<b>5,306,932</b>	<b>5,621,988</b>	<b>4,618,608</b>	<b>4,566,617</b>
<b>Expenditures</b>										
<b>Instruction:</b>										
Regular	1,480,614	1,531,147	1,492,166	1,451,857	1,361,038	1,317,372	1,264,540	1,003,047	1,482,460	1,075,194
Special	357,010	410,059	365,591	180,156	162,401	170,368	152,841	247,622	523,957	579,859
Other-Special	85,281	86,466	150,315	116,125	137,260	114,858			9,570	23,755
Other							76,830	28,912		
School-Sponsored/Other Instructional										
<b>Total Instruction</b>	<b>1,922,905</b>	<b>2,027,672</b>	<b>2,008,072</b>	<b>1,748,138</b>	<b>1,660,699</b>	<b>1,602,598</b>	<b>1,494,211</b>	<b>1,279,581</b>	<b>2,015,987</b>	<b>1,678,608</b>
<b>Undistributed:</b>										
Tuition	768,327	1,036,253	1,331,632	1,185,617	1,174,787	1,194,480	1,491,509	1,689,218	1,612,258	1,763,082
Student and Instruction Related Services	633,794	648,074	588,257	635,242	537,148	402,013		2,112	531,789	668,497
<b>Instruction</b>										
<b>Support Services-Students</b>										
<b>Support Services-Instructional Staff</b>										
General Administration	94,641	94,058								
School Administration	49,825	48,183	45,812	48,808	42,073	108,652	72,726	69,908	30,000	7,000
Other Administration			92,010	116,785	154,019	106,564	451,262	567,029	226,937	222,289
Central Services	87,703	120,818	94,947	105,760	102,329	100,205	168,201	183,372		
Admin. Information Technology			388		8,508		225			
Operations and Maintenance	397,982	400,225	343,283	318,817	313,304	299,709	240,952	278,503	316,526	330,583
Improvement of Instructional Staff							7,874	4,558		
Student Transportation	510,304	526,754	435,890	302,567	242,211	220,103	213,634	214,969	296,537	290,247
<b>Business and Other Support Services:</b>										
Employee Benefits										
Other										
Food Services					15,810	7,747				
Unallocated Benefits	1,438,607	1,350,816	946,875	922,401	829,986	774,870	997,590	768,395	205,619	198,125
On-behalf TPAF Pension Contributions			253,249	193,682	147,800	137,138				
Reimbursed TPAF Social Security Contributions			123,187	121,087	109,801	104,395				
<b>Total Undistributed</b>	<b>3,981,183</b>	<b>4,225,181</b>	<b>4,255,530</b>	<b>3,950,766</b>	<b>3,677,776</b>	<b>3,456,101</b>	<b>3,643,648</b>	<b>3,778,064</b>	<b>3,219,666</b>	<b>3,479,823</b>
<b>Capital Outlay:</b>	<b>16,396</b>	<b>12,492</b>	<b>281,727</b>	<b>111,385</b>	<b>30,458</b>	<b>673,604</b>	<b>2,494,379</b>	<b>1,025,956</b>	<b>383,325</b>	<b>140,107</b>
<b>Total Capital Outlay</b>	<b>16,396</b>	<b>12,492</b>	<b>281,727</b>	<b>111,385</b>	<b>30,458</b>	<b>673,604</b>	<b>2,494,379</b>	<b>1,025,956</b>	<b>383,325</b>	<b>140,107</b>
<b>Special Schools</b>										
<b>Total General Fund Expenditures</b>	<b>5,920,484</b>	<b>6,265,345</b>	<b>6,545,329</b>	<b>5,810,289</b>	<b>5,368,933</b>	<b>5,732,303</b>	<b>7,632,238</b>	<b>6,083,601</b>	<b>5,618,978</b>	<b>5,298,738</b>

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION**  
**Changes in Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

Fiscal Year Ending June 30, 2018

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Special Revenue:</b>										
Federal										
State										-
Other										-
<b>Total Special Revenue Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Debt Service Expenditures:</b>										
Principal										
Interest and Other Charges										
<b>Total Debt Service Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Governmental Fund Expenditures</b>	<u>\$ 5,920,484</u>	<u>\$ 6,265,345</u>	<u>\$ 6,545,329</u>	<u>\$ 5,810,289</u>	<u>\$ 5,368,933</u>	<u>\$ 5,732,303</u>	<u>\$ 7,632,238</u>	<u>\$ 6,083,601</u>	<u>\$ 5,618,978</u>	<u>\$ 5,296,738</u>
<b>Excess (Deficiency) of revenues over (under) expenditures</b>	(320,046)	(737,001)	(1,023,088)	(492,401)	(75,272)	3,305,906	(2,323,306)	(461,613)	(1,000,370)	(732,121)
<b>Other Financing sources (uses)</b>										
Proceeds from borrowing										
Capital leases (non-budgeted)				29,237						
Proceeds from refunding										
Payments to escrow agent										
Adjustment										
Accounts Receivable/Payable Canceled						(165,772)		14,637	8,899	5,682
Transfers in		6,933	75,801	233,685	596,236	2,239,471	(1,814,132)		2,462,942	41,388
Transfers out			(75,801)	(233,685)	(596,236)	(2,153,201)	1,814,132		(2,471,242)	(7,000)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>6,933</u>	<u>-</u>	<u>29,237</u>	<u>-</u>	<u>(79,502)</u>	<u>-</u>	<u>14,637</u>	<u>599</u>	<u>40,070</u>
<b>Net change in fund balances</b>	<u>\$ (320,046)</u>	<u>\$ (730,068)</u>	<u>\$ (1,023,088)</u>	<u>\$ (463,164)</u>	<u>\$ (75,272)</u>	<u>\$ 3,226,404</u>	<u>\$ (2,323,306)</u>	<u>\$ (446,976)</u>	<u>\$ (999,771)</u>	<u>\$ (692,051)</u>
<b>Debt service as a percentage of noncapital expenditures</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: District records

Notes: Noncapital expenditures are total expenditures less capital outlay.  
 Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005.  
 Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services



Exhibit J-5

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
MODIFIED ACCRUAL BASIS OF ACCOUNTING**

<u>Fiscal Year Ended June 30,</u>	<u>Interest Income</u>	<u>Prior Year Refunds</u>	<u>Miscellaneous</u>	<u>Annual Totals</u>
2009	71,650			71,650
2010	27,547		3,478	31,025
2011	3,161		80,624	83,785
2012	1,415	26,821		28,236
2013	2,480	5,684	32,339	40,503
2014			13,921	13,921
2015	50		19,405	19,455
2016	50		1,946	1,996
2017	50		44,963	45,013
2018	17,310		1,898	19,208

Source: District Records

*REVENUE CAPACITY*

## Exhibit J-6

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS  
 UNAUDITED**

**New Hanover Township**

<u>Year Ended June 30,</u>	<u>Net Assessed Valuations</u>	<u>Estimated Full Cash Valuations</u>	<u>Percentage of Net Assessed to Estimated Full Cash Valuations</u>
2009	60,723,355	93,449,300	64.98%
2010	61,160,723	96,865,256	63.14%
2011	61,712,954	96,688,966	63.83%
2012	61,769,123	94,104,225	65.64%
2013	62,503,411	73,105,673	85.50%
2014	62,026,574	70,439,357	88.06%
2015	60,508,768	80,362,839	75.29%
2016	60,841,800	82,638,973	73.62%
2017	60,841,800	89,400,547	68.06%
2018	62,830,700	89,865,026	69.92%

**Source:** Municipal Tax Assessor

## Exhibit J-6a

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS  
 UNAUDITED**

**Wrightstown**

<u>Year Ended June 30,</u>	<u>Net Assessed Valuations</u>	<u>Estimated Full Cash Valuations</u>	<u>Percentage of Net Assessed to Estimated Full Cash Valuations</u>
2009	60,723,355	47,930,909	126.69%
2010	61,160,723	43,268,508	141.35%
2011	61,712,954	52,166,605	118.30%
2012	27,302,250	42,286,107	64.57%
2013	27,124,700	39,175,229	69.24%
2014	26,290,850	39,768,992	66.11%
2015	26,219,850	35,666,236	73.51%
2016	25,947,576	34,712,697	74.75%
2017	25,947,576	38,611,895	67.20%
2018	39,053,950	42,042,780	92.89%

**Source:** Municipal Tax Assessor

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
PER \$100 OF ASSESSED VALUATION  
LAST TEN FISCAL YEARS  
UNAUDITED**

**New Hanover Township**

Fiscal Year Ended June 30,	District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Township New Hanover	Burlington County	
2009	1.716	0.000	1.716	0.000	0.584	2.300
2010	1.769	0.000	1.769	0.000	0.600	2.369
2011	1.646	0.000	1.646	0.000	0.594	2.240
2012	1.790	0.000	1.790	0.000	0.579	2.369
2013	1.691	0.000	1.691	0.000	0.445	2.136
2014	1.653	0.000	1.653	0.000	0.434	2.087
2015	1.882	0.000	1.882	0.000	0.550	2.432
2016	1.903	0.000	1.903	0.000	0.550	2.453
2017	1.921	0.000	1.921	0.000	0.673	2.594
2018	1.856	0.000	1.856	0.000	0.668	2.524

**Source:** Municipal Tax Assessor

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
PER \$100 OF ASSESSED VALUATION  
LAST TEN FISCAL YEARS  
UNAUDITED**

**Wrightstown**

Fiscal Year Ended June 30,	District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Wrightstown	Burlington County	
2009	1.762	0.000	1.762	0.829	0.691	3.282
2010	1.796	0.000	1.796	0.885	0.619	3.300
2011	1.985	0.000	1.985	1.010	0.725	3.720
2012	1.774	0.000	1.774	1.068	0.588	3.430
2013	2.088	0.000	2.088	1.150	0.549	3.787
2014	2.206	0.000	2.206	1.149	0.578	3.933
2015	1.901	0.000	1.901	1.209	0.564	3.674
2016	1.847	0.000	1.847	1.356	0.545	3.748
2017	1.186	0.000	1.186	0.000	1.307	2.493
2018	1.384	0.000	1.384	0.000	1.394	2.778

**Source:** Municipal Tax Assessor

**Note:** N/A Not Available

## Exhibit J-8

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF PRINCIPAL TAXPAYERS  
FOR YEAR ENDED DECEMBER 31, 2017**

**New Hanover Township**

<u>Block</u>	<u>Lot</u>	<u>Assessed Valuation 2017</u>	<u>As a % of District's Net Assessed Valuation</u>
1	4	\$ 2,365,000	3.91%
2.01	8.03	1,528,800	2.53%
1	7	1,200,000	1.98%
1	1	609,400	1.01%
2.02	6	601,800	0.99%
2.01	8.06	518,200	0.86%
2.02	7.03	415,400	0.69%
7	5.12	401,400	0.66%
2.01	8.02	391,500	0.65%
2.01	8.04	340,100	0.56%
<b>Total</b>		<b>\$ 8,371,600</b>	<b>13.84%</b>

**Source: Municipal Tax Assessor**

## Exhibit J-8a

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF PRINCIPAL TAXPAYERS  
FOR YEAR ENDED DECEMBER 31, 2017**

**Wrightstown**

<u>Block</u>	<u>Lot</u>	<u>Assessed Valuation 2017</u>	<u>As a % of District's Net Assessed Valuation</u>
501	14	\$ 2,444,000	9.32%
501	2	1,950,000	7.44%
601	50	1,696,000	6.47%
601	47	1,517,500	5.79%
501	12	670,000	2.56%
505	1	611,300	2.33%
404	7	549,300	2.09%
401	24	477,400	1.82%
302	19	470,000	1.79%
302	34	434,700	1.66%
Total		\$ <u>10,820,200</u>	<u>41.27%</u>

**Source: Municipal Tax Assessor**



## Exhibit J-9

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
MUNICIPAL PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
UNAUDITED**

<u>Year Ended June 30,</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Tax Levy Collected</u>
2009	1,542,274	1,542,274	100.00%
2010	1,542,274	1,542,274	100.00%
2011	1,587,925	1,587,925	100.00%
2012	1,576,150	1,515,677	96.16%
2013	1,607,673	1,607,673	100.00%
2014	1,623,750	1,623,750	100.00%
2015	1,623,750	1,623,750	100.00%
2016	1,656,225	1,656,225	100.00%
2017	1,656,225	1,656,225	100.00%
2018	1,689,350	1,689,350	100.00%

Source: Municipal Tax Collector

*DEBT CAPACITY*

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION**  
**Ratios of Outstanding Debt by Type**  
**Last ten fiscal years**

Fiscal Year Ended June 30,	<u>Governmental Activities</u>				Total District	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Capital Leases	Compensated Absences Payable	PERS Payment Deferral			
2009	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-
2013	-	14,750	97,539	7,938	120,227	0.03%	15
2014	-	7,670	100,364	7,327	115,361	0.03%	15
2015	-	26,687	100,297	6,716	133,700	0.03%	19
2016	-	21,354	106,325	6,105	133,784	0.03%	17
2017	-	16,021	106,660	5,494	128,175	0.03%	16
2018	-	10,688	98,845	4,883	114,416	0.03%	15

**Source:** School District Financial Reports

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

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
RATIO OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
UNAUDITED**

<u>Fiscal Year Ended June 30,</u>	<u>Net Bonded Debt</u>	<u>Ratio of Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt per Capita</u>
2009	0	0	0
2010	0	0	0
2011	0	0	0
2012	0	0	0
2013	0	0	0
2014	0	0	0
2015	0	0	0
2016	0	0	0
2017	0	0	0
2018	0	0	0

**Source:** Data regarding school district population was given by school district officials.

**Note:** Assessed valuations were provided by the Abstract of Ratables, County Board of Taxation.

## Exhibit J-12

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT  
FOR FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED**

Net Direct Debt of School District as of June 30, 2018		\$	-
Net Overlapping Debt of School District:			
County of Burlington - Township's share (0.3%)	\$		727,925
			727,925
Total Direct and Overlapping Bonded Debt as of June 30, 2018		\$	727,925

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

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
COMPUTATION OF LEGAL DEBT MARGIN  
LAST TEN FISCAL YEARS**

Legal Debt Margin Calculation for Fiscal Year Ended June 30, 2018			
Year	Total	New Hanover	Wrightstown
2018	131,907,806	89,865,026	42,042,780
2017	128,012,442	89,400,547	38,611,895
2016	117,351,670	82,638,973	34,712,697
<b>Total</b>	<b>377,271,918</b>	<b>261,904,546</b>	<b>115,367,372</b>
Average Equalized Valuation of Taxable Property	125,757,306	87,301,515	38,455,791
Debt Limit (3% of Average Equalization Value)	<u>3,772,719</u> *		
Legal Debt Margin	<u>3,772,719</u>		

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt Limit	\$ 3,637,359	\$ 3,909,317	\$ 4,211,907	\$ 4,305,998	\$ 3,918,394	\$ 2,447,597	\$ 3,364,244	\$ 3,435,793	\$ 3,613,932	\$ 3,772,719
Total Net Debt Applicable to Limit										
Legal Debt Margin	<u>3,637,359</u>	<u>3,909,317</u>	<u>4,211,907</u>	<u>4,305,998</u>	<u>3,918,394</u>	<u>2,447,597</u>	<u>3,364,244</u>	<u>3,435,793</u>	<u>3,613,932</u>	<u>3,772,719</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

**Note:** \* Limit set by NJSA 18A:24-19 for a 9 through 12 district; other percent limits would be applicable for other district types.

***DEMOGRAPHIC AND ECONOMIC INFORMATION***

## Exhibit J-1A

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED**

<u>Year Ended June 30,</u>	<u>Unemployment Rate</u>	<u>Burlington County Per Capita Income</u>	<u>Estimated School District Population (as of July 1)</u>
2009	9.00%	46,496	9,429
2010	13.40%	47,391	7,389
2011	10.50%	48,318	7,396
2012	10.85%	51,149	7,940
2013	7.40%	51,638	7,918
2014	9.80%	51,638	8,056
2015	9.30%	53,747	8,078
2016	7.60%	55,227	8,129
2017	6.50%	56,812	7,491

**Source:** Per Capita Income of County of Burlington from the U.S. Department of Commerce.  
School District Population from the U.S. Bureau of the Census, Population Division.



Exhibit J-15

NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
Principal Employers,  
Current Year

<u>Employer</u>	<u>2018</u>		
	<u>Employees</u>	<u>Rank [Optional]</u>	<u>Percentage of Total Municipal Employment</u>
N/A	N/A	N/A	N/A
	-		0.00%

Note: N/A = Not Available

***OPERATING INFORMATION***

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
Full-time Equivalent District Employees by Function/Program,  
For the Year Ended June 30, 2018**

<u>Function/Program</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Instruction										
Regular	18	18	18	19	19	21	23	24	21	18
Special education	1	1	1	1	1	1	1	1	1	6
Other special education										
Vocational										
Other instruction										
Nonpublic school programs										
Adult/continuing education programs										
Support Services:										
Student & instruction related services	2	2	2	1	1	1	13	13	13	9
General administration	1	1	1	1	1	1	1	1	1	1
School administrative services				2	2	2	2	2	2	2
Other administrative services	3									
Business administrative service										2
Central services										
Administrative Information Technology										
Plant operations and maintenance	2	2	2	2	2	2	2	2	2	1
Pupil transportation										
Other support services										
Special Schools										
Food Service										
Child Care										
<b>Total</b>	<u>27</u>	<u>24</u>	<u>24</u>	<u>26</u>	<u>26</u>	<u>28</u>	<u>42</u>	<u>43</u>	<u>41</u>	<u>39</u>

Source: District Personnel Records

N/A - Not Available

NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
 Operating Statistics,  
 Last ten fiscal years

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2009	161	5,158,630	\$ 32,041	#DIV/0!	24	8.00	-	-	155.0	147.0	0.00%	94.84%
2010	163	5,235,653	\$ 32,121	0.25%	24	9.00	-	-	164.0	153.0	5.81%	93.29%
2011	181	4,633,684	\$ 25,600	-20.30%	24	7.54	-	-	164.0	153.0	0.00%	93.29%
2012	175	4,863,369	\$ 27,791	8.56%	20	8.75	-	-	175.0	164.0	6.71%	93.71%
2013	163	5,058,699	\$ 31,035	11.67%	20	9.42	-	-	188.4	178.1	7.66%	94.53%
2014	193	4,773,609	\$ 24,734	-13.48%	25	7.72	-	-	188.5	175.6	0.05%	93.14%
2015	184	5,698,904	\$ 30,972	11.97%	25	7.30	-	-	185.7	174.9	-1.47%	94.17%
2016	192	5,852,859	\$ 30,484	-1.58%	28	6.86	-	-	186.8	176.7	0.57%	94.63%
2017	191	5,414,129	\$ 28,346	-7.01%	25.2	7.58	-	-	186.2	175.1	-0.29%	94.01%
2018	202	5,137,546	\$ 25,433	-10.28%	24.4	8.28	-	-	187.9	176.8	0.91%	94.06%

Source: District records

Note: Enrollment based on annual October district count.

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

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION**  
**School Building Information**  
**Last Ten Fiscal Years**

**District Building**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Elementary Schools:</b>										
New Hanover Elementary (1939) - Additions in 1979 and 2001										
Square Feet	37,443	37,443	37,443	37,443	37,443	37,443	37,443	37,443	37,443	37,443
Capacity (students)	396	396	396	396	396	396	396	396	396	396
Enrollment	161	163	181	168	163	193	184	192	191	202

Number of Schools at June 30, 2017

Elementary School 1

**Source:** District Facilities Office  
 October 15, Enrollment data

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions.

## Exhibit J-19

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION**  
**General Fund**  
**Schedule Of Required Maintenance For School Facilities**  
**Last ten fiscal years**

**UNDISTRIBUTED EXPENDITURES - REQUIRED  
MAINTENANCE FOR SCHOOL FACILITIES**

	<b>*School Facilities</b>	<b><u>New Hanover Elementary School</u></b>
2009		64,199
2010		57,353
2011		80,823
2012		80,823
2013		76,082
2014		92,733
2015		97,269
2016		92,999
2017		99,707
2018		126,164
Total School Facilities		<u>\$ 868,152</u>

**Note:** \*School Facilities as Defined Under EFCFA.  
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6:24-1.3)

**NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
INSURANCE SCHEDULE  
June 30, 2018  
UNAUDITED**

<u>Type of Policy</u>	<u>Coverage</u>	<u>Deductible</u>
School Package Policy-New Jersey School Board Association Insurance Group		
Blanket Real & Personal Property	\$ 13,947,300	\$ 1,000
Electronic Data Processing Coverage	300,000	1,000
Equipment Breakdown	100,000,000	1,000
Crime - Public Employee Dishonesty	250,000	1,000
General Liability	16,000,000	
Workers Compensation	2,000,000	
Professional Liability	16,000,000	5,000
Automobile Liability	16,000,000	
Student Accident Insurance	1,000,000	
 Surety Bonds		
Business Administrator/Board Secretary	175,000	

Source: District records.

*SINGLE AUDIT SECTION*



MEMBER:  
American Society of Certified Public Accountants  
New Jersey Society of Certified Public Accountants

K-1

**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***

The Honorable President and  
Members of the Board of Education  
New Hanover Township  
County of Burlington  
Wrightstown, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of New Hanover Township School District, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise New Hanover Township School District's basic financial statements, and have issued our report thereon dated November 30, 2018.

**Internal Control Over Financial Reporting**

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

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

combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

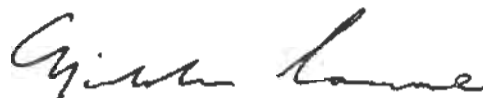
### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

This report is intended for the information of the management of the New Hanover Township School District Board of Education, the New Jersey State Department of Education (the cognizant audit agency) and other state and federal awarding agencies. However, this report is a matter of public record and its distribution is not limited.



Nicholas A. Cannone  
Licensed Public School Accountant  
No. CS-02103  
Cannone & Company, CPAs

November 30, 2018

MEMBER:  
American Society of Certified Public Accountants  
New Jersey Society of Certified Public Accountants

K-2

**Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the U.S. Uniform Guidance and Schedule of Expenditures of State Financial Assistance as required by New Jersey OMB Circular 15-08**

The Honorable President and  
Members of the Board of Education  
New Hanover Township Board of Education  
County of Burlington  
Wrightstown, New Jersey

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

We have audited the Board of Education of the New Hanover Township School District, in the County of Burlington, compliance with the types of compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* and the *New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the fiscal year ended June 30, 2018. The New Hanover Township School District Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of New Hanover Township School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with

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

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

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

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

#### ***Other Matters***

The results of our auditing procedures did not disclose instances of noncompliance, which are required to be reported in accordance with Uniform Guidance, in the New Jersey State Aid/Grant Compliance Supplement, and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and the New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Our opinion on each major federal and state program is not modified with respect to these matters.

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

Management of New Hanover Township School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered New Hanover Township School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with Uniform Guidance, the New Jersey State Aid/Grant Compliance Supplement, and the audit requirements as prescribed

by the Office of School Finance, Department of Education, State of New Jersey and the New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, 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 New Hanover Township School District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal 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 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 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.

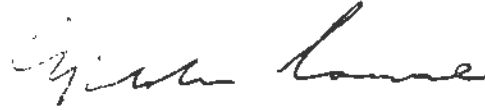
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance and the New Jersey State Aid/Grant Compliance Supplement, and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and the New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Accordingly, this report is not suitable for any other purpose.

***Report on Schedule of Expenditures of Federal Awards and the Schedule of Expenditures of State Financial Assistance Required by Uniform Guidance and State Financial Assistance***

We have audited the financial statements of New Hanover Township School District as of and for the year ended June 30, 2018, and have issued our report thereon dated November 30, 2018, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and the schedule of expenditures of state financial assistance are presented for purposes of additional analysis as required by Uniform Guidance and the New Jersey State Aid/Grant Compliance Supplement, and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and the New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such

information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards and the schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the financial statements

This report is intended solely for the information of the management of the New Hanover Township School Board of Education, the New Jersey State Department of Education (cognizant audit agency), other state and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.



Nicholas A. Cannone  
Licensed Public School Accountant  
No. CS-02103  
Cannone & Company, CPAs

November 30, 2018

NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Federal Grantor/ Pass-through Grantor Program Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2017			Carryover Amount/ Walkover	Prior Year Accounts Payable/ Receivable Canceled	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year Balances	Balance at June 30, 2018		
					Deferred Revenue	Accounts Receivable	Due to Grantor							Deferred Revenue	(Accounts Receivable)	Due to Grantor
U.S. Department of Defense Passed-through State Department of Education; General Fund Impact Aid P.L. 103-382	84 041	N/A	07/01/17-06/30/18	\$ 674,859	\$	\$	\$	\$	\$ 674,859	\$ (674,859)	\$	\$	\$	\$	\$	
Total U.S. Dept. of Education - General Fund					0	0	0	0	674,859	(674,859)	0	0	0	0	0	
U.S. Department of Agriculture Passed-through State Department of Education; Enterprise Fund Food Distribution Program	10 550	N/A	07/01/17-06/30/18	10,088					10,088	(10,088)						
National School Lunch Program	10 555	N/A	07/01/17-06/30/18	60,920					56,020	(60,920)				(4,900)		
National School Lunch Program	10 555	N/A	07/01/16-06/30/17	56,668		(3,358)			3,358	(24,807)				(1,883)		
National School Breakfast Program	10 553	N/A	07/01/17-06/30/18	24,807					22,924	(24,807)						
National School Breakfast Program	10 553	N/A	07/01/16-06/30/17	23,364		(1,369)			1,369							
Total U.S. Department of Agriculture					0	(4,727)	0	0	93,759	(95,815)	0	0	0	(6,783)	0	
U.S. Department of Education Passed-through State Department of Education; Special Revenue Fund Title I - Part A	84 010	NCLB402018	09/01/17- 8/31/18	85,493				12,000	69,902	(71,068)					(1,166)	
Title I - Part A	84 010	NCLB402017	09/01/16-08/31/17	86,334		(23,883)		(12,000)	23,883							
Title II - Part A	84 367	NCLB402018	09/01/17-08/31/18	10,313				47,200		(8,621)					(8,621)	
Title II - Part A	84 367	NCLB402017	09/01/16-08/31/17	47,200		(15,495)		(47,200)	20,431	(4,956)						
Title III - Part A	84 367	NCLB402018	09/01/17-08/31/18	7,217						(2,947)					(2,947)	
Title III - Part A	84 367	NCLB402017	09/01/16-08/31/17	7,273		(498)			488							
Title IV - Part A	84 369	S369A170031	09/01/17-08/31/18	10,000												
I.D.E.A Part B - Preschool	84 173	PS354011	09/01/17-08/31/18	2,945					2,945	(2,945)						
I.D.E.A Basic 192/193	84 027	FT-5000-18	09/01/17-08/31/18	79,373					79,373	(79,373)						
Total U.S. Dept. of Ed - Special Revenue Fund					0	(39,866)	0	0	197,022	(169,890)	0	0	0	(12,734)	0	
Total Federal Financial Assistance					\$ 0	\$ (44,593)	\$ 0	\$ 0	\$ 965,640	\$ (940,564)	\$ 0	\$ 0	\$ 0	\$ (19,517)	\$ 0	

See accompanying notes to schedules of financial assistance

NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
SCHEDULE OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at July 1, 2017		Prior Year Accounts Payable/ Receivable Canceled	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year's Balances	Balance at June 30, 2018			Memo	
				Deferred Revenue (Accounts Receivable)	Due to Grantor						GAAP Budgetary Deferred Revenue	GAAP Budgetary (Accounts Receivable)	Due to Grantor	Budgetary Receivables	Cumulative Total Expenditures
<b>State Department of Education</b>															
<b>General Fund:</b>															
Transportation Aid	18-495-034-5120-014	7/1/17-6/30/18	\$ 161,552	\$	\$		\$ 145,397	\$ (161,552)	\$	\$	\$	\$	\$	\$ (16,155)	\$ 161,552
Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	161,552	(16,155)			16,155								161,552
Special Education Aid	18-495-034-5120-089	7/1/17-6/30/18	139,209				125,289	(139,209)						(13,920)	139,209
Special Education Aid	17-495-034-5120-089	7/1/16-6/30/17	139,209	(990)			990								139,209
Equalization Aid	18-495-034-5120-078	7/1/17-6/30/18	1,920,834				1,735,325	(1,920,834)						(185,509)	1,920,834
Equalization Aid	17-495-034-5120-078	7/1/16-6/30/17	1,917,619	(191,762)			191,762								1,917,619
Adjustment Aid	18-495-034-5120-085	7/1/17-6/30/18	135,141				121,627	(135,141)						(13,514)	135,141
Adjustment Aid	17-495-034-5120-085	7/1/16-6/30/17	135,141	(13,514)			13,514								135,141
Security Aid	18-495-034-5120-084	7/1/17-6/30/18	49,643				44,679	(49,643)						(4,964)	49,643
Security Aid	17-495-034-5120-084	7/1/16-6/30/17	49,643	(4,964)			4,964								49,643
Extraordinary Aid	18-495-034-5120-044	7/1/17-6/30/18	18,332					(18,332)					(18,332)	(18,332)	18,332
Extraordinary Aid	17-495-034-5120-044	7/1/16-6/30/17	11,384	(11,384)			11,384								11,384
Non-Public Transportation Aid	18-495-034-5120-014	7/1/17-6/30/18	870					(870)					(870)	(870)	870
Non-Public Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	696	(696)			696								696
PARCC Readiness Aid	18-495-034-5120-098	7/1/17-6/30/18	2,360				2,124	(2,360)						(236)	2,360
PARCC Readiness Aid	17-495-034-5120-098	7/1/16-6/30/17	2,360	(236)			236								2,360
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17-6/30/18	2,360				2,124	(2,360)						(236)	2,360
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16-6/30/17	2,360	(236)			236								2,360
Prof. Learning Community Aid	18-495-034-5120-101	7/1/17-6/30/18	2,320				2,088	(2,320)						(232)	2,320
Prof. Learning Community Aid	17-495-034-5120-101	7/1/16-6/30/17	2,320	(232)			232								2,320
On Behalf of TPAF Pension and Medical Contrib.	18-495-034-5095-006	7/1/17-6/30/18	428,059				428,059	(428,059)							428,059
TPAF Social Security Aid	17-495-034-5095-003	7/1/16-6/30/17	126,588	(6,063)			6,063								126,588
TPAF Social Security Aid	17-495-034-5094-003	7/1/17-6/30/18	125,304				125,304	(125,304)							125,304
<b>Total General Fund</b>				\$ (245,232)	\$ 0	\$ 0	\$ 2,978,248	\$ (2,985,984)	\$ 0	\$ 0	\$ 0	\$ (19,202)	\$ 0	\$ (253,968)	\$ 5,534,854
<b>Special Revenue Fund:</b>															
<b>N.J. Nonpublic Aid:</b>															
Preschool Education Aid	18-495-034-5120-086	7/1/17-6/30/18	35,271				31,743	(35,271)						(3,528)	35,271
Preschool Education Aid	17-495-034-5120-086	7/1/16-6/30/17	70,542	(7,054)			7,054								70,542
<b>Total Special Revenue Fund</b>				\$ (7,054)	\$ 0	\$ 0	\$ 38,797	\$ (35,271)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (3,528)	\$ 105,813
<b>Enterprise Fund:</b>															
National School Lunch Program (State)	17-100-010-3350-023	7/1/16-6/30/17	1,131	(68)			68								1,131
National School Lunch Program (State)	18-100-010-3350-023	7/1/17-6/30/18	1,210				1,113	(1,210)					(97)	(97)	1,210
<b>Total Enterprise Fund</b>				\$ (68)	\$ 0	\$ 0	\$ 68	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,341
<b>Total State Financial Assistance</b>				\$ (253,354)	\$ 0	\$ 0	\$ 3,017,113	\$ (3,021,255)	\$ 0	\$ 0	\$ 0	\$ (19,202)	\$ 0	\$ (257,496)	\$ 5,643,008
Less State Financial Assistance not Subject to New Jersey OMB Circular 04-04 On Behalf of TPAF Pension Contributions								\$ (428,059)							
<b>Total State Financial Assistance Subject to New Jersey OMB Circular 04-04</b>								\$ (2,593,196)							

See accompanying notes to schedules of financial assistance.



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NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
 NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE  
 JUNE 30, 2018

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of financial assistance are presented using the modified accrual basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting and those recorded in the special revenue fund, which are presented using the budgetary basis of accounting. These bases of accounting are described in Notes 1 to the Board's general purpose financial statements.

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with amounts reported in the Board's general purpose financial statements. The general purpose financial statements present the special revenue fund on both a GAAP basis and a budgetary basis. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The net adjustment to reconcile from the budgetary basis to the GAAP basis for the General Fund is (\$6,677) and for the Special Revenue Fund is (\$360). Financial assistance revenues are reported in the Board's general purpose financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 674,859	\$ 2,980,009	\$ 3,654,868
Special Revenue Fund	166,004	38,797	\$ 204,801
Capital Projects			\$ -
Debt Service			\$ -
Food Service	89,032	1,210	\$ 90,242
Total Financial Assistance	<u>\$ 929,895</u>	<u>\$ 3,020,016</u>	<u>\$ 3,949,911</u>

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NEW HANOVER TOWNSHIP BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2018

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2018. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2018.

NEW HANOVER TOWNSHIP SCHOOL DISTRICT  
BOARD OF EDUCATION  
COUNTY OF BURLINGTON  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Section I - Summary of Auditor's Results

**Financial Statements**

(Reference - Section .516 and .518 of Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards)

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- 1. Material weakness(es) identified?        yes   ✓   no
- 2. Significant Deficiencies identified?        yes   ✓   none reported

Noncompliance material to basic financial statements noted?

       yes   ✓   no

**Federal Awards**

Internal control over major programs:

- 1. Material weakness(es) identified?        yes   ✓   no
- 2. Significant Deficiencies identified?        yes   ✓   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   ✓   no

Identification of major programs:

CFDA Number  
84.041

Name of Federal Program or Cluster  
PL 103-382 Federal Impact Aid

Dollar threshold used to distinguish between type A and type B programs: (518)

\$750,000

Auditee qualified as low-risk auditee?

  ✓   yes        no

NEW HANOVER TOWNSHIP SCHOOL DISTRICT  
BOARD OF EDUCATION  
COUNTY OF BURLINGTON  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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

**State Awards**

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

Auditee qualified as low risk auditee?  yes  no

Internal Control over major programs:

1) Material weakness(es) identified?  yes  no

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

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

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

Identification of major programs:

<u>State Grant Number</u>	<u>Name of State Program</u>
<u>18-495-034-5120-014</u>	<u>Transportation Aid (State Aid Public Cluster)</u>
<u>18-495-034-5120-078</u>	<u>Equalization Aid (State Aid - Public Cluster)</u>
<u>18-495-034-5120-084</u>	<u>Security Aid (State Aid - Public Cluster)</u>
<u>18-495-034-5120-085</u>	<u>Adjustment Aid (State Aid - Public Cluster)</u>
<u>18-495-034-5120-089</u>	<u>Special Education Aid (State Aid - Public Cluster)</u>
<u>18-495-034-5120-097</u>	<u>Per Pupil Growth Aid (State Aid - Public Cluster)</u>
<u>18-495-034-5120-098</u>	<u>PARCC Readiness Aid (State Aid - Public Cluster)</u>
<u>18-495-034-5120-101</u>	<u>Professional Learning Comm Aid (State Aid - Public Cluster)</u>

**NEW HANOVER TOWNSHIP SCHOOL DISTRICT  
BOARD OF EDUCATION  
COUNTY OF BURLINGTON  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**Section II - Schedule of Financial Statement Findings - N/A**

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Sheet 2**

**NEW HANOVER TOWNSHIP SCHOOL DISTRICT  
BOARD OF EDUCATION  
COUNTY OF BURLINGTON  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**Section III - Schedule of Federal Awards and State Financial Assistance  
Findings and Questioned Costs - N/A**

NEW HANOVER TOWNSHIP SCHOOL DISTRICT  
BOARD OF EDUCATION  
COUNTY OF BURLINGTON  
SUMMARY OF SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018 - N/A

Follow-up on Prior Year Findings

In accordance with Government Auditing Standards, our procedures included a review of all prior year recommendations.

The District had no prior year audit findings.