

# **Comprehensive Annual Financial Report**

**of the**

**Old Bridge Township School District**

**Old Bridge, New Jersey**

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

**Prepared by**

**Old Bridge Township School District  
Board of Education**

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## INTRODUCTORY SECTION



# Old Bridge Township Public Schools

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December 2018

Honorable President and  
Members of the Board of Education  
Old Bridge Township School District  
Middlesex County, New Jersey 07747

Dear Board Members:

The comprehensive annual financial report of the Old Bridge Township School District for the fiscal year ended June 30, 2018, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the administration of the Board of Education. To the best of our knowledge and belief, the data presented in this report are accurate in all material respects and are reported in a manner designed to present fairly the financial position and the results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes the transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general-purpose financial statements and schedules and the auditor's report. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformance with the provisions of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

### REPORTING ENTITY AND ITS SERVICES:

The Old Bridge Township School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All fund account groups of the District are included in this report. The Old Bridge Township Board of Education and all its schools constitute the District's reporting entity.

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The District provides a full range of educational services appropriate to grade levels K through 12. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2017-2018 fiscal year with an average daily enrollment of 8657 students, which is 173 students below the previous year's average enrollment. The following details the changes in the student enrollment of the District over the last ten years.

#### Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2017-18	8,657	(2.0%)
2016-17	8,830	(1.0%)
2015-16	8,917	(1.1%)
2014-15	9,018	1.5%
2013-14	8,881	(2.5%)
2012-13	9,102	(1.1%)
2011-12	9,203	(2.3%)
2010-11	9,415	(0.7%)
2009-10	9,485	(1.3%)
2008-09	9,610	(0.4%)
2007-08	9,648	(1.1%)

#### **MAJOR INITIATIVES:**

Old Bridge Township School Districts' salient accomplishments for the 2017-18 school year included:

#### **HIGH SCHOOL 2017-18**

1. Old Bridge High School continued to improve its Crisis Management and Security plan to ensure the continued safety of our students and staff, specifically reconstructing our entry doors and procedures.
2. Karen Lewicki was selected as Old Bridge High School Teacher of the Year.
3. Old Bride High School continues to utilize an online system for Parent/Teacher Conference Scheduling.
4. Old Bridge High School's College and Career Center continues to guide our students in their current and future career endeavors.
5. Old Bridge High School continues to celebrate and nurture our National and State School of Character accolades by hosting numerous both state and international schools showcasing OBHS as a model school of character.
6. Old Bridge High School was awarded a national Promising Practice award from Character.org for our P.E.E.R. day at Salk and Sandburg sponsored by our Peer Leadership Program
7. Old Bridge boasts the highest quality of fitness and sports programs among Middlesex County public high schools and the 33rd best in New Jersey.
8. Old Bridge Marching Knights – National Champions and other various accolades.
9. Old Bridge Indoor Percussion – various 1st and 2nd place accolades
10. Old Bridge High School Track and Field won awards including boys state champs.
11. OBHS Spring Sports and Food Truck Festival showcased spring sports teams and raised money for senior scholarship.



12. Old Bridge High School World Language students participated in exchange programs in Italy, China and Germany.
13. A record number of OBHS students took Advanced Placement exams this year.
14. The website Niche.com which ranks more than 100,000 public and private schools and districts based on dozens of statistics and 27 million opinions from 300,000 students and parents, ranked OBHS in top 100.
15. Old Bridge High School continues to use Apex, an online credit recovery program for our students.
16. OBHS successfully administered the PARCC test to over 2,000 students.
17. OBHS held its third Safe Driving Meeting for parents and their incoming seniors who wish to obtain a parking permit.
18. Old Bridge High School continues to enhance the house model at EMGNC with common planning time for teachers.
19. Old Bridge High School Office of Student Activities, Student Senate and Peer Program sponsored a Pink Out and raised over \$5000.
20. Old Bridge High School Peer Program sponsored various fundraisers and service learning projects such as Ronald McDonald Charities, Operation Christmas Child, American Cancer Society, Breast Cancer Awareness, Polar Plunge and Special Olympics, just to name a few.
21. Old Bridge High School Peer Program was also involved in many district and school wide service learning projects such as the Heroes Program throughout all Old Bridge Elementary Schools, Project Unify, P.E.E.R. Day, Freshman and Sophomore Mentoring and Old Bridge Pop Warner.
22. OBHS JROTC sponsored various community service projects including food drives and Gifts from Home for active service men and women.
23. OBHS Project Unify sponsored a Disabilities Fair to build awareness, understanding and tolerance for students with disabilities.
24. OBHS continued its school spirit traditions: Battle of the Classes, School Spirit Weeks, Homecoming, Tailgate, Powder Puff, Pep Rallies and again this year a Lip Sync Battle.
25. OBHS Transition Planning students opened the Lollipop Shop which operated out of Room 106.
26. OBHS's annual senior trip to Disney hosted a record number of seniors.
27. OBHS TV Production students received various awards and brought together all 3,000 plus students and faculty and produced a school-wide LipDub.
28. OBHS Future Business Leaders of America students receive various awards and state accolades throughout the school year.
29. OBHS SADD and Red Cross Club volunteered their time and talents to various school service projects, most notably decorating every student locker with a Valentine's Day motivational message.
30. OBHS PTSA held a Tricky Tray and various other fundraisers and gifted \$40,000 to our graduating seniors.
31. Through the generosity of the PTSA and community members, Old Bridge High School gifted over \$100,000 in scholarship money to our graduating Class of 2017.
32. Old Bridge High School motto "Do the Right Thing" was again emphasized throughout the year through classroom visits, assemblies and modeling. Student "caught" doing the right thing were rewarded with a t-shirts branding the phrase.

33. OBHS Supermarket Career Program which partners with Shop Rite, ended our second year successfully. Our Special Education students received a taste of real world work experience while teaching lifelong foundational competencies which will also assist them in gaining entry level positions upon graduation.
34. OBHS sailed around Manhattan with over 400 seniors on the OBHS Dinner Cruise
35. OBHS Boys Volleyball team named State Champions.
36. OBHS Varsity Cheerleaders named State Champions.
37. OBHS's Newspaper Knightlife, received the Garden State Scholastic Press Association's overall excellence award.
38. OBHS hosted over 100 former students at OBHS Alumni Day #ForeverAKnight
39. OBHS partnered with the community, most specifically Dunkin Donuts and Anthony's Coal Fired Pizza to reward our students who received honor roll.
40. OBHS was awarded a Promising Practice Award from Character.org for our P.E.E.R. Day
41. OBHS celebrated 39 of our Class of 2018 student athletes who will be playing their respective sports in college during our 3rd Annual Collegiate Signing Day.

#### **MIDDLE SCHOOLS 2017-18**

##### **JONAS SALK M.S.**

1. The Salk School Safety Team, in conjunction with the High School Peer Teachers planned a special event for all 7th grade students. It was called Peer Day, and students and teachers shared a new respect for each other and the individual challenges we all face in life. The goal is to create a larger sense of humanity and appreciation for diversity within the school community.
2. JSMS initiated a multiple tiered approach to intervention, which replaced the IR&S program. It was also the first year that grade 6 students received intervention services in ELA.
3. 7th grade students attend Fairview, a day trip that explores environmental science tied to our curriculum in a real world setting. As well as participated in team building activities and strengthening peer to peer relationships.
4. JSMS welcomed Heather Ward, MSW, LSW, CPS, Preventionist II, from NCADD of Middlesex County, Inc. and their We're Not Buying It 2.0 (WNBI 2.0) substance abuse prevention program that focuses on developing media literacy skills among sixth through eighth grade students. WNBI 2.0 uses prevention education strategies to reduce early first use of alcohol, marijuana, and prescription and over-the-counter medications, as well as bullying behavior. This program was implemented during health classes for both 7th and 8th graders.
5. JSMS Admin and JSMS PTA hosted a scary movie night which helped to foster a stronger bond with the surrounding community.
6. JSMS conducted its first 5K run to build community involvement and raised money for the Athletic department.
7. JSMS was removed from Focus school status
8. 8th Grade Career Day was held in which members of the community were brought in to speak to 8th graders about career choices and answer questions.
9. Project Pride assembly for all grade levels was held. Current prison inmates came to speak to our students about the importance of their daily decisions, with their own personal accounts of the decisions that they made in middle school and high school which led to their involvement with alcohol/other drugs and to their present incarceration.

10. An initial Character Education team was formed in late spring in preparation for our Character Education initiative and application process.
11. For the week of respect we conducted student readings each morning that focused on peer interactions and connected with the student body, with a supporting video for each day of the week.
12. Held a charity soccer game between the girls' and the boys' teams. During the latter part of the school day, the girls soccer team played the boys soccer team to raise funds to donate to the Memorial Sloan-Kettering Pediatric Cancer Center in New York in the name of former student Christopher Picco. Chris was a Salk student who lost his hard-fought battle with cancer in 2002. Chris' father participated in our event June of 2017.
13. A mentoring program for at-risk students.
14. "Dynamic Duo" Program to recognize and reward outstanding accomplishments of the staff who exhibited outstanding collaborative work.
15. Student of the Month program and Student of the Month breakfast with the principal every 2 months. The Student of the Year dinner hosted at the Elks in June.
16. Library Program offered after school. CST stayed after school to offer support for students to complete class assignments, homework and use the internet services.
17. Civil War Day Program
18. Veterans Day Assembly
19. After school intervention program to provide support and remediation for students who failed a marking period.
20. Old Bridge Public library held an assembly with all students to inform students of the programs offered at the library
21. Student council elections were held online
22. OBHS JROTC conducted an assembly for 8th grade students to inform students about the program and boost enrollment at the high school

#### **MIDDLE SCHOOLS 2017-2018**

##### **CARL SANDBURG M.S.**

1. Full implementation of the 1-1 HP Stream technology initiative. Students were assigned an HP Stream during home room and utilized the device throughout the school day. Devices were returned during PM home room.
2. Teachers are utilizing MS365 Teams for individual and small group activities. Electronic assignments and communication have increased resulting in students having 24-7 access to their school work.
3. Continued practice of Student Attendance Committee comprised of CST, Guidance, Attendance Clerk, building administration and teacher volunteers. Strategies were developed for individual students including teacher mentors, regular contact with parents, and counseling services.
4. Peer Mediators – Invited to train students and staff in Rahway Public Schools. Presented at NJ Bar Association annual conference.
5. 1st place awards for orchestra, band and choir in the annual Music in the Parks competition.
6. After school tutoring for at-risk learners in ELA and mathematics.

7. Brainstorm Club was established by teacher volunteers for the purpose of allowing students time after school to complete homework and projects, or to receive extra help.
8. Adaptive physical education was extended to include non-disabled student volunteers. These students served as partners and role models.
9. Student volunteers worked with the ABA teachers. They gave up lunch periods to go to the ABA classroom where they established connections with peers. This included reading together, using online resources, or simply learning a new card game. This served to improve communication and social skills.
10. Cougar Connect mentoring program extended to include more at-risk students and more days with the YMCA. Weekly mentoring sessions between student and mentor. Extended activities to build student self-esteem.
11. 6th grade orientation including spring school visitation and summer orientation. This included a 3 hour summer orientation prior to the start of school.
12. Evening orientation made available for parents/guardians of incoming 6th graders.
13. September Welcome Back Day – schoolwide team building and getting-to-know-you activities.
14. Anti-Bullying/School Violence Awareness week activities.
15. School-wide Character Education program including quarterly rallies highlighting student accomplishments, sports teams, and performing groups.
16. PEER Leadership assembly program for all students promoting awareness and tolerance.
17. Make-a-Wish Foundation annual Macys letter writing campaign.
18. Steps for Vets (over \$12,000 raised). Fundraiser and assembly with presentations by local veterans.
19. St Jude Fundraiser –Basketball-a-Thon
20. Kindness Ticket program (students were encouraged to act kindly toward each other)
21. Student of the Month and Student of the Year programs held in conjunction with the OB Elks
22. REACH trip – culminating trip earned by students who have demonstrated academic excellence, community service and/or participation in sports or school activities. Points are earned throughout the year to qualify for the trip.
23. 9/11 Memorial gathering at Municipal Center—interaction with the municipality during the 9/11 commemoration ceremony. Mayor Henry was a guest speaker for 8th grade students prior to this event.
24. World Language Fair to celebrate and recognize diversity.

**ELEMENTARY SCHOOLS 2017-18**

Easy CBM

- Online diagnostic assessment in Math and Language Arts for grades K-5.

Achieve 3000

- Ongoing implementation of informational reading support software in special education classes K-5.

Response to Intervention

- Ongoing implementation of Response to Intervention student support framework K-5, each school staffed with at least one interventionist. RTIm Direct software implemented to record and track student Intervention and Referral Services plans.

Kids to College Program

- Schedule of visitations

SCHOOL TAKING TRIP	NAME OF UNIVERSITY	DATE OF TRIP
Carpenter	Rutgers University	3/19/18
Cheesequake	Monmouth University	3/28/18
Cooper	The College of Staten Island	11/27/17
Grissom	Rutgers University	4/12/18
McDivitt	The College of New Jersey	4/13/18
Madison Park	Georgian Court	3/16/18
Memorial	Rider University	5/2/18
Miller	Princeton University	4/30/18
Schirra	Princeton University	3/9/18
Shepard	Mercer County College	5/29/18
Southwood	Middlesex County College	4/12/18
Voorhees	Brookdale Community College	11/3/17

Parent University

- November 17, 2017

Study Skills

- All elementary schools participate in reading initiatives and math incentives, cultural diversity program; poster and essay contests offerings by various organizations.

Journey's Program

- The Journey's program is now implemented in grades K-5 for the 2017-2018 school year.

Ice Skating Trips – Elementary, Middle & High School

- Field trips to the Old Bridge Ice Skating Rink at no cost to the district. This initiative helped us to continue to address childhood obesity issues and promote First Lady Michelle Obama's Let's Move Program.

Pre-School

- Fully enrolled tuition pre-school program at Glenn School to provide for an integrated program.

Professional Learning Communities

- Expanded practices of Professional Learning Communities to be in compliance with the State mandated School Based Professional Development Initiative focusing on school improvement, closing the student achievement gap and providing instruction with rigor and relevance.

#### Outreach Programs

- Recycling programs, assemblies, and activities were held in all schools in conjunction with township and county organizations.
- Robert Wood Johnson University Hospital Safety Ambassador Program initiated a partnership with the High School Health Occupations Class. A Training Program was provided and the students prepared lessons to be taught to first and second graders.

#### Character Education Programs

During the 2017-2018 school year the following was achieved:

- This was the first complete school year when both the District and all 15 schools (1 high school; 2 middle schools; 12 elementary) had State Recognition of Character.
- This was also the first complete school year when both the District and all 15 schools had National Recognition of Character.
- Madison Park Elementary School ensured this by re-applying early and being awarded National Recertification for another five (5) years.
- This was the first year that our administration decided that all Promising Practice applications had to first be reviewed by our Instructional Leadership Council, who then selected those that satisfied OBPS district standards to then apply to character.org. Six (6) schools, our high school and five (5) elementary schools, submitted seven (7) Promising Practice Applications to the ILC for approval. Six (6) of the seven (7) were approved by ILC for character.org submission. The one elementary school application not approved by ILC for character.org submission related directly to character pillars and so was considered already too common nationwide, and thus unlikely to be awarded.
- All of the other six (6) submitted (by our high school (2) and four (4) elementary schools (1 each), were selected by character.org as 2018 Promising Practices.
- For the first time, Old Bridge High School earned two Promising Practice Awards in the same year; and one (1) PROJECT UNIFY was our first physical education Promising Practice submitted and recognized during the first year character.org offered physical education programs as a separate Promising Practices award category. It was recognized since it features OBHS athletes working with special education elementary students
- Our district did not submit another district-wide Promising Practice this year.

To celebrate their 2016-17 winners, the annual character.org National Forum, was held in Arlington, VA - October 19-21, 2017. Our 2016-17 Character Ed accomplishments (a school National Character recognition and new winning Promising Practices) made twenty-two (22) staff members who created the applications eligible district-wide to attend. Given the forum costs and district budget, the Board of Education approved costs for seven (7), the Superintendent, Assistant Superintendent and five (5) principals to attend. Given that this was the year we received 10 of 13 Promising Practices submitted, including our first district-wide application featuring our Kids at College program, following the October character.org National Forum, in November our Superintendent and Assistant Superintendent convinced a new local restaurant (Grillestone) to host an in-district Character Ed celebration inviting and honoring all twenty-two (22) of the staff members (principals, vice principals, teachers and counselors) who achieved the 2016-17 character.org awards.

Please see the chart below for an updated summary of each school's CE recognition achievements and timelines.

SCHOOL	STATE RECOGNITION	NATIONAL RECOGNITION	NATIONAL MODEL	PROMISING PRACTICES	NATIONAL RE-CERTIFICATION
Shepard	2010	2011		2013, 2015 (2), 2016, 2017	2016
Madison Park	2013	2014		2018	2017
McDivitt	2013	2014		2017 (2)	
Cheesequake	2014	2014	2014	2014	
Cooper	2014	2016		2012, 2016, 2017, 2018	
Memorial	2014	2015		2016, 2018	
Southwood	2014	2015		2014	
Voorhees	2014	2014			
Carpenter	2015	2015		2017	
Grissom	2015	2016			
Miller	2015	2015		2014, 2017	
Schirra	2015	2015		2014, 2017, 2018	
OBHS	2015	2015		2017, 2018 (2)	
Sandburg	2016	2016			
Salk	2017	2017		2017	
OBTPS District	2015	2015		2017	

**Challenge Program**

- In 2014 with the help of a consultant from Montclair State University, there was a restructuring of the program into a full year comprehensive 3rd grade, fourth grade, and fifth grade curriculum based on thematic units that incorporated significant elements of technology. This has been the format from September 2014 through this current year with curricular enhancements added each year.
- Students of each grade were bussed once a week to one of two locations (Shepard or Voorhees) for a one day a week class that ran from 9:30-1:30. Monday for Gr 3, Tuesday for Gr 4 and Thursday for Gr 5
- PETS (Primary Education Thinking Skills) occupied the Challenge teachers' two other days, where they pushed into all the second-grade classes across the district to provide enrichment activities based off of the PETs Curriculum.
- A robust and very well constructed website was established, maintained, and posted on the district's website to facilitate the dissemination of information regarding the Challenge Program.
- An instructional video, complete with narration, was created to help create a manner of uniformly disseminating information to all 12 elementary school staff and faculty. This was disseminated to the principals and shown prior to the nomination process. Also, Science/Challenge lead teachers have been selected at each building to help answer questions and to provide uniformity to information that is disseminated.
- An eligibility matrix utilized the district's EasyCBM assessment given in all elementary grades, along with the Challenge Assessments given to students in grades 2, 3 & 4 and a test of divergent thinking.
- A Parent nomination component was used in the nomination process to include parents in the community. As a result, a number of students who were nominated by parents and had not been nominated by their grade level teachers gained entry into the Challenge Program.

- New technology was used (Beebots and Ozobots and 3D printers) in order to enhance the technological aspect of the program. This was met with great enthusiasm by both teachers and students. Students used the technology to showcase their projects at the year end showcases.
- A trip to Princeton University served as a culminating activity where the 5th grade students worked on solving real-world global challenges that were presented to them by the Engineers without Borders students.
- A trip to the Thomas Edison Museum was added to support the theme of invention and STEM for the 4th graders.
- A 3 grade level Showcase as well as a 4th and 5th grade Showcase were held as culminating events for the year-long Challenge Program

Overall the program continues to provide comprehensive challenges and learning experiences to the Old Bridge's elementary gifted learners. At the conclusion of the year, surveys were given to students and parents. Very positive feedback was given in all areas polled. The survey is available upon request.

#### Technology

- All our elementary students work in Office 365 and Office 16 as all of the labs were upgraded for this software. Pilot program with the 3D printer at Schirra Elementary School. Acclimated the elementary computer teachers to Office 365, OneNote, One Drive.

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

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

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

**BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. The final budget amount as amended for the fiscal year is presented 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 in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2018.



**ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

**FINANCIAL INFORMATION AT FISCAL YEAR-END:** As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the General Fund, Special Revenue Fund and Debt Service Fund. Revenues for the fiscal year ended June 30, 2018 and the amount and percentage of increases (decreases) in relation to prior year revenues.

REVENUE	JUNE 30, 2018	PERCENTAGE OF TOTAL	JUNE 30, 2017	INCR. / DECR. FROM 2017	PERCENTAGE OF INCR / DECR
LOCAL SOURCES	\$ 99,742,990	58.38%	\$ 97,092,660	\$ 2,650,331	2.73%
STATE SOURCES	67,785,018	39.67%	65,364,495	2,420,523	3.70%
FEDERAL SOURCES	3,280,571	1.92%	3,997,335	(716,764)	-17.93%
PRIVATE SOURCES	46,010	0.03%	52,408	(6,398)	-12.21%
TOTALS	\$ 170,854,590	100.00%	\$ 166,506,898	\$ 4,347,691	2.61%

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 amount and percentage of increases (decreases) in relation to prior year amounts:

EXPENDITURES	JUNE 30, 2018	PERCENTAGE OF TOTAL	JUNE 30, 2017	INCR. / DECR. FROM 2017	PERCENTAGE OF INCR / DECR
CURRENT EXPENDITURES					
INSTRUCTION	\$ 67,455,151	39.30%	\$ 66,251,576	\$ 1,203,575	1.82%
UNDISTRIBUTED	99,985,560	58.25%	95,615,353	4,370,206	4.57%
CAPITAL OUTLAY	1,381,443	0.80%	1,676,435	(294,992)	-17.60%
SPECIAL SCHOOLS	187,985	0.11%	167,853	20,132	11.99%
DEBT SERVICE	2,650,938	1.54%	2,644,833	6,105	0.23%
	\$ 171,661,076	100.00%	\$ 166,356,050	\$ 5,305,026	3.19%

**DEBT ADMINISTRATION:** At June 30, 2018, the District's outstanding debt issues included \$30,480,000 of general obligation bonds.

**CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted an investment policy which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

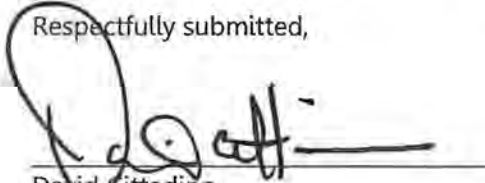
**RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/ collision, hazard and theft insurance on property and contents, student accident insurance, and fidelity bonds.

**INDEPENDENT AUDIT:** State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Samuel Klein and Company was approved by the Board during the meeting of April 25, 2017. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the

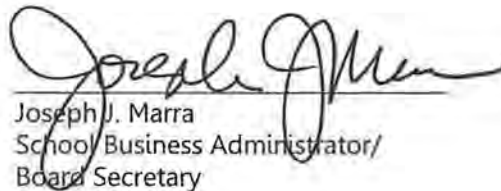
Single Audit Act of 1984 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports 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 Old Bridge Township Board of Education for its concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing its 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 the central office staff.

Respectfully submitted,

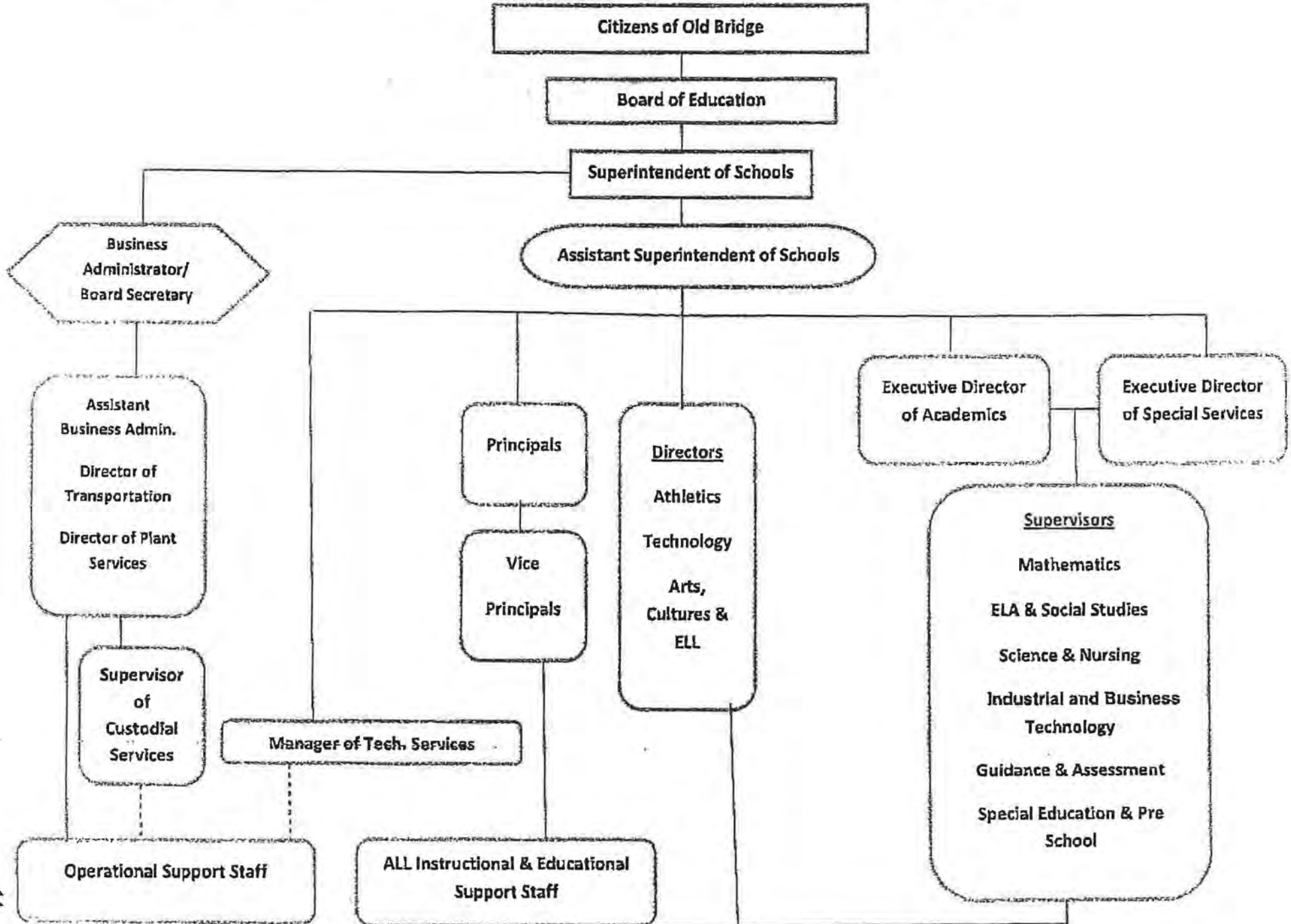


David Cittadino  
Superintendent of Schools



Joseph J. Marra  
School Business Administrator/  
Board Secretary

**Old Bridge Township Public Schools**  
**ORGANIZATIONAL MANAGEMENT CHART**



OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
OLD BRIDGE, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2018

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Richard Dunn, President	2018
Jill Cali, Vice President	2019
Jill DeCaro	2020
Salvatore DiPrima	2018
Jeffrey Dynof	2018
Lisa Lent	2020
Walter Reed	2019
Balwinder Singh	2019
Mathew Sulikowski	2020
 <u>Other Officials</u>	
David Cittadino, Superintendent of Schools	
Joseph J. Marra, School Business Administrator	
Himanshu Shah, Custodian of School Moneys	
Christopher B. Parton, Esq., Board Attorney	

**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT**

**CONSULTANTS AND ADVISORS**

**JUNE 30, 2018**

**Architect**

Tokarski & Millemann, Architects, LLC  
228 Brick Boulevard, Suite 2  
Brick, New Jersey 08723

**Audit Firm**

Samuel Klein and Company  
Certified Public Accountants  
550 Broad Street, 11<sup>th</sup> Floor  
Newark, New Jersey 07102-4543

**Attorney**

Christopher B. Parton, Esq.  
Kenney, Gross, Kovats & Parton  
General Legal Counsel  
The Courts of Red Bank  
130 Maple Avenue, Building 8  
Red Bank, New Jersey 07701

**Official Depository**

Amboy National Bank  
3590 Highway #9, South  
Old Bridge, New Jersey 08857

**FINANCIAL SECTION**

# SAMUEL KLEIN AND COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

550 BROAD STREET, 11TH FLOOR  
NEWARK, NJ 07102-9969  
PHONE (973) 624-6100  
FAX (973) 624-6101

36 WEST MAIN STREET, SUITE 303  
FREEHOLD, NJ 07728-2291  
PHONE (732) 780-2600  
FAX (732) 780-1030

## INDEPENDENT AUDITOR'S REPORT

The Honorable President and Members  
of the Board of Education  
Old Bridge Township Board of Education  
County of Middlesex  
Matawan, New Jersey 07747

### **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 Board of Education of the Old Bridge Township School District, County of Middlesex, State of New Jersey, as of and for the year ended June 30, 2018 and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, as listed in the table of contents.

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

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

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Board'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 Board'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 Board of Education of the Old Bridge Township School District, 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

### *Required Supplementary Information*

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

### *Other Information*

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

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

The introductory and statistical sections have not been 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 January 31, 2019, on our consideration of the Board of Education of the Old Bridge Township School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Old Bridge Township School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Old Bridge Township School District's internal control over financial reporting and compliance.



JOSEPH J. FACCONI  
Licensed Public School Accountant #194



SAMUEL KLEIN AND COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS

Newark, New Jersey  
January 31, 2019

**REQUIRED SUPPLEMENTARY INFORMATION - PART I**

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

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

**Financial Highlights**

Key financial highlights for 2018 are as follows:

In total, net assets totaled \$49,917,397 which represents a 28% decrease from 2017.

General revenues accounted for \$150,377,053 in revenue or 78.1% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$42,317,644 or 21.9% to total revenues of \$192,694,697.

Total assets of governmental activities decreased by \$4,620,528 as cash and cash equivalents and investments decreased by \$1,141,557. Receivables decreased by \$199,606 and capital assets decreased by \$3,672,027.

The District had \$211,096,948 in expenses; only \$40,742,664 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$98,970,242 and aid of \$50,588,053 were adequate to provide for these programs.

Among major funds, the General Fund had \$170,854,590 in revenues and \$171,661,076 in expenditures, which does not include the operating transfer out for the Capital Projects Fund. The General Fund's fund balance decreased \$843,986 from 2017. The General Fund's fund balance is \$15,964,871.

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

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

The Statement of Net Assets and Statement of Activities provide information about the activities of the District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. Governmental fund statements tell how services were financed in the short term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other non-major funds presented in total in one column. In the case of the Old Bridge Township Public School District, the General Fund is by far the most significant.

**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**  
**UNAUDITED (CONTINUED)**

**Reporting the District as a Whole**

**Statement of Net Assets and the Statement of Activities**

This document contains all funds used by the District to provide programs and activities, viewing the District as a whole and reports the culmination of all financial transactions. The report answers the question "How We Did Financially during Fiscal Year 2018". The Statement of Net Assets and the Statement of Activities provides the summary. The statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into accounts 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 they report on whether the District's financial position has improved or diminished.

In the Statement of Net Assets and the Statement of Activities, the District is divided into two types of activities:

**Governmental Activities** — all of the District's programs and services are reported here including, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

**Business-Type Activities** — these services are provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service and Community School Enterprise Funds are reported as business activities.

**Reporting the District's Most Significant Funds**

**Fund Financial Statement**

The Analysis of the District's major funds begins on page 36. Fund financial reports provide detailed information about the District's major funds. The District's major 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 into and out of the funds and balances left at year-end available for spending in the future years. These funds are reported using a modified accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**  
**UNAUDITED (CONTINUED)**

**Enterprise Fund**

The Enterprise Fund uses the same basis of accounting as business-type activities. The reporting of this fund did not change with the conversion to GASB 34.

**The District as a Whole**

The Statement of Net Position provides the financial perspective of the District as a whole.

Table 1 provides a comparative summary of the District's net assets for 2018 and 2017.

**Table 1 - Net Assets**

	<u>2018</u>	<u>2017</u>
<b>Assets</b>		
Current and Other Assets	\$ 31,083,827	\$ 35,487,521
Capital Assets	<u>121,751,441</u>	<u>125,411,471</u>
<b>Total Assets</b>	<b><u>\$152,835,268</u></b>	<b><u>\$160,898,992</u></b>
<b>Liabilities</b>		
Long-Term Liabilities	\$ 91,194,340	\$ 90,249,319
Other Liabilities	<u>14,723,531</u>	<u>5,489,691</u>
<b>Total Liabilities</b>	<b><u>\$105,917,871</u></b>	<b><u>\$ 95,739,010</u></b>
<b>Net Assets</b>		
Invested in Capital Assets, Net of Debt	\$ 91,271,441	\$ 84,777,093
Restricted	15,964,871	16,986,312
Unrestricted	<u>(60,318,914)</u>	<u>(36,603,422)</u>
<b>Total Net Position</b>	<b><u>\$ 46,917,397</u></b>	<b><u>\$ 65,159,982</u></b>

The District's combined net assets were \$46,917,397 on June 30, 2018. This is a decrease of 27.99% from the previous year.

**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**  
**UNAUDITED (CONTINUED)**

Table 2 shows the comparative changes in net assets from fiscal year 2018 and 2017.

**Table 2 - Comparative Changes in Net Assets**

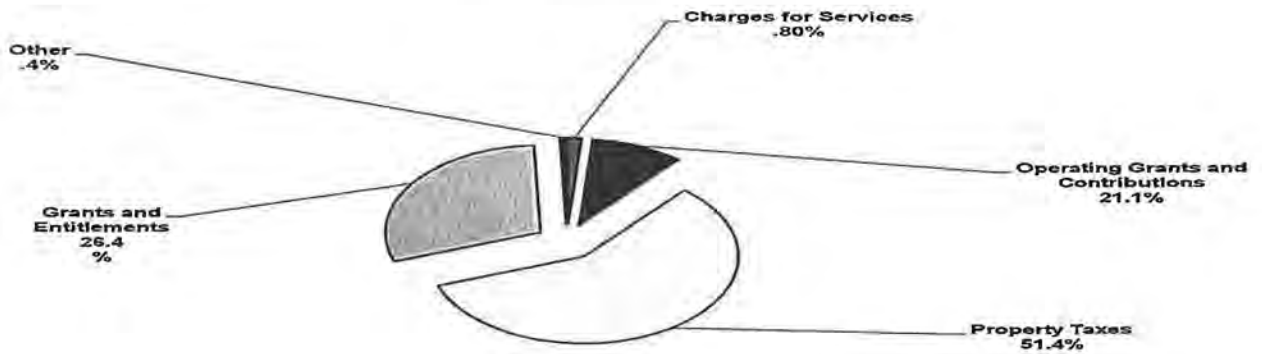
	<u>2018</u>	<u>2017</u>	<u>Total % Change</u>
Revenues:			
Program Revenues:			
Charges for Services	\$ 1,574,990	\$ 1,681,576	-6.34%
Operating Grants and Contributions	40,742,664	19,032,350	114.07%
General Revenues:			
Property Taxes	98,970,242	96,360,278	2.71%
Grants and Entitlements	50,588,053	51,631,436	-2.02%
Other	978,414	877,447	11.51%
Total Revenues	<u>192,854,363</u>	<u>169,583,087</u>	<u>13.72%</u>
Program Expenses:			
Instruction	117,915,518	96,914,281	21.67%
Support Services:			
Pupils and Instructional Staff	31,251,135	25,532,982	22.40%
General Administration, School Administration, Business Operations and Maintenance of Facilities	41,419,411	34,900,726	18.68%
Pupil Transportation	15,908,760	12,645,258	25.81%
Special Schools	328,609	245,519	33.84%
Debt Service	1,381,443	924,833	49.37%
Food Service and Community School	2,892,073	3,207,253	-9.83%
Total Expenses	<u>211,096,948</u>	<u>174,370,851</u>	<u>21.06%</u>
Increase in Net Assets	(18,242,585)	(4,787,764)	
Beginning Net Assets	<u>65,159,982</u>	<u>69,947,746</u>	
Ending Net Assets	<u>\$ 46,917,397</u>	<u>\$ 65,159,982</u>	

**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED (CONTINUED)**

**Government Activities**

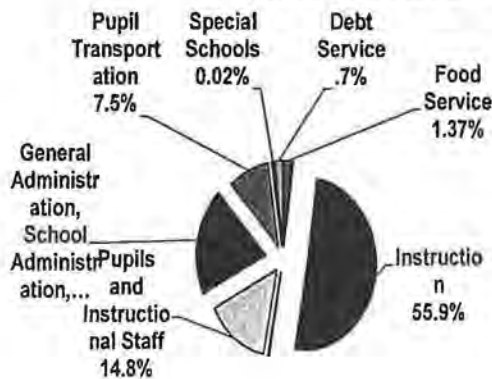
Property taxes as approved by the voters of the Old Bridge Township made up 51.4% of revenues for governmental activities for the fiscal year 2018. The District's total revenues were \$192,694,697 for the year ended June 30, 2018. Federal, state and local grants accounted for another 26.4%.

**Revenue for Fiscal Year 2018**



The total cost of all programs and services was \$211,096,948. Instruction comprises 55.9% of the District's expenses.

**Expenses for Fiscal Year 2018**



**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**  
**UNAUDITED (CONTINUED)**

**Business-Type Activities**

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

Food service revenue exceeded expenses by \$52,563; Charges for services represent \$1,574,990 of revenue. This represents the amount paid by patrons for daily food service and catering.

Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities were \$1,209,991.

**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 3 - Comparative Statement of Activities**

	Total Cost of Services			Net Cost of Services		
	2017-2018	2016-2017	% Change	2017-2018	2016-2017	% Change
Instruction	\$ 117,915,518	\$ 96,914,281	21.67%	\$ 86,885,896	\$ 82,997,503	4.68%
Support Services:						
Pupils and Instructional Staff	31,251,135	25,532,982	22.40%	25,486,331	22,947,469	11.06%
General Administration, School Administration, Business Operation and Maintenance of Facilities	41,419,411	34,900,726	18.68%	33,681,163	33,672,622	0.03%
Pupil Transportation	15,908,760	12,645,258	25.81%	15,908,760	12,645,258	25.81%
Special Schools	328,609	245,519	33.84%	328,609	245,519	33.84%
Debt Service	1,381,443	924,832	49.37%	1,381,442	924,833	49.37%
	<u>\$ 208,204,875</u>	<u>\$ 171,163,598</u>	<u>21.64%</u>	<u>\$ 163,672,201</u>	<u>\$ 153,433,203</u>	<u>6.67%</u>

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

Extracurricular activities includes expenses related to student activities provided by the District which are designed to provide opportunities for students to participate in school and public events for the purpose of motivation, enjoyment, skill improvement, school spirit and leadership.



**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**  
**UNAUDITED (CONTINUED)**

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

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

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

Pupil transportation includes activities involved with the conveyance of students to and from school, to school co-curricular, athletic activities and co-curricular field trips as provided by state law.

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

**The District's Funds**

Information about the District's major funds starts on page 36. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$170,854,590 and expenditures of \$171,661,076.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal years ended June 30, 2018 and June 30, 2017, and the amount and percentage of increases and decreases in relation to prior year revenues.

**Comparative Summary of Revenues**

<u>Revenue</u>	<u>June 30,</u> <u>2018</u>	<u>Percent</u> <u>of Total</u>	<u>June 30,</u> <u>2017</u>	<u>Increase</u> <u>(Decrease)</u> <u>from 2017</u>	<u>Percent of</u> <u>Increase</u> <u>(Decrease)</u>
Local Sources	\$ 99,742,990	58.38%	\$ 97,092,660	\$2,650,330	2.73%
State Sources	67,785,018	39.67%	65,364,495	2,420,523	3.70%
Federal Sources	3,280,571	1.92%	3,997,335	(716,764)	-17.93%
Private Sources	46,010	0.03%	52,408	(6,398)	-12.21%
	<u>\$170,854,589</u>	<u>100.00%</u>	<u>\$166,506,898</u>	<u>\$4,347,691</u>	<u>2.61%</u>

The increase in Local Sources is attributed to increases in the local tax levy.

**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**  
**UNAUDITED (CONTINUED)**

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

**Comparative Summary of Expenditures**

<u>Expenditures</u>	<u>June 30,</u> <u>2018</u>	<u>Percent</u> <u>of</u> <u>Total</u>	<u>June 30,</u> <u>2017</u>	<u>Increase/</u> <u>(Decrease)</u> <u>from 2017</u>	<u>Percent of</u> <u>Increase</u> <u>(Decrease)</u>
Current Expenditures					
Instruction	\$ 67,455,151	39.30%	\$ 66,251,576	\$ 1,203,575	1.82%
Undistributed	99,985,560	58.25%	95,615,353	4,370,207	4.57%
Capital Outlay	1,381,443	0.80%	1,676,435	(294,992)	-17.60%
Special Schools	187,985	0.11%	167,853	20,132	11.99%
Debt Service	2,650,938	1.54%	2,644,833	6,105	0.23%
	<u>\$171,661,077</u>	<u>100.00%</u>	<u>\$166,356,050</u>	<u>\$5,305,027</u>	<u>3.19%</u>

The increase in Current Instruction is attributed to the costs of salaries of teachers and to serve increased enrollments.

The major Increases for Undistributed Expenditures are attributable to the following increased costs:

- Pupil Transportation Increases.
- Operation and Maintenance of Plant Services increases.

**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED (CONTINUED)**

**General Fund Budgeting Highlights**

The 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.

During the course of the fiscal year 2018, the district amended its General Fund budget as needed. The District uses program based budgeting and the budgeting systems are designed to tightly control program budgets but provide flexibility for program management. Transfers from one program to another must be approved by the Board of Education. Transfers were necessitated by:

- Operation and Maintenance of Plant increased energy costs, maintenance and contracted services.
- Out of District tuition increased student placements for special and regular programs.
- Special Education increased related service costs for in district classified students.
- Special Education increased staffing needs for mandated programs.

At the end of the fiscal year 2018, the District had \$214,360,747 invested in land, buildings, furniture and equipment and vehicles. Table 4 shows fiscal 2018 balances compared to 2017.

**Table 4 - Capital Assets at June 30**

	<u>2018</u>	<u>2017</u>
Land/Sites	\$ 30,427,543	\$ 30,823,538
Site Improvements	12,994,690	12,883,748
Buildings and Improvements	149,184,135	147,931,482
Machinery and Equipment	<u>21,754,379</u>	<u>22,162,062</u>
Totals	<u>\$214,360,747</u>	<u>\$213,800,830</u>

Overall capital assets increased \$559,917 from fiscal year 2017 to fiscal year 2018. The increases in capital assets were due primarily to the improvements made in the District during 2018

**OLD BRIDGE TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**  
**UNAUDITED (CONTINUED)**

**For the Future**

The Old Bridge Township Public School District is financially sound and is able to meet all instructional programs and service requirements.

The District priorities are to develop a community input driven Strategic Plan which engages community members to identify future district needs relating to our growing diverse population. We will also continue to increase learning opportunities for students in multiple subgroups prevalent in our diverse school district population inclusive of our special needs transition students and our middle school struggling learners with a Response to Interventions Framework. Lastly, we are proceeding with infrastructure improvements as prescribed by the Energy Savings & Improvement Plan (ESIP).

In terms of reserves, the District on June 30, 2018 had \$4,908,107 in Capital Reserves and \$3,616,179 in Maintenance Reserves.

Capital Reserves will be used to fund projects on the District Long-Range Facilities Plan and Capital Outlay projects.

Maintenance Reserves will be used to supplement annual budgets to fund required maintenance projects.

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

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the 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, you may contact Joseph J. Marra, School Business Administrator/Board Secretary, Old Bridge Township Public Schools, Patrick A. Torre Administration Building, 4207 Route 516, Matawan, NJ 07747.

## **BASIC FINANCIAL STATEMENTS**

**A. DISTRICT-WIDE FINANCIAL STATEMENTS**

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2018

A-1

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 5,533,254.29	\$	\$ 5,533,254.29
Receivables - Net	4,083,667.59	216,476.66	4,300,144.25
Receivables - Interfunds	11,615.60		11,615.60
Inventory		27,939.42	27,939.42
Restricted Assets:			
Capital Reserve Account - Cash	4,908,106.89		4,908,106.89
Emergency Reserve Account - Cash	1,830.25		1,830.25
Maintenance Reserve Account - Cash	3,616,179.09		3,616,179.09
Deferred Charge - Bond Issuance Costs	96,617.91		96,617.91
Capital Assets, Net	<u>121,666,491.61</u>	<u>84,948.92</u>	<u>121,751,440.53</u>
Total Assets	<u>139,917,763.23</u>	<u>329,365.00</u>	<u>140,247,128.23</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amount Related to Pension	<u>12,588,140.00</u>		<u>12,588,140.00</u>
<b>LIABILITIES</b>			
Cash Overdraft		164,372.42	164,372.42
Accounts Payable	1,918,991.96	224,985.75	2,143,977.71
Due to State of New Jersey	52,666.51		52,666.51
Accrued Interest Payable	576,918.75		576,918.75
Deferred Inflows	218,124.49		218,124.49
Noncurrent Liabilities:			
Net Pension Liability	41,639,496.00		41,639,496.00
Due Within One Year	2,869,816.27		2,869,816.27
Due Beyond One Year	<u>49,554,843.76</u>		<u>49,554,843.76</u>
Total Liabilities	<u>96,830,857.74</u>	<u>389,358.17</u>	<u>97,220,215.91</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amount Related to Pension	<u>8,697,655.00</u>		<u>8,697,655.00</u>
<b>NET POSITION</b>			
Invested in Capital Assets, Net of Related Debt	91,186,491.61	84,948.92	91,271,440.53
Restricted for:			
Capital Projects	4,922,793.18		4,922,793.18
Debt Service	1.03		1.03
Other Purposes	11,042,076.54		11,042,076.54
Unrestricted	<u>(60,173,971.87)</u>	<u>(144,942.09)</u>	<u>(60,318,913.96)</u>
Total Net Position	<u>\$ 46,977,390.49</u>	<u>\$ (59,993.17)</u>	<u>\$ 46,917,397.32</u>

See accompanying notes to financial statements.

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

A-2

Functions/Programs	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position		
				Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>						
Instruction:						
Regular	\$ 82,522,171.86	\$	\$ 22,729,785.58	\$ (59,792,386.27)	\$	\$ (59,792,386.27)
Special Education	25,096,059.74		5,714,629.41	(19,381,430.33)		(19,381,430.33)
Other Special Instruction	7,473,020.56		1,859,706.12	(5,613,314.44)		(5,613,314.44)
Other Instruction	2,815,631.45		725,500.74	(2,090,130.71)		(2,090,130.71)
Community Service Programs	8,634.57			(8,634.57)		(8,634.57)
Support Services:						
Tuition	5,914,138.49			(5,914,138.49)		(5,914,138.49)
Student and Instruction Related Services	25,336,996.05		5,764,803.64	(19,572,192.41)		(19,572,192.41)
School Administrative Services	9,554,263.23		2,307,451.12	(7,246,812.11)		(7,246,812.11)
General Administrative Services	6,309,646.97		430,797.12	(5,878,849.86)		(5,878,849.86)
Plant Operations and Maintenance	25,555,500.68			(25,555,500.68)		(25,555,500.68)
Pupil Transportation	15,908,760.08			(15,908,760.08)		(15,908,760.08)
Charter Schools	328,608.69			(328,608.69)		(328,608.69)
Debt Service:						
Interest	1,381,442.78			(1,381,442.78)		(1,381,442.78)
Total Governmental Activities	<u>208,204,875.14</u>		<u>39,532,673.73</u>	<u>(168,672,201.41)</u>		<u>(168,672,201.41)</u>
<b>Business-Type Activities:</b>						
Food Service	2,892,072.56	1,574,989.74	1,209,990.62		(107,092.20)	(107,092.20)
Total Business-Type Activities	<u>2,892,072.56</u>	<u>1,574,989.74</u>	<u>1,209,990.62</u>		<u>(107,092.20)</u>	<u>(107,092.20)</u>
<b>Total Primary Government</b>	<u>\$ 211,096,947.70</u>	<u>\$ 1,574,989.74</u>	<u>\$ 40,742,664.35</u>	<u>\$ (168,672,201.41)</u>	<u>\$ (107,092.20)</u>	<u>\$ (168,779,293.61)</u>
<b>General Revenues</b>						
Taxes:						
Property Taxes, Levied for General Purposes, Net				\$ 96,328,054.00	\$	\$ 96,328,054.00
Property Taxes, Levied for Debt Service				2,642,188.00		2,642,188.00
Federal and State Aid Not Restricted				50,588,052.77		50,588,052.77
Miscellaneous Income				818,758.14	132,642.08	951,400.22
Capital Contributions					27,013.60	27,013.60
Total General Revenues, Special Items, Extraordinary Items and Transfers				<u>150,377,052.91</u>	<u>159,655.68</u>	<u>150,536,708.59</u>
Change in Net Position				(18,295,148.50)	52,563.48	(18,242,585.02)
Net Position - Beginning				<u>65,272,538.99</u>	<u>(112,556.65)</u>	<u>65,159,982.34</u>
Net Position - Ending				<u>\$ 46,977,390.49</u>	<u>\$ (59,993.17)</u>	<u>\$ 46,917,397.32</u>



**B. FUND FINANCIAL STATEMENTS**

**GOVERNMENTAL FUNDS**

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2018

B-1

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 6,713,973.18	\$	\$	\$1.03	\$ 6,713,974.21
Cash - Capital Reserve Account	4,908,106.89				4,908,106.89
Cash - Maintenance Reserve Account	3,616,179.09				3,616,179.09
Cash - Emergency Reserve Account	1,830.25				1,830.25
Due from Other Funds	11,615.60				11,615.60
Accounts Receivable - Other	99,704.98	31,985.51			131,690.49
Accounts Receivable - State	2,343,791.20	5,800.00	587,500.00		2,937,091.20
Accounts Receivable - Federal	14,740.03	1,000,145.87			1,014,885.90
<b>Total Assets</b>	<b>\$17,709,941.22</b>	<b>\$1,037,931.38</b>	<b>\$587,500.00</b>	<b>\$1.03</b>	<b>\$ 19,335,373.63</b>
<b>LIABILITIES</b>					
Cash Overdraft	\$	\$ 607,906.21	\$572,813.71	\$	\$ 1,180,719.92
Accounts Payable	1,577,638.21	341,353.75			1,918,991.96
Due to Fiscal Agent	182,119.58				182,119.58
Due to State of New Jersey		52,666.51			52,666.51
Deferred Revenue		36,004.91			36,004.91
<b>Total Liabilities</b>	<b>1,759,757.79</b>	<b>1,037,931.38</b>	<b>572,813.71</b>		<b>3,370,502.88</b>
<b>FUND BALANCES</b>					
Restricted for:					
Capital Reserve Account	4,908,106.89				4,908,106.89
Maintenance Reserve Account	3,616,179.09				3,616,179.09
Emergency Reserve Account	1,830.25				1,830.25
Assigned - Designated for Subsequent Year's Expenditures	1,517,427.79		14,686.29		1,532,114.08
Excess Surplus - Prior Year - Designated for Subsequent Years' Expenditures	2,648,588.21				2,648,588.21
Excess Surplus - Current Year	2,472,610.54				2,472,610.54
Additional Assigned Fund Balance Unreserved - Designated for Subsequent Years' Expenditures	1,056,834.00				1,056,834.00
Committed to: Year Ended Encumbrances	108,256.69				108,256.69
Unassigned, Reported in:					
General Fund	(379,650.03)				(379,650.03)
Debt Service Fund				1.03	1.03
<b>Total Fund Balances</b>	<b>15,950,183.43</b>		<b>14,686.29</b>	<b>1.03</b>	<b>15,964,870.75</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$17,709,941.22</b>	<b>\$1,037,931.38</b>	<b>\$587,500.00</b>	<b>\$1.03</b>	<b>\$ 19,335,373.63</b>

Total Fund Balances Above \$ 15,964,870.75

Amounts reported for governmental activities in the Statement of Net Position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The costs of the assets is \$214,360,746.61 and the accumulated depreciation is \$92,694,255.00. (See Note 5). 121,666,491.61

The costs associated with the issuance of the various bonds are expensed in the governmental funds in the year the bonds are issued but are capitalized on the statement of net assets. The bond issuance cost is \$111,356.24 and accumulated amortization is \$14,783.33. (See Note 16). 96,617.91

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 6). (52,424,660.03)

Deferred outflows related to pension contributions subsequent to the Net Position Liability measurement date and other deferred items are not current financial resources and therefore are not reported in the fund statements. (See Note 7). 12,588,140.00

Deferred inflows related to pension actuarial gains from experience and differences in actual return and assumed returns and other deferred items are not reported as liabilities in the funds. (See Note 7). (8,697,655.00)

Long-term liabilities, including Net Pension Liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (See Note 7). (41,639,496.00)

Accrued interest is a current liability that will be paid from the debt service fund. Therefore, the liability reduces the restricted for debt service net asset balance. (576,918.75)

Net Position of Governmental Activities (A-1) \$ 46,977,390.49

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018

B-2

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>Revenues</u>					
Local Sources:					
Local Tax Levy	\$ 96,328,054.00	\$	\$	\$2,642,188.00	\$ 98,970,242.00
Tuition	242,005.42				242,005.42
Interest on Capital Reserve Account	23,597.02				23,597.02
Interest on Maintenance Reserve Account	12,094.74				12,094.74
Miscellaneous	495,051.20				495,051.20
Private Sources		46,009.76			46,009.76
Total Local Sources	<u>97,100,802.38</u>	<u>46,009.76</u>		<u>2,642,188.00</u>	<u>99,789,000.14</u>
State Sources	67,365,259.73	419,758.49			67,785,018.22
Federal Sources	117,804.79	3,162,766.49			3,280,571.28
Total Revenues	<u>164,583,866.90</u>	<u>3,628,534.74</u>		<u>2,642,188.00</u>	<u>170,854,589.64</u>
<u>Expenditures</u>					
Current:					
Regular Instruction	44,280,470.31	2,927,442.71			47,207,913.02
Special Education Instruction	14,356,536.90				14,356,536.90
Other Special Instruction	4,275,041.44				4,275,041.44
Other Instruction	1,610,719.66				1,610,719.66
Community Service Programs	4,939.52				4,939.52
Support Services and Undistributed Costs:					
Tuition	3,383,262.09				3,383,262.09
Student and Instruction Related Services	13,801,173.08	693,194.66			14,494,367.74
General Administrative Services	1,973,507.92				1,973,507.92
School Administrative Services	5,465,644.17				5,465,644.17
Other Administrative Services	1,636,010.09				1,636,010.09
Plant Operations and Maintenance	14,619,366.24				14,619,366.24
Pupil Transportation	9,100,819.15				9,100,819.15
Employee Benefits	49,312,582.53				49,312,582.53
Charter School	187,985.00				187,985.00
Debt Service:					
Principal				1,460,000.00	1,460,000.00
Interest				1,190,937.50	1,190,937.50
Capital Outlay	1,159,227.31	7,897.37	214,318.10		1,381,442.78
Total Expenditures	<u>165,167,285.41</u>	<u>3,628,534.74</u>	<u>214,318.10</u>	<u>2,650,937.50</u>	<u>171,661,075.75</u>
Excess (Deficiency) of Revenues Over/(Under)					
Expenditures	<u>(583,418.51)</u>		<u>(214,318.10)</u>	<u>(8,749.50)</u>	<u>(806,486.11)</u>
Other Financing Sources (Uses):					
Transfer Out	<u>(37,500.00)</u>				<u>(37,500.00)</u>
Total Other Financing Sources and Uses	<u>(37,500.00)</u>				<u>(37,500.00)</u>
Net Change in Fund Balances	(620,918.51)		(214,318.10)	(8,749.50)	(843,986.11)
Fund Balance July 1	<u>16,571,101.94</u>		<u>229,004.39</u>	<u>8,750.53</u>	<u>16,808,856.86</u>
Fund Balance June 30	<u>\$ 15,950,183.43</u>	<u>\$ -</u>	<u>\$ 14,686.29</u>	<u>\$ 1.03</u>	<u>\$ 15,964,870.75</u>

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
 RECONCILIATION OF 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-3

	<u>Ref.</u>	
Total Net Change in Fund Balances - Governmental Funds	B-2	\$ (843,986.11)
<p>Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Depreciation Expense		\$(4,867,024.00)
Capital Outlays		<u>1,194,997.18</u>
		(3,672,026.82)
Repayment of Bond Principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		1,460,000.00
Bond Issuance costs are reported in the governmental funds as expenditures in the year the bonds are issued. However, on the statement of activities, the costs are amortized over the life of the bonds.		(6,550.37)
Premium on the sale of bonds are reported in the governmental funds as revenue in the year the bonds are issued. However, on the statement of activities, the revenue is amortized over the life of the bonds.		3,238,575.78
Repayment of Capital Lease Principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		(16,690,600.72)
Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest cost, administrative costs, investment returns, and experience/assumption. This is the amount by which net position liability and deferred inflows/outflows related to pension changed during the period.		(1,508,553.00)
Increase in Compensated Absences		(290,557.26)
Decrease in Accrued Interest Payable		<u>18,550.00</u>
Change in Net Position of Governmental Activities	A-2	<u>\$ (18,295,148.50)</u>

**PROPRIETARY FUNDS**

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2018

B-4

Business-Type  
Activities  
Enterprise  
Funds  

---

Food  
Service

ASSETS

Current Assets:	
Cash and Cash Equivalents	\$(164,372.42)
Accounts Receivable:	
State Sources	2,349.87
Federal Sources	77,966.64
Other Sources	136,160.15
Inventories:	
Regular	21,794.78
Food Distribution Program Commodities	<u>6,144.64</u>
Total Current Assets	<u>80,043.66</u>
Noncurrent Assets:	
Furniture, Machinery and Equipment	493,222.40
Less: Accumulated Depreciation	<u>(408,273.48)</u>
Total Noncurrent Assets	<u>84,948.92</u>
Total Assets	<u>\$ 164,992.58</u>

LIABILITIES

Current Liabilities:	
Accounts Payable	<u>\$ 224,985.75</u>

NET POSITION

Invested in Capital Assets, Net of Related Debt	\$ 84,948.92
Unrestricted	<u>(144,942.09)</u>
Total Net Position	<u>\$ (59,993.17)</u>

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

B-5

Business-Type  
Enterprise  
Funds  
Food  
Service

Operating Revenues:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 912,264.26
Daily Sales - Non-reimbursable Programs	624,183.00
Special Functions	38,542.48
Total Operating Revenues	<u>1,574,989.74</u>
 Operating Expenses:	
Cost of Sales - Reimbursable Programs	659,270.11
Cost of Sales - Non-reimbursable Programs	134,812.00
Food Distribution Program	187,553.32
Salaries	1,124,263.63
Payroll Taxes	224,400.70
Purchased Professional and Technical Services	159,120.00
Management Fee	133,120.00
Supplies and Materials	150,807.66
Miscellaneous	103,707.91
Depreciation	15,017.23
Total Operating Expenses	<u>2,892,072.56</u>
 Operating Loss	<u>(1,317,082.82)</u>
 Nonoperating Revenues:	
State Sources:	
State School Lunch Program	29,172.22
Federal Sources:	
National School Breakfast Program	85,844.05
National School Lunch Program	907,421.03
Food Distribution Program	187,553.32
Food Service Company Contribution	132,009.00
Interest Revenue	633.08
Total Nonoperating Revenues	<u>1,342,632.70</u>
 Income before Contributions	25,549.88
 Capital Contributions	<u>27,013.60</u>
 Change in Net Position	52,563.48
 Total Net Position - Beginning	<u>(112,556.65)</u>
 Total Net Position - Ending	<u>\$ (59,993.17)</u>



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

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	<u>Business-Type Activities Enterprise Funds</u> <u>Food Service</u>
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers	\$ 1,512,781.47
Payments to Suppliers	<u>(2,632,049.57)</u>
Net Cash Used by Operating Activities	<u>(1,119,268.10)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
State Sources	31,261.12
Federal Sources	972,713.75
Other Sources	<u>150,471.43</u>
Net Cash Provided by Noncapital Financing Activities	<u>1,154,446.30</u>
<u>Cash Flows from Investing Activities</u>	
Interest	<u>633.08</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	35,811.28
Balances - Beginning of Year	<u>(200,183.70)</u>
Balances - End of Year	<u>\$ (164,372.42)</u>
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:	
Operating Loss	<u>\$ (1,317,082.82)</u>
Adjustments to Reconcile Operating Loss to Cash Provided (Used) by Operating Activities:	
Depreciation	15,017.23
Federal Commodities	187,553.32
Change in Assets and Liabilities:	
(Increase)/Decrease in Accounts Receivable	(62,208.27)
(Increase)/Decrease in Inventory	(2,854.84)
Increase/(Decrease) in Accounts Payable	<u>60,307.28</u>
Total Adjustments	<u>197,814.72</u>
Net Cash Used by Operating Activities	<u>\$ (1,119,268.10)</u>

**FIDUCIARY FUNDS**

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
 STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 JUNE 30, 2018

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	Unemployment Compensation Trust	Agency Fund
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 267,696.82	\$1,398,597.13
<u>LIABILITIES</u>		
Payable to Student Groups		\$ 572,414.63
Payroll Deductions and Withholdings		814,566.90
Interfunds Payable		11,615.60
Total Liabilities		\$1,398,597.13
<u>NET POSITION</u>		
Held in Trust for Unemployment Claims and Other Purposes	\$ 267,696.82	

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

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Unemployment  
 Compensation  
Trust Fund

<u>Additions</u>	
Contributions:	
Payroll Deductions	\$ 220,088.40
Board Contributions	2,715.00
Investment Earnings:	
Interest	<u>1,203.46</u>
Total Additions	<u>224,006.86</u>
<u>Deductions</u>	
Quarterly Contribution Reports	93,823.33
Unemployment Claims	<u>106,426.22</u>
Total Deductions	<u>200,249.55</u>
Change in Net Position	23,757.31
Total Net Position - Beginning	<u>243,939.51</u>
Total Net Position - Ending	<u><u>\$ 267,696.82</u></u>

***NOTES TO FINANCIAL STATEMENTS***

**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

The Old Bridge Township School District (the "District") is a Type II District located in the County of Middlesex, State of New Jersey. As a Type II District, the District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades K - 12. The District had an approximate enrollment at June 30, 2018 of 8,737 students.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to insure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service and student related activities of the District.

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

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements. The most significant of the District's accounting policies are described below.

**A. Basis of Presentation**

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

**1. Government-Wide Financial Statements**

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

## 2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### A. **Basis of Presentation (Continued)**

#### 1. **Government-Wide Financial Statements (Continued)**

The statement of net position presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, 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 are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

#### 2. **Fund Financial Statements**

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance.

Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column.

### B. **Fund Accounting**

The District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

#### 1. **Governmental Funds**

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major governmental funds:

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

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### B. Fund Accounting (Continued)

#### 1. Governmental Funds (Continued)

##### General Fund (Continued)

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

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

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

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

Permanent Fund - The Permanent 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. Resources are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting entity's programs - that is, for the benefit of the school district. The District presently has no resources that are considered permanent funds.

#### 2. Proprietary Fund Type

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

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

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



2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

B. **Fund Accounting (Continued)**

2. **Proprietary Fund Type (Continued)**

**Enterprise Fund (Continued)**

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

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

Food Service Fund:	
Machinery and Equipment	5 - 12 Years

**Internal Service Funds** - These funds may be used to report any activity that provides goods or services to other funds, departments or agencies of the primary entity and its component units, or to other governments, on a cost-reimbursement basis. In addition, internal service funds are used only if the reporting school district is the predominant participant in the activity. The District does not currently utilize any Internal Service Funds.

3. **Fiduciary Funds**

Fiduciary Fund reporting focuses on net position and changes in net position. They are used to account for assets held in a trustee or agency capacity for others and therefore cannot be used to support the District's own programs. There are four fiduciary fund types - pension (and other employee benefit) trust funds, investment trust funds, private-purpose trusts and agency funds. The overarching rule for these funds is that they should never be used to report resources that can be used for programs of the reporting district.

**Unemployment Insurance Trust** - The SUI Fund is an employee benefit trust fund which accounts for resources held and administered while acting in a fiduciary capacity for individuals or other government agencies. Assets are held in trust for members of the defined contribution plan.

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

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **B. Fund Accounting (Continued)**

#### **4. Long-Term Debt**

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt, not in the governmental funds. This includes serial bonds outstanding that are expected to be financed from governmental funds, the outstanding principal balance on capital leases, lease-purchase agreements, compensated absences, claims and judgments, early retirement incentive programs and rebatable arbitrage.

### **C. Measurement Focus**

#### **1. Government-Wide Financial Statements**

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the District are included on the Statement of Net Position.

#### **2. Fund Financial Statements**

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Fiduciary funds are reported using the economic resources measurement focus.

### **D. Basis of Accounting**

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both 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. State equalization monies are recognized as revenue during the period in which they are appropriated. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### D. Basis of Accounting (Continued)

Ad Valorem (Property) Taxes are susceptible to accrual and 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 moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable".

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

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

### E. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted to the County Office for approval. Budgets which meet the tax levy cap requirements do not require voter approval. Budgets which exceed the tax levy cap require voter approval for the excess amount at the November election. Budgets are prepared using the modified accrual basis of accounting, except for the Special Revenue Fund as described later. 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. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year subject to the limitation of N.J.A.C. 6A:23A-2.3 (et seq.).

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

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

The following presents a reconciliation of the General Fund Revenue and Special Revenue Fund Revenue from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue and Debt Service Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

E. **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>
Sources/Inflows of Resources:		
Actual amounts (budgetary basis) "revenue"	\$ 164,579,932.90	\$ 3,628,534.74
Difference - Budget-to-GAAP:		
State aid payment recognized for budgetary purposes, not recognized for GAAP statements - current year.	(4,432,004.00)	
State aid payment recognized for budgetary purposes, recognized for GAAP statements - prior year.	<u>4,435,938.00</u>	<u>                    </u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 164,583,866.90</u>	<u>\$ 3,628,534.74</u>
Uses/Outflows of Resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	\$ 165,167,285.41	\$ 3,628,534.74
Difference - Budget-to-GAAP	<u>None</u>	<u>None</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 165,167,285.41</u>	<u>\$ 3,628,534.74</u>

F. **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.

Open encumbrances in the Special Revenue Fund, for which the District has received advances, are reflected in the balance sheet as deferred inflows at fiscal year end. There were no open encumbrances recorded in the Special Revenue Fund as of June 30, 2018.

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.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### G. Assets, Liabilities and Equity

#### 1. Cash, Cash Equivalents and Investments

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

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

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

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.

#### 2. Inventories and Prepaid Expenses

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

Inventories in the Proprietary Funds are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Deferred Outflows in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2018.

#### 3. Allowance for Uncollectible Accounts

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

#### 4. Tuition Receivable

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

#### 5. Tuition Payable

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

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

G. **Assets, Liabilities and Equity (Continued)**

6. **Short-Term Interfund Receivables/Payables**

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

7. **Capital Assets**

General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$2,000.00. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except for land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	20 - 40 Years
Furniture and Equipment	7 - 20 Years
Vehicles	8 Years

8. **Compensated Absences**

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

The entire sick leave and vacation leave liabilities are reported on the government-wide financial statements.

For Governmental Fund financial statements, the current portion of unpaid compensated absences is in the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### G. Assets, Liabilities and Equity (Continued)

#### 9. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, 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 governmental funds. However, the noncurrent portion of capital leases, compensated absences and loans payable that will be paid from Governmental Funds are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable, available financial resources.

#### 10. Net Position

The District has implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. This statement defines net position as the residual of all other elements presented in a statement of financial position. It is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. This Statement provides guidance for reporting net position within a framework that includes deferred outflows of resources and deferred inflows of resources, in addition to assets and liabilities.

The District has implemented GASB No. 65, *Items Previously Reported as Assets and Liabilities*. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period.

Net position is displayed in three components - net investment in capital assets; restricted and unrestricted.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

#### 11. Deferred Inflows

Deferred inflows in the special revenue fund represents cash that has been received but not yet earned. Deferred inflows in the General Fund represents prepaid fees collected for future programs.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **G. Assets, Liabilities and Equity (Continued)**

#### **12. Fund Equity**

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

#### **13. 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.

#### **14. Proprietary Funds Revenues and Expenses**

Proprietary Funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a Proprietary Fund's principal ongoing operations. The principal operating revenues of the School District Enterprise Fund, (the Food Service) are charges to customers for sales of food service. Operating expenses for Enterprise Funds include the cost of sales and services, administrative expense and depreciation on Capital Assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

#### **15. Rebatable Arbitrage**

Rebatable arbitrage results from investing the proceeds of borrowed funds either directly or indirectly into investments that are higher in yield than the bond yield incurred on the borrowed funds. In accordance with GASB 34, rebatable arbitrage is treated like a claim or judgment. All interest income is reported as revenue of the Capital Projects Fund. The liability, if any, is recorded in the "Statement of Net Position".

#### **16. Non-Monetary Transactions**

Commodities received under the Federal Food Distribution Program are received by the District and are recorded as nonoperating revenue when received in the Food Service Enterprise Fund at market value. The use of the commodities is included in cost of sales.

#### **17. Allocation of Expenses**

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Employee benefits, including the employer's share of social security, workers' compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the direct expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is reported separately on the Statement of Activities. No expenses were allocated as "Indirect Expenses".

#### **18. Extraordinary and Special Items**

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



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### G. Assets, Liabilities and Equity (Continued)

#### 19. Accounting and Financial Reporting for Pensions

In fiscal year 2015, the District implemented GASB 68. This Statement amends GASB Statement No. 27. It improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This statement is effective for periods beginning after June 15, 2014.

The District has also implemented GASB Statement 71, *Pension Transition for Contributions made Subsequent to the Measurement Date-an amendment to GASB No. 68*. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Statement 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### G. Assets, Liabilities and Equity (Continued)

#### 20. Other Accounting Standards

The District is currently reviewing the following for applicability and potential impact on the financial statements:

- *GASB Statement No. 83. Certain Asset Retirement Obligations.* This Statement addresses accounting and financial reporting for certain asset retirement obligations (ARO's). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. The District does not expect this Statement to impact its financial statements.

- *GASB Statement No. 84. Fiduciary Activities.* The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify component units and postemployment benefit arrangements that are fiduciary activities.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The District does not expect this Statement to impact its financial statements.

- *GASB Statement No. 87. Leases.* The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

- *GASB Statement No. 88. Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements.* The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### G. Assets, Liabilities and Equity (Continued)

#### 20. Other Accounting Standards (Continued)

- *GASB Statement No. 89. Accounting for Interest Cost Incurred Before the End of a Construction Period.* The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements of this Statement should be applied prospectively.

- *GASB Statement No. 90. Majority Equity Interests - An Amendment of GASB Statements No. 14 and No. 61.* The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority interest in a legally separate organization and to improve the relevance of financial statement information for certain component units.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis. The District does not expect this Statement to impact its financial statements.

## 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include 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 District classifies certificates of deposit that have original maturity dates of more than three months, but less than twelve months from the date of purchase, as investments. The District is in compliance with GASB No. 3 as amended by GASB No. 40.

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

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

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

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

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

### 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

*Custodial Credit Risk* - This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the Board will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Board does not have a policy for custodial credit risk. Federal depository insurance and New Jersey's Governmental Unit Deposit Protection Act mitigate this risk.

*Interest Rate Risk* - This is the risk that changes in market interest rates that will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to change in market interest rates. The Board's investment policy does not include limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

As of June 30, 2018, the Board's cash, cash equivalents and investments consisted of:

	<u>2018</u>
Amboy Bank - Checking Accounts	\$15,353,894.59
New Jersey Cash Management Fund	<u>207,397.46</u>
Total Cash, Cash Equivalents and Investments	<u>\$15,561,292.05</u>

The carrying amount of the Board's cash and cash equivalents at June 30, 2018 was \$15,561,292.05 and the bank balance was \$16,540,744.88. Of the bank balance, \$250,000.00 was covered by Federal Depository Insurance and \$16,290,744.88 was covered by the Governmental Unit Deposit Protection Act (GUDPA), N.J.S.A. 17:9-41, et seq., for all New Jersey Governmental Unit's deposits in excess of the Federal deposit maximums. These funds constitute "deposits with financial institutions" as defined by GASB No. 40.

Of the total amount, deposits of \$4,908,106.89 have been earmarked towards the Capital Reserve Account (See Note 4).

As of June 30, 2018, the Board had investments in the State of New Jersey Cash Management Fund. The carrying amount of the investment at June 30, 2018 was \$207,397.46.

There were no securities held by the District as of June 30, 2018 that could be categorized as an investment as defined by GASB No. 3 as amended by GASB No. 40.

New Jersey P.L. 2017, c. 310 permits the Board of Education to purchase various investments in accordance with the Board's Cash Management Plan.

### 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by Resolution on October 10, 2000 by inclusion of \$100.00 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 appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 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.

**4. CAPITAL RESERVE ACCOUNT (Continued)**

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		\$ 5,959,509.87
Increased by:		
Unexpended Project Balances		
Returned to Capital Reserve	\$ 925,000.00	
Interest Earned	<u>23,597.02</u>	
		<u>948,597.02</u>
		6,908,106.89
Decreased by:		
Budgeted Transfer to Capital Outlay		<u>2,000,000.00</u>
Ending Balance, June 30, 2018		<u>\$ 4,908,106.89</u>

5. CAPITAL ASSETS

Classification of Balances - June 30, 2018

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Reallocation</u>	<u>Ending Balance</u>
<u>Governmental Activities</u>					
Nondepreciable:					
Sites	\$ 30,427,543.00	\$	\$	\$	\$ 30,427,543.00
Construction-in-Progress	395,995.61			(395,995.61)	
	<u>30,823,538.61</u>			<u>(395,995.61)</u>	<u>30,427,543.00</u>
Depreciable:					
Site Improvements	12,883,748.00	110,941.73			12,994,689.73
Buildings and Improvements	147,931,482.05	856,657.71		395,995.61	149,184,135.37
Machinery and Equipment	22,162,061.77	227,397.74	(635,081.00)		21,754,378.51
	<u>182,977,291.82</u>	<u>1,194,997.18</u>	<u>(635,081.00)</u>	<u>395,995.61</u>	<u>183,933,203.61</u>
Total Assets	213,800,830.43	1,194,997.18	(635,081.00)	-	214,360,746.61
Less Accumulated Depreciation:					
Buildings and Improvements	<u>(88,462,312.00)</u>	<u>(4,867,024.00)</u>	<u>635,081.00</u>		<u>(92,694,255.00)</u>
Assets Net of Depreciation	<u>\$ 125,338,518.43</u>	<u>\$ (3,672,026.82)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 121,666,491.61</u>
<u>Capital Outlay</u>					
General Fund		\$ 1,159,227.31			
Special Revenue Fund		7,897.37			
Capital Projects Fund		214,318.10			
		<u>1,381,442.78</u>			
Less: Food Service Contributed Capital		(27,013.60)			
Debt Service Assessment		<u>(159,432.00)</u>			
Total Additions to Capital Assets		<u>\$ 1,194,997.18</u>			

Business-Type Activities

The following is a summary of Proprietary Fund type fixed assets at June 30, 2018:

Machinery and Equipment	\$ 493,222.40
Less: Accumulated Depreciation	<u>(408,273.48)</u>
Net Fixed Assets	<u>\$ 84,948.92</u>

6. **LONG-TERM DEBT**

**Long-Term Liability Conversion Schedule - June 30, 2018**

	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2018</u>	<u>Amounts Due One Year</u>	<u>Long-Term Portion</u>
Compensated Absences	\$ 4,611,226.51	\$ 290,557.26	\$	\$ 4,901,783.77	\$	\$ 4,901,783.77
Lease Purchase Payable	352,275.54	16,874,664.00	184,063.28	17,042,876.26	1,369,816.27	15,673,059.99
Serial Bonds Payable	31,940,000.00		1,460,000.00	30,480,000.00	1,500,000.00	28,980,000.00
Premium on Bond Sale	<u>3,238,575.78</u>		<u>3,238,575.78</u>			
	<u>\$ 40,142,077.83</u>	<u>\$ 17,165,221.26</u>	<u>\$ 4,882,639.06</u>	<u>\$ 52,424,660.03</u>	<u>\$ 2,869,816.27</u>	<u>\$ 49,554,843.76</u>

6. **LONG-TERM DEBT (Continued)**

A. **Bonds Payable**

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds. Interest rates on outstanding bonds range from 2.00% to 5.00%.

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

Year	Refunding 2016 Bonds		
	Principal	Interest	Total
2018-19	\$ 1,500,000.00	\$ 1,153,837.50	\$ 2,653,837.50
2019-20	1,560,000.00	1,100,137.50	2,660,137.50
2020-21	1,625,000.00	1,036,437.50	2,661,437.50
2021-22	1,705,000.00	967,312.50	2,672,312.50
2022-23	1,780,000.00	891,137.50	2,671,137.50
2023-24	1,865,000.00	807,962.50	2,672,962.50
2024-25	1,950,000.00	728,237.50	2,678,237.50
2025-26	2,030,000.00	652,543.75	2,682,543.75
2026-27	2,110,000.00	571,325.00	2,681,325.00
2027-28	2,190,000.00	496,850.00	2,686,850.00
2028-29	2,260,000.00	430,100.00	2,690,100.00
2029-30	2,340,000.00	349,400.00	2,689,400.00
2030-31	2,430,000.00	254,000.00	2,684,000.00
2031-32	2,525,000.00	154,900.00	2,679,900.00
2032-33	2,610,000.00	52,200.00	2,662,200.00
	<u>\$ 30,480,000.00</u>	<u>\$ 9,646,381.25</u>	<u>\$ 40,126,381.25</u>

B. **Bonds Authorized but Not Issued**

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

C. **2002 Project School Bonds**

On January 15, 2002, the Board issued \$47,823,000 in School Bonds.

**Redemption** - The Bonds of this issue maturing on or after July 15, 2012 are redeemable at the option of the Board in whole or in part on any date on or after July 15, 2011 upon notice as required herein at one hundred percent (100%) of the principal amount being redeemed (the "Redemption Price"), plus accrued interest to the date fixed for redemption.

Notice of redemption ("Notice of Redemption") shall be given by mailing such notice at least thirty (30) days but not more than sixty (60) days before the date fixed for redemption by first class mail in a sealed envelope with postage prepaid to the registered owners of such Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the Board of a duly appointed Bond Registrar. So long as DTC (or any successor thereto) acts as Securities Depository for the Bonds, Notice of Redemption shall be sent to such Securities Depository and shall not be sent to the beneficial owners of the Bonds. Any failure of the Securities Depository to advise any of its participants or any failure of any participant to notify any beneficial owner of any Notice of Redemption shall not affect the validity of the redemption proceedings. If the board determines to redeem a portion of the Bonds prior to maturity, such Bonds shall be selected by the Board; the Bonds to be redeemed having the same maturity shall be selected by the Securities Depository in accordance with its regulations.



6. **LONG-TERM DEBT (Continued)**

C. **2002 Project School Bonds (Continued)**

If Notice of Redemption has been given as provided herein, the Bonds or the portion thereof called for redemption shall be due and payable on the date fixed for redemption at the Redemption Price, together with accrued interest to the date fixed for redemption. Interest shall cease to accrue on the Bonds after the date fixed for redemption.

**Authorization and Purpose** - The Bonds have been authorized and are issued pursuant to: (i) Title 18A, Chapter 24 of the New Jersey Statutes, as amended and supplemented; (ii) a proposal adopted by the Board on August 21, 2001 and approved by the affirmative vote of a majority of the legal voters present and voting at a special School District election held on September 25, 2001; and (iii) a resolution adopted by the Board on December 18, 2001, which resolution sets forth the terms of the offering and sale of the Bonds.

Proceeds of the Bonds are being issued to construct, renovate and equip additions to the Old Bridge High School East Campus, to convert Old Bridge High School West Campus to a Middle School, to construct additions to, renovate, upgrade and equip all elementary schools, to undertake HVAC upgrades at Salk Middle School and to provide technology systems upgrades to all schools (the "Project"). The \$47,823,000 aggregate cost of the Project will be funded through a combination of the issuance of the Bonds and an approved grant in the amount of \$18,892,084 to be received from the State of New Jersey pursuant to the Educational Facilities Construction and Financing Act, P.L. 2000, c. 72.

**Refunding Bond Sale** - On September 19, 2006, the School District sold Refunding School Bonds in the sum of \$41,445,000.00. The School District will use the proceeds from the sale to retire previously issued debt resulting in a savings of overall debt service over the life of the Bonds.

On April 20, 2016, the School District sold Refunding School Bonds in the sum of \$32,215,000.00. The School District will use the proceeds from the sale to retire previously issued debt resulting in a savings of overall debt service over the life of the Bonds.

D. **Lease Purchase Agreements**

The Board has entered into a lease purchase agreement with Municipal Leasing Consultants, LLC for the acquisition of buses and facility improvements. The details are as follows:

Date:	July 1, 2015
Period:	July 1, 2015 to January 20, 2020
Yield:	2.99%
Principal:	\$ 565,000.00
Interest	<u>54,280.30</u>
	<u>\$ 619,280.30</u>

6. **LONG-TERM DEBT (Continued)**

D. **Lease Purchase Agreements (Continued)**

The following is a schedule of the future minimum lease payments under the Lease Purchase Agreement:

<u>Year</u>	<u>Payment Amount</u>	<u>Interest Portion</u>	<u>Principal Portion</u>
June 30, 2019	\$ 123,856.06	\$ 6,467.68	\$ 117,388.38
June 30, 2020	<u>123,856.06</u>	<u>2,812.34</u>	<u>121,043.72</u>
	<u>\$ 247,712.12</u>	<u>\$ 9,280.02</u>	<u>\$ 238,432.10</u>

The Board has entered into a Lease Purchase Agreement with U.S. Bank Corp. for the acquisition of school buses. The details are as follows:

Date:	July 15, 2017
Period:	July 15, 2017 to July 15, 2023
Yield:	1.970%
Principal:	\$ 500,500.00
Interest	<u>38,556.96</u>
	<u>\$ 539,056.96</u>

The following is a schedule of future minimum lease payments under the Lease Purchase Agreement:

<u>Year</u>	<u>Payment Amount</u>	<u>Interest Portion</u>	<u>Principal Portion</u>
June 30, 2019	\$ 82,931.84	\$ 8,109.83	\$ 74,822.01
June 30, 2020	82,931.84	6,628.57	76,303.27
June 30, 2021	82,931.84	5,118.00	77,813.84
June 30, 2022	82,931.84	3,577.51	79,354.33
June 30, 2023	82,931.84	2,006.54	80,925.30
June 30, 2024	<u>41,465.92</u>	<u>404.51</u>	<u>41,061.41</u>
	<u>\$ 456,125.12</u>	<u>\$ 25,844.96</u>	<u>\$ 430,280.16</u>

7. **PENSION PLANS**

**Description of Plans**

All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pensions 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, P. O. Box 295, Trenton, New Jersey 08625.

## 7. PENSION PLANS (Continued)

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

The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey On-Behalf of the District and the system's other related 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 Department of Education who have titles that are unclassified, professional and certified.

### Public Employees' Retirement System (PERS)

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

### 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:6 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 1/55 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). Pension benefits for members enrolled in PERS after May 21, 2010 would be based on 1/60<sup>th</sup> of the average annual compensation for the last five years of service or any five fiscal years of membership that provide the largest benefit to the member of the member's beneficiary. Early retirement is available to those under age 60 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above-mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55). 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.

### Significant Legislation

P.L. 2011, c. 78, effective June 28, 2011, made various changes to the manner in which TPAF and PERS operates and to the benefit provisions of those systems.

This new legislation's provisions impacting employee pension and health benefits include:

- New members of TPAF and PERS hired on or after June 28, 2011 (Tier 5 members), will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of ¼ to 1 percent for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the TPAF and PERS is increased from age 62 to 65 for Tier 5 members.

## 7. PENSION PLANS (Continued)

### Significant Legislation (Continued)

- Active member contribution rates will increase. TPAF and PERS active member rates increase from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years. For Fiscal Year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contributions for TPAF and PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.

In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

### Contribution Requirements

The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contribution employers. Plan member and employer contributions may be amended by State of New Jersey legislation.

In accordance with the provisions of Chapter 78, P.L. 2011, employee pension contribution rates for TPAF and PERS is currently 7.34% of employees' annual compensation, as defined.

Employers are required to contribute at an actuarially determined rate in both PERS and TPAF. The actuarially determined employer contribution includes funding for both cost-of-living adjustments and noncontributory death benefits in the PERS and TPAF. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premium. Under current statute, the District is a noncontributing employer of the TPAF.

### Three-Year Trend Information for PERS

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Net Cost to District</u>	<u>Percentage of APC Contributed</u>
June 30, 2018	\$ 1,657,096.00	\$ 1,657,096.00	100%
June 30, 2017	1,556,312.00	1,556,312.00	100%
June 30, 2016	1,499,258.00	1,499,258.00	100%

### Three-Year Trend Information for TPAF (Paid On-Behalf of the District)

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Long-Term Disability Insurance Contribution</u>	<u>Post-Retirement Medical Benefits</u>
June 30, 2018	\$9,489,807.00	100%	\$9,701.00	\$ 6,129,264.00
June 30, 2017	7,004,277.00	100%	9,252.00	5,836,156.00
June 30, 2016	4,965,834.00	100%		5,912,936.00

## 7. PENSION PLANS (Continued)

### Contribution Requirements (Continued)

During the fiscal year ended June 30, 2018, the State of New Jersey contributed \$9,489,807.00 to the TPAF for normal pension, \$9,701.00 for Long-Term Disability Insurance and \$6,129,264.00 for post-retirement medical 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 \$4,848,764.73 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 basic financial statements and the individual fund statements and schedules as a revenue and expenditure in accordance with GASB 27.

Legislation enacted during 1993 provided early retirement incentives for certain members of TPAF and PERS who met certain age and service requirements and who applied for retirement between certain dates in the 1994 fiscal year. The early retirement incentives included: (a) an additional five years of service credit for employees at least age 50 with a minimum of 25 years of service; (b) free health benefits for employees at least 60 years old with at least 20 years of service; and (c) an additional \$500 per month for two years for employees at least age 60 with 10 but less than 20 years of service. The Board assumed the increased cost for the early retirement as it affected their district.

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

#### Summary of Significant Accounting Policies

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.

#### Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The employer contributions for the district are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, the district (employer) is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the district (employer) does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the district. However, the State's portion of the net pension liability that was associated with the district was \$419,854,463, as measured on June 30, 2017 and \$487,915,473, as measured on June 30, 2016.

For the year ended June 30, 2018, the district recognized pension expense of \$29,085,391 and revenue of \$29,085,391 for support provided by the State. The measurement period for the pension expense and revenue reported in the district's financial statements (A-2) at June 30, 2018 is based upon changes in the collective net pension liability with a measurement period of June 30, 2016 through June 30, 2017. Accordingly, the pension expense and the related revenue associated with the support provided by the State is based upon the changes in the collective net pension liability between July 1, 2016 and June 30, 2017.

Although the district does not report net pension liability or deferred outflows or inflows related to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the district. The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

7. PENSION PLANS (Continued)

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Collective Deferred Outflows of Resources	\$ 14,160,879,257	\$ 17,414,701,002
Collective Deferred Inflows of Resources	11,800,239,661	134,532,594
Collective Net Pension Liability (Nonemployer - State of New Jersey)	67,423,605,859	78,666,367,052
State's Portion of the Net Pension Liability that was Associated with the District	419,854,463	487,915,473
State's Portion of the Net Pension Liability that was Associated with the District as a Percentage of the Collective Net Pension Liability	0.6227113742%	0.6202338961%

Actuarial Assumptions

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

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

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

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

## 7. PENSION PLANS (Continued)

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

#### Long-Term Expected Rate of Return

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

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

#### Discount Rate

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

#### Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

Since the District has no proportionate share of the net pension liability because of the special funding situation, the District would not be sensitive to any changes in the discount rate. Detailed information about the pension plan's sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/pdf/financial/gasb68-tpaf18.pdf>.

7. **PENSION PLANS (Continued)**

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

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>.

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

Summary of Significant Accounting Policies

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.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2018, the District reported a liability of \$41,639,496 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2016. The District's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2017 and 2016. At June 30, 2017, the District's proportion was .1788760969%, which was a decrease of .1751842663% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of \$3,266,421.00. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Outflows of Resources</u>	<u>Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 980,466	\$
Changes of Assumptions	8,388,924	8,358,168
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	283,537	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	1,278,117	339,487
District Contributions Subsequent to the Measurement Date	1,657,096	
	<u>\$ 12,588,140</u>	<u>\$ 8,697,655</u>



7. **PENSION PLANS (Continued)**

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The \$1,657,096 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2018 the plan measurement date is June 30, 2017) will be recognized as a reduction of the net pension liability measured as of 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:

<u>Year Ended June 30</u>	<u>Amount</u>
2018	\$ 980,234.11
2019	1,479,197.04
2020	896,317.79
2021	(1,192,104.96)
2022	(868,885.37)
	<u>\$ 1,294,758.61</u>

Additional Information:

Collective balances at June 30, 2017 and 2016 are as follows:

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Collective Deferred Outflows of Resources	\$ 6,424,455,842	\$ 8,685,338,300
Collective Deferred Inflows of Resources	5,700,625,981	870,133,595
Collective Net Pension Liability (Non-State - Local Group)	23,278,401,588	29,617,131,759
District's Portion of Net Pension Liability	41,639,496	51,884,555
District's Proportion Percentage	0.1788760969%	0.1751842663%

Actuarial Assumptions

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

Inflation Rate	2.25%
Salary Increases:	
Through 2026	1.65% - 4.15% (Based on Age)
Thereafter	2.65% - 5.15% (Based on Age)
Investment Rate of Return	7.00%

## 7. PENSION PLANS (Continued)

### Public Employees' Retirement System (PERS) (Continued)

#### Actuarial Assumptions (Continued)

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

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

#### Long-Term Rate of Return

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

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

**7. PENSION PLANS (Continued)**

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

Discount Rate

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

Sensitivity of the District's Proportionate Share of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the collective net pension liability measured as of June 30, 2017, calculated using the discount rate of 5.00%, as well as what the District's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is one percentage point lower (4.00%) or one percentage point higher (6.00%) than the current rate:

	At 1% Decrease <u>(4.00%)</u>	Current Discount Rate <u>(5.00%)</u>	At 1% Increase <u>(6.00%)</u>
District's Proportionate Share of the Collective Net Pension Liability	\$ 51,656,621.00	\$ 41,639,496.00	\$ 33,293,990.00

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Division of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>.

**8. POST-RETIREMENT BENEFITS**

***General Information about the OPEB Plan***

***Plan Description and Benefits Provided***

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

## 8. POST-RETIREMENT BENEFITS (Continued)

### General Information about the OPEB Plan (Continued)

#### Plan Description and Benefits Provided (Continued)

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

P.L. 1987, c. 384 and P.L. 1990, c. 6 required Teachers' Pension 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's 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 209,913 eligible retired members in Fiscal Year 2017.

#### *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's 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 will be published in the NJ State's CAFR (<https://www.nj.gov/treasury/omb/publications/archives.shtml>).

**8. POST-RETIREMENT BENEFITS (Continued)**

*Total OPEB Liability (Continued)*

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

**Total Nonemployer OPEB Liability**

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

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

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

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

**Health Care Trend Assumptions**

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

**Discount Rate**

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

8. **POST-RETIREMENT BENEFITS (Continued)**

Changes in the Total OPEB Liability Reported by the State of New Jersey

	<u>Increase/(Decrease)</u>
	<u>Total OPEB Liability</u>
Balance as of June 30, 2016 Measurement Date	<u>\$ 57,831,784,184</u>
Changes Recognized for the Fiscal Year:	
Service Cost	2,391,878,884
Interest on the Total OPEB Liability	1,699,441,736
Changes of Assumptions	(7,086,599,129)
Gross Benefit Payments <sup>1</sup>	(1,242,412,566)
Contributions from the Nonemployer	N/A
Contributions from the Member <sup>1</sup>	45,748,749
Net Investment Income	N/A
Administrative Expense	N/A
Net Changes	<u>(4,191,942,326)</u>
Balance as of June 30, 2017 Measurement Date	<u>\$ 53,639,841,858</u>

<sup>1</sup>Employer benefit payments and employee contributions were provided by the State.

At June 30, 2018, the State's proportionate share of the OPEB liability attributable to the District is \$322,995,106. The nonemployer allocation percentages are based on the ratio of the State's proportionate share of the OPEB liability attributable to the District at June 30, 2017 to the total OPEB liability of the State Health Benefit Program Fund - Local Education Retired Employees Plan at June 30, 2017. At June 30, 2017, the State's share of the OPEB liability attributable to the District was .60216 percent, which was a decrease of .00034 percent from its proportionate share measured as of June 30, 2016 of .60250 percent.

There were no changes of benefit term.

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.

8. **POST-RETIREMENT BENEFITS (Continued)**

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

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

	June 30, 2017		
	<u>At 1% Decrease (2.58%)</u>	<u>At Discount Rate (3.58%)</u>	<u>At 1% Increase (4.58%)</u>
Total OPEB Liability (School Retirees)	\$ 383,418,494	\$ 322,995,106	\$ 275,066,701

	June 30, 2016		
	<u>At 1% Decrease (1.85%)</u>	<u>At Discount Rate (2.85%)</u>	<u>At 1% Increase (3.85%)</u>
Total OPEB Liability (School Retirees)	\$ 417,434,558	\$ 348,436,696	\$ 294,126,534

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

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

	June 30, 2017		
	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability (School Retirees)	\$ 265,632,251	\$ 322,995,106	\$ 399,172,303

	June 30, 2016		
	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability (School Retirees)	\$ 285,902,011	\$ 348,436,696	\$ 432,039,612

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

For the year ended June 30, 2018, the board of education recognized OPEB expense of \$19,055,137 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's No. 75 and in which there is a special funding situation. This amount has been included in the District-Wide Statement of Activities (accrual basis) as a Revenue and Expense in accordance with GASB No. 85.

**8. POST-RETIREMENT BENEFITS (Continued)**

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

In accordance with GASB's No. 75, the Old Bridge 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Assumption Changes	\$	\$ (6,343,769,032)
Contributions Made in Fiscal Year Ending 2018 After June 30, 2017 Measurement Date	<u>1,190,373,242</u>	
	<u>\$ 1,190,373,242</u>	<u>\$ (6,343,769,032)</u>

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:

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

**9. DEFINED CONTRIBUTION RETIREMENT PROGRAM**

**Description of System**

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waive participation in the DCRP for that office or position. This waiver is irrevocable.

As of May 21, 2010, the municipal base salary required for eligibility in the DCRP was increased to \$5,000.00.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee and employer and through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment options provided by the employer.



**9. DEFINED CONTRIBUTION RETIREMENT PROGRAM (Continued)**

**Description of System**

The law requires that three classes of employees enroll in the DCRP, detailed as follows:

- All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may remain in the Public Employees' Retirement System (PERS).
- A Governor appointee with the advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.
- Employees enrolled in the PERS on or after July 1, 2007 who earn salary in excess of established "maximum compensation" limits.
- Employees otherwise eligible to enroll in the PERS on or after November 2, 2008 who do not earn the minimum salary for PERS Tier 3, but who earn salary of at least \$5,000.00.
- Employees otherwise eligible to enroll in the PERS after May 21, 2010, who do not work the minimum number of hours per week required for PERS Tier 4 or Tier 5 enrollment (32 hours per week) but who earn salary of at least \$5,000.00 annually.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain to join or remain in PERS.

**Contributions Required and Made**

Contributions made by employees for DCRP are currently at 5.5% of their base wages. Member contributions are matched by a 3.0% employer contribution. Contributions to the plan for the past year are as follows:

<u>Year</u>	<u>School District</u>	<u>Employees</u>
2018	\$ 22,513.02	\$ 26,719.23

**10. 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 Statement of Net Position. The current portion of the compensated absences balance of the governmental funds is reported separately on the Statement of Net Position.

The liability for vested compensated absences of the Proprietary Fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2018, no liability existed for compensated absences in the Proprietary Fund types.

## 11. DEFERRED COMPENSATION

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

Thomas Seely	Lincoln Investment Planning, Inc.
Variable Annuity Life Insurance Company	Fidelity Investments
Vision Financial Services	USAA Insurance Company
VTA (American Skandia)	Vanguard
The Equitable	

## 12. RISK MANAGEMENT

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

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earned</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2018	\$2,715.00	\$220,088.40	\$1,203.46	\$200,249.55	\$267,696.82
2017	2,661.00	220,652.54	410.18	178,483.84	243,939.51
2016		212,411.47	232.80	149,082.13	198,699.63

### **Workers' Compensation Insurance**

The District's Workers' Compensation Claims are processed by Inservco Insurance Services. As of June 30, 2018, Inservco projects that the District will be liable for open claims in the amount of \$236,422.00.

## 13. INTERFUND RECEIVABLES AND PAYABLES

The following are reflected as interfund receivables and payables on the various balance sheets at June 30, 2018:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General:		
Due from Agency Trust Fund	\$11,615.60	\$
Agency Trust Fund:		
Due to General		11,615.60
	<u>\$11,615.60</u>	<u>\$11,615.60</u>

#### 14. INTERGOVERNMENTAL ACCOUNTS RECEIVABLE

Intergovernmental Accounts Receivable at June 30, 2018 consisted of Federal Source, State Source, transportation, a capital project grant for the new high school and other revenue. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	<u>Governmental Fund Financial Statements</u>	<u>Business- Type Activities</u>
State Aid:		
General Fund:		
TPAF FICA Reimbursement	\$ 239,744.20	
Extraordinary Aid	1,935,215.00	
Nonpublic Transportation Aid	<u>168,832.00</u>	
	<u>\$ 2,343,791.20</u>	
Federal Source	<u>\$ 14,740.03</u>	
Special Revenue Fund:		
State Source	<u>\$ 5,800.00</u>	
Federal Source	<u>\$ 1,000,145.87</u>	
Proprietary Fund:		
Enterprise Fund:		
State Source		<u>\$ 2,349.87</u>
Federal Source		<u>\$ 77,966.64</u>

#### 15. INVENTORY

Inventory in the Enterprise Fund for regular food and supplies and Food Distribution Program Commodities at June 30, 2018 of \$21,794.78 and \$6,144.64, respectively, is stated at lower of cost or market.

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements.

#### 16. DEFERRED BOND ISSUANCE COSTS

In governmental funds, debt issuance costs are recognized in the current period. For the District-wide financial statements, governmental activity debt issuance costs are amortized straight-line over the life of the specific bonds (8 to 30 years). The costs associated with the issues of the various bonds amounted to \$111,356.24, the annual amortization is \$6,550.37 and accumulated amortization through June 30, 2018 was \$14,738.33.

#### 17. FUND BALANCE APPROPRIATED

**General Fund [Exhibit B-1]** - Of the \$15,950,183.43 General Fund fund balance at June 30, 2018, \$108,256.69 is reserved for encumbrances; \$2,472,610.54 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7; \$4,908,106.89 has been reserved in the Capital Reserve Account; \$1,830.25 has been reserved in the Emergency Reserve Account; \$3,616,179.09 has been reserved in the Maintenance Reserve Account; \$1,517,427.79 has been appropriated and included as anticipated revenue for the year ending June 30, 2018; \$2,648,588.21 is reserved as excess surplus designated for subsequent years' expenditures and \$(379,650.03) is unreserved and undesignated.

## **17. FUND BALANCE APPROPRIATED (Continued)**

**Debt Service Fund** - Of the \$1.03 Debt Service Fund balance at June 30, 2018, \$1.03 is unreserved and undesignated.

## **18. DEFICIT FUND BALANCES**

The District has a deficit fund balance of \$379,650.03 in the General 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 that 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 General and Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of \$379,650.03 is less than the last state aid payment.

## **19. CALCULATION OF EXCESS SURPLUS**

In accordance with N.J.S.A. 18:7F-7, as amended by P.L. 2004, c. 73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance as of June 30, 2018 is \$2,472,610.54.

## **20. SECONDARY MARKET DISCLOSURE**

Solely for purposes of complying with Rule 15c2-12 of the Securities and Exchange Commission, as amended and interpreted from time to time (the "Rule"), and provided that the Bonds are not exempt from the Rule and provided that the Bonds are not exempt from the requirements in accordance with Paragraph (d) of the Rule, for so long as the Bonds remain outstanding (unless the Bonds have been wholly defeased), the municipality shall provide for the benefit of the holders of the Bonds and the beneficial owners thereof various financial documents relating to the financial conditions of the Municipal Securities Rulemaking Board through the Electronic Municipal Access Data Port (the "MSRB").

## **21. CONTINGENT LIABILITIES**

### **A. Litigation**

The Board Attorney's letter did not indicate any litigation, claims or contingent liabilities that are either not covered by the Board's insurance carrier or would have a material financial impact on the Board.

## **21. CONTINGENT LIABILITIES (Continued)**

### **B. Federal and State Awards**

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

## **22. TAX ABATEMENTS**

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

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

## **23. SUBSEQUENT EVENT**

The Old Bridge Township School District has evaluated subsequent events that occurred after the balance sheet date, but before January 31, 2019. No items were determined to require disclosure.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**C. BUDGETARY COMPARISON SCHEDULES**

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

C-1  
Sheet #1

	Original Budget	Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>Revenues</b>					
<b>Local Sources:</b>					
Local Tax Levy	\$ 96,328,054.00	\$	\$ 96,328,054.00	\$ 96,328,054.00	\$
Tuition from Other Sources	208,381.00		208,381.00	242,005.42	33,624.42
Interest on Capital Reserve Account	4,000.00		4,000.00	23,597.02	19,597.02
Interest on Maintenance Reserve Account	1,000.00		1,000.00	12,094.74	11,094.74
Unrestricted Miscellaneous Revenue	406,803.00		406,803.00	495,051.20	88,248.20
<b>Total - Local Sources</b>	<u>96,948,238.00</u>		<u>96,948,238.00</u>	<u>97,100,802.38</u>	<u>152,564.38</u>
<b>State Sources:</b>					
Equalization Aid	36,713,533.00		36,713,533.00	36,713,533.00	
Categorical Special Educational Aid	5,572,334.00		5,572,334.00	5,572,334.00	
Categorical Security Aid	835,366.00		835,366.00	835,366.00	
Extraordinary Aid	946,238.00		946,238.00	1,935,215.00	988,977.00
Categorical Transportation Aid	958,933.00		958,933.00	958,933.00	
Nonpublic Transportation Aid				168,832.00	168,832.00
Adjustment Aid	437,066.00		437,066.00	437,066.00	
PARCC Readiness Aid	86,680.00		86,680.00	86,680.00	
Per Pupil Growth Aid	86,680.00		86,680.00	86,680.00	
Professional Learning Community Aid	89,150.00		89,150.00	89,150.00	
<b>Nonbudgeted:</b>					
<b>On-Behalf Contributions:</b>					
Medical Benefits Contribution				6,129,264.00	6,129,264.00
Pension Contribution				9,489,807.00	9,489,807.00
Non-Contributory Insurance Contribution				9,701.00	9,701.00
Reimbursed TPAF Social Security Contributions				4,848,764.73	4,848,764.73
<b>Total - State Sources</b>	<u>45,725,980.00</u>		<u>45,725,980.00</u>	<u>67,361,325.73</u>	<u>21,635,345.73</u>
<b>Federal Sources:</b>					
Medicare Reimbursement	116,172.00		116,172.00	117,804.79	1,632.79
<b>Total - Federal Sources</b>	<u>116,172.00</u>		<u>116,172.00</u>	<u>117,804.79</u>	<u>1,632.79</u>
<b>Total Revenues</b>	<u>\$142,790,390.00</u>	<u>\$ -</u>	<u>\$142,790,390.00</u>	<u>\$164,579,932.90</u>	<u>\$ 21,789,542.90</u>
<b>Expenditures</b>					
<b>Current Expense:</b>					
<b>Instruction - Regular Programs:</b>					
<b>Salaries of Teachers:</b>					
Preschool/Kindergarten	\$ 1,928,441.00	\$ 30,000.00	\$ 1,958,441.00	\$ 1,958,176.83	\$ 264.17
Grades 1 - 5	14,408,230.00	(20,000.00)	14,388,230.00	13,996,154.82	392,075.18
Grades 6 - 8	10,890,728.00		10,890,728.00	10,574,747.62	315,980.38
Grades 9 - 12	16,190,364.00	(203,365.00)	15,986,999.00	15,434,460.14	552,538.86



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

C-1  
 Sheet #2

	<u>Original Budget</u>	<u>Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<u>Expenditures</u>					
Current Expense:					
Home Instruction:					
Salaries of Teachers	\$ 25,000.00	\$ 98,000.00	\$ 123,000.00	\$ 122,998.40	\$ 1.60
Purchased Professional - Educational Services	60,000.00	(35,000.00)	25,000.00	21,430.00	3,570.00
Purchased Professional - Technical Services	14,000.00		14,000.00	10,468.34	3,531.66
Regular Programs - Undistributed Instruction:					
Other Purchased Services - Travel	23,492.00	(2,150.00)	21,342.00	4,262.31	17,079.69
General Supplies	2,249,992.00	(66,289.14)	2,183,702.86	2,069,382.23	114,320.63
Textbooks	120,459.00	(36,152.64)	84,306.36	51,510.12	32,796.24
Other Objects - Miscellaneous	32,000.00	4,880.00	36,880.00	36,879.50	0.50
<b>Total Regular Programs - Instruction</b>	<b>45,942,706.00</b>	<b>(230,076.78)</b>	<b>45,712,629.22</b>	<b>44,280,470.31</b>	<b>1,432,158.91</b>
Special Education:					
Autism:					
Salaries of Teachers	272,228.00	48,243.00	320,471.00	320,470.55	0.45
Other Salaries for Instruction	328,450.00	66,000.00	394,450.00	394,447.86	2.14
General Supplies	4,000.00		4,000.00	3,989.91	10.09
Textbooks	1,000.00	(1,000.00)			
<b>Total Autism</b>	<b>605,678.00</b>	<b>113,243.00</b>	<b>718,921.00</b>	<b>718,908.32</b>	<b>12.68</b>
Learning/Language Disabilities:					
Salaries of Teachers	1,602,106.00	(20,000.00)	1,582,106.00	1,582,053.26	52.74
Other Salaries for Instruction	995,120.00	(134,000.00)	861,120.00	861,037.60	82.40
General Supplies	20,000.00	17.00	20,017.00	19,842.31	174.69
Textbooks	1,200.00	(1,200.00)			
<b>Total Learning/Language Disabilities</b>	<b>2,618,426.00</b>	<b>(155,183.00)</b>	<b>2,463,243.00</b>	<b>2,462,933.17</b>	<b>309.83</b>
Behavioral Disabilities:					
Salaries of Teachers	61,311.00	92,050.00	153,361.00	153,321.55	39.45
Other Salaries for Instruction	64,830.00	65,520.00	130,350.00	130,349.99	0.01
<b>Total Behavioral Disabilities</b>	<b>126,141.00</b>	<b>157,570.00</b>	<b>283,711.00</b>	<b>283,671.54</b>	<b>39.46</b>
Cognitive - Mild:					
Salaries of Teachers	66,749.00	(66,749.00)			
Other Salaries for Instruction	45,246.00	(45,246.00)			
General Supplies	5,000.00	(5,000.00)			
<b>Total Cognitive - Mild</b>	<b>116,995.00</b>	<b>(116,995.00)</b>			

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

C-1  
 Sheet #3

	<u>Original Budget</u>	<u>Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<u>Expenditures</u>					
Current Expense:					
Special Education:					
Multiple Disabilities:					
Salaries of Teachers	\$ 345,463.00	\$ (88,269.00)	\$ 257,194.00	\$ 257,193.83	\$ 0.17
Other Salaries for Instruction	281,514.00	25,101.00	306,615.00	306,614.08	0.92
General Supplies	3,000.00	5,000.00	8,000.00	7,986.07	13.93
Total Multiple Disabilities	<u>629,977.00</u>	<u>(58,168.00)</u>	<u>571,809.00</u>	<u>571,793.98</u>	<u>15.02</u>
Resource Room/Resource Center:					
Salaries of Teachers	7,466,291.00	(140,751.00)	7,325,540.00	7,324,952.67	587.33
Other Salaries for Instruction	1,157,513.00	(44,024.00)	1,113,489.00	1,113,488.89	0.11
General Supplies	55,000.00	(8,500.00)	46,500.00	27,912.71	18,587.29
Textbooks	4,000.00	(4,000.00)			
Total Resource Room/Resource Center	<u>8,682,804.00</u>	<u>(197,275.00)</u>	<u>8,485,529.00</u>	<u>8,466,354.27</u>	<u>19,174.73</u>
Preschool Disabilities Part-Time:					
Salaries of Teachers	686,622.00	46,560.00	733,182.00	733,181.85	0.15
Other Salaries for Instruction	400,270.00	25,872.00	426,142.00	426,141.88	0.12
Purchased Professional - Educational Services	3,000.00	(3,000.00)			
General Supplies	7,000.00	(17.00)	6,983.00	6,859.18	123.82
Total Preschool Disabilities Part-Time	<u>1,096,892.00</u>	<u>69,415.00</u>	<u>1,166,307.00</u>	<u>1,166,182.91</u>	<u>124.09</u>
Preschool Disabilities Full-Time:					
Salaries of Teachers	167,843.00	25,400.00	193,243.00	193,169.65	73.35
Other Salaries for Instruction	302,870.00	(68,725.00)	234,145.00	233,993.58	151.42
Purchased Professional - Educational Services	250.00		250.00		250.00
General Supplies	6,000.00		6,000.00	5,899.12	100.88
Total Preschool Disabilities Full-Time	<u>476,963.00</u>	<u>(43,325.00)</u>	<u>433,638.00</u>	<u>433,062.35</u>	<u>575.65</u>
Home Instruction:					
Salaries of Teachers	115,000.00	79,000.00	194,000.00	193,940.86	59.14
Purchased Professional - Educational Services	70,000.00	(10,300.00)	59,700.00	59,689.50	10.50
Total Home Instruction	<u>185,000.00</u>	<u>68,700.00</u>	<u>253,700.00</u>	<u>253,630.36</u>	<u>69.64</u>
Total Special Education	<u>14,538,876.00</u>	<u>(162,018.00)</u>	<u>14,376,858.00</u>	<u>14,356,536.90</u>	<u>20,321.10</u>
Basic Skills/Remedial:					
Salaries of Teachers	2,631,625.00	473,000.00	3,104,625.00	3,104,078.88	546.12
Other Salaries for Instruction	555,053.00	(333,799.00)	221,254.00	221,253.78	0.22
Other Purchased Services	1,350.00	(65.00)	1,285.00	956.44	328.56
General Supplies	34,000.00	1,996.70	35,996.70	35,980.85	15.85
Textbooks	7,500.00	(1,386.70)	6,113.30	6,113.30	
Total Basic Skills/Remedial - Instruction	<u>3,229,528.00</u>	<u>139,746.00</u>	<u>3,369,274.00</u>	<u>3,368,383.25</u>	<u>890.75</u>

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

C-1  
 Sheet #4

	Original Budget	Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<u>Expenditures</u>					
Current Expense:					
Bilingual Education:					
Salaries of Teachers	\$ 911,757.00	\$ (10,055.00)	\$ 901,702.00	\$ 901,610.09	\$ 91.91
Other Salaries for Instruction	56,916.00	(56,916.00)			
Other Purchased Services	500.00		500.00	121.21	378.79
General Supplies	12,090.00	(6,499.00)	5,591.00	4,840.54	750.46
Textbooks	5,000.00	(4,913.00)	87.00	86.35	0.65
Total Bilingual Education - Instruction	<u>986,263.00</u>	<u>(78,383.00)</u>	<u>907,880.00</u>	<u>906,658.19</u>	<u>1,221.81</u>
School Sponsored Cocurricular Activities:					
Salaries	245,353.00		245,353.00	230,872.66	14,480.34
Supplies and Materials	22,000.00		22,000.00	21,358.73	641.27
Total School Sponsored Cocurricular Activities	<u>267,353.00</u>		<u>267,353.00</u>	<u>252,231.39</u>	<u>15,121.61</u>
School Sponsored Athletics:					
Salaries	1,118,889.00	(30,000.00)	1,088,889.00	1,076,731.60	12,157.40
Purchased Services	9,500.00		9,500.00	9,000.00	500.00
Supplies and Materials	94,702.00	30,000.00	124,702.00	94,662.27	30,039.73
Transfers to Cover Deficit	120,000.00		120,000.00	120,000.00	
Total School Sponsored Athletics - Instruction	<u>1,343,091.00</u>	<u>-</u>	<u>1,343,091.00</u>	<u>1,300,393.87</u>	<u>42,697.13</u>
Instructional Alternative Education Program - Instruction:					
Salaries of Teachers		58,095.00	58,095.00	58,094.40	0.60
Purchased Professional - Technical Services	32,219.00	(32,219.00)			
General Supplies	18,181.00	(18,181.00)			
Total Instructional Alternative Education Program - Instruction	<u>50,400.00</u>	<u>7,695.00</u>	<u>58,095.00</u>	<u>58,094.40</u>	<u>0.60</u>
Total - Instruction	<u>66,358,217.00</u>	<u>(323,036.78)</u>	<u>66,035,180.22</u>	<u>64,522,768.31</u>	<u>1,512,411.91</u>
Community Service Programs - Operations:					
Salaries	5,600.00		5,600.00	4,939.52	660.48
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEA's Within the State - Regular	50,000.00	(35,000.00)	15,000.00	11,760.00	3,240.00
Tuition to Other LEA's Within the State - Special	1,500,000.00	(1,420,000.00)	80,000.00	70,324.65	9,675.35
Tuition to County Vocational School Districts - Regular	150,000.00	(50,000.00)	100,000.00	93,520.00	6,480.00
Tuition to CSSD and Regular Day Schools	40,000.00	60,354.00	100,354.00	99,544.00	810.00

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

C-1  
 Sheet #5

	<u>Original Budget</u>	<u>Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<u>Expenditures</u>					
Current Expense:					
Undistributed Expenditures:					
Instruction:					
Tuition to Private Schools for the Handicapped W/ State	\$ 1,700,000.00	\$ 1,460,000.00	\$ 3,160,000.00	\$ 3,075,161.44	\$ 84,838.56
Tuition - State Facilities	32,306.00	646.00	32,952.00	32,952.00	
Total Instruction	<u>3,472,306.00</u>	<u>16,000.00</u>	<u>3,488,306.00</u>	<u>3,383,262.09</u>	<u>105,043.91</u>
Attendance and Social Work Services:					
Salaries	184,446.00	(11,585.00)	172,861.00	138,419.35	34,441.65
Purchased Professional - Technical Services	184,446.00	14,385.00	14,385.00	12,690.00	1,695.00
	<u>184,446.00</u>	<u>2,800.00</u>	<u>187,246.00</u>	<u>151,109.35</u>	<u>36,136.65</u>
Health Services:					
Salaries	1,623,018.00	(12,350.00)	1,610,668.00	1,547,717.19	62,950.81
Purchased Professional - Technical Services	61,000.00	19,250.00	80,250.00	80,236.06	13.94
Other Purchased Services	300.00	100.00	400.00	327.74	72.26
Supplies and Materials	45,000.00	(200.00)	44,800.00	28,629.98	16,170.02
Total Health Services	<u>1,729,318.00</u>	<u>6,800.00</u>	<u>1,736,118.00</u>	<u>1,656,910.97</u>	<u>79,207.03</u>
Other Support Services Students - Related Services:					
Salaries	1,250,154.00	(35,000.00)	1,215,154.00	1,215,020.30	133.70
Purchased Professional - Educational Services	1,517,500.00	96,936.00	1,614,436.00	1,613,402.42	1,033.58
Total Other Support Services Students - Related Services	<u>2,767,654.00</u>	<u>61,936.00</u>	<u>2,829,590.00</u>	<u>2,828,422.72</u>	<u>1,167.28</u>
Other Support Services Students - Extraordinary Services:					
Salaries	385,000.00	(9,000.00)	376,000.00	375,757.20	242.80
Other Support Services - Students - Guidance:					
Salaries of Other Professional Staff	3,016,834.00		3,016,834.00	2,985,970.49	30,863.51
Salaries of Secretarial and Clerical Assistants	398,369.00		398,369.00	385,783.86	12,585.14
Other Purchased Professional and Technical Services	171,000.00		171,000.00	163,206.75	7,793.25
Total Other Support Services - Students - Guidance	<u>3,586,203.00</u>		<u>3,586,203.00</u>	<u>3,534,961.10</u>	<u>51,241.90</u>
Other Support Services - Students - Child Study Teams:					
Salaries of Other Professional Staff	2,434,821.00		2,434,821.00	2,434,761.54	59.46
Salaries of Secretarial and Clerical Assistants	457,739.00		457,739.00	374,020.53	83,718.47
Miscellaneous Purchased Services	10,000.00	2,200.00	12,200.00	11,790.52	409.48
Supplies and Materials	45,800.00	21,200.00	67,000.00	66,965.87	34.13
Total Other Support Services - Students - Child Study Teams	<u>2,948,360.00</u>	<u>23,400.00</u>	<u>2,971,760.00</u>	<u>2,887,538.46</u>	<u>84,221.54</u>

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

C-1  
 Sheet #6

	Original Budget	Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<u>Expenditures</u>					
Current Expense:					
Undistributed Expenditures:					
Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	\$ 1,441,975.00	\$ 24,500.00	\$ 1,466,475.00	\$ 1,466,366.70	\$ 108.30
Salaries of Secretarial and Clerical Assistants	142,473.00	6,100.00	148,573.00	148,492.33	80.67
Other Purchased Services	2,000.00		2,000.00	145.00	1,855.00
Supplies and Materials	11,000.00	(11,000.00)			
Other Objects - Miscellaneous	3,000.00	4,500.00	7,500.00	7,092.00	408.00
Total Improvement of Instructional Services	<u>1,600,448.00</u>	<u>24,100.00</u>	<u>1,624,548.00</u>	<u>1,622,096.03</u>	<u>2,451.97</u>
Educational Media Services/School Library:					
Salaries	649,146.00		649,146.00	635,946.71	13,199.29
Supplies and Materials	28,175.00	(175.57)	27,999.43	22,145.56	5,853.87
Total Educational Media Services/School Library	<u>677,321.00</u>	<u>(175.57)</u>	<u>677,145.43</u>	<u>658,092.27</u>	<u>19,053.16</u>
Instructional Staff Training Services:					
Salaries of Other Professional Staff	114,500.00	(43,889.00)	70,611.00	70,610.70	0.30
Purchased Professional - Educational Services	35,500.00	19,789.00	55,289.00	15,674.28	39,614.72
Total Instructional Staff Training Services	<u>150,000.00</u>	<u>(24,100.00)</u>	<u>125,900.00</u>	<u>86,284.98</u>	<u>39,615.02</u>
Support Services General Administration:					
Salaries	842,501.00		842,501.00	805,803.29	36,697.71
Legal Services	225,000.00		225,000.00	158,070.72	66,929.28
Accountants/Audit Fees	32,000.00		32,000.00	30,850.00	1,150.00
Architectural/Engineering Service	100,000.00	4,056.32	104,056.32	80,914.27	23,142.05
Other Purchased Professional Services	128,051.00	57,000.00	185,051.00	184,073.98	977.02
Communications/Telephone	378,370.00	(12,000.00)	366,370.00	217,157.26	149,212.74
BOE Other Purchased Services	7,000.00	3,000.00	10,000.00	9,695.77	304.23
Miscellaneous Purchased Services	478,298.00		478,298.00	412,695.93	65,602.07
General Supplies	119,000.00	(1,000.00)	118,000.00	47,584.00	70,416.00
Judgments	125,000.00	(44,000.00)	81,000.00		81,000.00
BOE Membership Fees and Dues	30,067.00	(3,000.00)	27,067.00	26,662.70	404.30
Total Support Services General Administration	<u>2,465,287.00</u>	<u>4,056.32</u>	<u>2,469,343.32</u>	<u>1,973,507.92</u>	<u>495,835.40</u>

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

C-1  
 Sheet #7

	<u>Original Budget</u>	<u>Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<u>Expenditures</u>					
Current Expense:					
Undistributed Expenditures:					
Support Services School Administration:					
Salaries of Principals/Assistant Principals	\$ 3,424,912.00	\$	\$ 3,424,912.00	\$ 3,422,458.60	\$ 2,453.40
Salaries of Other Professional Staff	300,158.00		300,158.00	300,067.92	90.08
Salaries of Secretarial and Clerical Assistants	1,782,886.00		1,782,886.00	1,688,924.37	93,961.63
Other Purchased Services - Travel	50,000.00		50,000.00	26,573.59	23,426.41
Other Objects	30,900.00		30,900.00	27,619.69	3,280.31
<b>Total Support Services School Administration</b>	<u>5,588,856.00</u>		<u>5,588,856.00</u>	<u>5,465,644.17</u>	<u>123,211.83</u>
Central Services:					
Salaries	912,345.00		912,345.00	893,478.38	18,866.62
Miscellaneous Purchased Services - Travel	5,500.00	9,000.00	14,500.00	14,304.90	195.10
Supplies and Materials	50,000.00	(9,000.00)	41,000.00	26,782.84	14,217.16
<b>Total Central Services</b>	<u>967,845.00</u>	<u>-</u>	<u>967,845.00</u>	<u>934,566.12</u>	<u>33,278.88</u>
Administrative Information Technology:					
Salaries	171,760.00	(15,500.00)	156,260.00	154,221.73	2,038.27
Purchased Professional Services	190,000.00	83,000.00	273,000.00	272,991.30	8.70
Other Purchased Services	6,500.00		6,500.00	2,328.90	4,171.10
Supplies and Materials	200,000.00	85,500.00	285,500.00	271,902.04	13,597.96
<b>Total Administrative Information Technology</b>	<u>568,260.00</u>	<u>153,000.00</u>	<u>721,260.00</u>	<u>701,443.97</u>	<u>19,816.03</u>
Required Maintenance for School Facilities:					
Cleaning, Repair and Maintenance Services	5,952,800.00	86,704.02	6,039,504.02	5,928,751.16	110,752.86
Custodial Services:					
Salaries	1,966,477.00	(10,000.00)	1,956,477.00	1,922,120.02	34,356.98
Salaries of Noninstructional Aides	800,000.00		800,000.00	786,642.81	13,357.19
Rental of Land and Buildings Other than Lease	428,000.00		428,000.00	413,048.64	14,951.36
Lease Purchase Payments - Energy Savings Program	259,198.00		259,198.00	259,198.00	
Other Purchased Property Services	431,000.00	22,000.00	453,000.00	450,932.40	2,067.60
Insurance	507,795.00	(74,000.00)	433,795.00	433,618.00	177.00
Miscellaneous Purchased Services	5,625.00		5,625.00	505.20	5,119.80
General Supplies	376,000.00	60,000.00	436,000.00	431,157.52	4,842.48
Energy (Electricity)	1,000,000.00	(152,000.00)	848,000.00	715,360.18	132,639.82
Energy (Natural Gas)	1,740,802.00	(153,300.00)	1,587,502.00	1,316,882.49	270,619.51
<b>Total Custodial Services</b>	<u>7,514,897.00</u>	<u>(307,300.00)</u>	<u>7,207,597.00</u>	<u>6,729,465.26</u>	<u>478,131.74</u>

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

C-1  
Sheet #8

	Original Budget	Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<u>Expenditures</u>					
Current Expense:					
Undistributed Expenditures:					
Care and Upkeep of Grounds:					
Salaries	\$ 267,031.00	\$ 105,200.00	\$ 372,231.00	\$ 372,131.20	\$ 99.80
Cleaning, Repair, and Maintenance Services	425,716.00	50,000.00	475,716.00	473,423.42	2,292.58
Total Care and Upkeep of Grounds	<u>692,747.00</u>	<u>155,200.00</u>	<u>847,947.00</u>	<u>845,554.62</u>	<u>2,392.38</u>
Security:					
Salaries	300,000.00	(31,900.00)	268,100.00	268,042.28	57.72
Purchased Professional Services	500,000.00	89,000.00	589,000.00	575,539.08	13,460.92
Other Purchased Services	275,000.00		275,000.00	272,013.84	2,986.16
Total Security	<u>1,075,000.00</u>	<u>57,100.00</u>	<u>1,132,100.00</u>	<u>1,115,595.20</u>	<u>16,504.80</u>
Total Operation and Maintenance of Plant Services	<u>15,235,444.00</u>	<u>(8,295.98)</u>	<u>15,227,148.02</u>	<u>14,619,366.24</u>	<u>607,781.78</u>
Student Transportation Services:					
Salaries for Pupil Transportation (Between Home and School) - Noninstructional Aides	315,616.00	15,100.00	330,716.00	330,711.48	4.52
Salaries for Pupil Transportation (Between Home and School) - Regular	752,719.00	(40,000.00)	712,719.00	705,324.78	7,394.22
Salaries for Pupil Transportation (Between Home and School) - Special Education	653,277.00	(131,489.00)	521,788.00	521,786.81	1.19
Salaries for Pupil Transportation (Other Than Between Home and School)	778,537.00	(2,650.00)	775,887.00	775,875.37	11.63
Salaries for Pupil Transportation (Nonpublic)	191,290.00	(23,631.00)	167,659.00	167,658.62	0.38
Purchased Professional and Technical Services	7,500.00		7,500.00	5,600.00	1,900.00
Cleaning, Repair and Maintenance Services	75,000.00	8,465.37	83,465.37	77,848.79	5,616.58
Rental Payments - School Buses	82,932.00	(8,830.00)	74,102.00	74,101.44	0.56
Contracted Services (Between Home and School) - Vendors	3,953,347.00	46,872.00	4,000,219.00	3,995,218.53	5,000.47
Contracted Services (Other Than Between Home and School) - Vendors	65,000.00	(13,780.00)	51,220.00	51,177.12	42.88
Contracted Services (Between Home and School) - Joint Agreements	5,000.00	(1,592.00)	3,408.00	1,600.00	1,808.00
Contracted Services - Special Education Students - Vendors	1,621,071.00	197,500.00	1,818,571.00	1,818,339.71	231.29
Contracted Services - Special Education Students - Joint Agreement	25,000.00	(14,000.00)	11,000.00	10,647.13	352.87
Contracted Services - Aid-in-Lieu - Nonpublic	218,525.00	21,000.00	239,525.00	227,289.35	12,235.65
Miscellaneous Purchased Services	121,200.00	(6,500.00)	114,700.00	110,154.00	4,546.00
Transportation Supplies	285,000.00		285,000.00	227,466.02	57,513.98
Total Student Transportation Services	<u>9,151,014.00</u>	<u>46,465.37</u>	<u>9,197,479.37</u>	<u>9,100,819.15</u>	<u>96,660.22</u>

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

C-1  
Sheet #9

	<u>Original Budget</u>	<u>Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>Expenditures</b>					
<b>Current Expense:</b>					
Undistributed Expenditures:					
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	\$ 1,625,000.00	\$ (4,000.00)	\$ 1,621,000.00	\$ 1,464,955.27	\$ 156,044.73
TPAF Contributions - ERIP	16,000.00	8,000.00	24,000.00	22,513.02	1,486.98
Other Retirement Contributions - Regular	1,555,000.00	122,267.39	1,677,267.39	1,673,955.71	3,311.68
Unemployment Benefits	35,000.00	(3,000.00)	32,000.00		32,000.00
Workers' Compensation Benefits	850,000.00	(597.39)	849,402.61	849,401.78	0.85
Health Benefits	25,233,088.00		25,233,088.00	24,158,926.99	1,074,161.01
Tuition Reimbursement	250,000.00		250,000.00	173,564.67	76,435.33
Other Employee Benefits	1,000,000.00		1,000,000.00	491,728.38	508,271.62
<b>Total Unallocated Benefits - Employee Benefits</b>	<u>30,564,088.00</u>	<u>122,670.00</u>	<u>30,686,758.00</u>	<u>28,835,045.80</u>	<u>1,851,712.20</u>
Nonbudgeted:					
On-Behalf Contributions:					
Medical Benefits Contribution				6,129,264.00	(6,129,264.00)
Pension Contribution				9,489,807.00	(9,489,807.00)
Non-Contributory Insurance Contribution				9,701.00	(9,701.00)
Reimbursed TPAF Social Security Contributions				4,848,764.73	(4,848,764.73)
<b>Total Nonbudgeted</b>				<u>20,477,536.73</u>	<u>(20,477,536.73)</u>
<b>Total Undistributed Expenditures</b>	<u>82,047,450.00</u>	<u>419,656.14</u>	<u>82,467,106.14</u>	<u>99,297,304.79</u>	<u>(16,830,198.65)</u>
<b>Total Expenditures - Current Expense</b>	<u>148,405,667.00</u>	<u>96,619.36</u>	<u>148,502,286.36</u>	<u>163,820,073.10</u>	<u>(15,317,786.74)</u>
<b>Capital Outlay:</b>					
Interest Deposit to Capital Reserve	<u>5,000.00</u>		<u>5,000.00</u>		<u>5,000.00</u>
<b>Equipment:</b>					
Undistributed Expenditures:					
Equipment Grades 1 - 5	48,333.00	20,000.00	68,333.00		68,333.00
Equipment Grades 6 - 8	18,333.00		18,333.00		18,333.00
Equipment Grades 9 - 12	33,334.00	33,000.00	66,334.00	32,827.72	33,506.28
Administrative Information Technology	900,000.00	(53,000.00)	847,000.00	136,969.20	710,030.80
Required Maintenance for School Facilities	1,000,000.00	(118,393.00)	881,607.00	802,105.49	79,501.51
Maintenance Vehicles		27,893.00	27,893.00	27,892.90	0.10
<b>Total Equipment</b>	<u>2,000,000.00</u>	<u>(90,500.00)</u>	<u>1,909,500.00</u>	<u>999,795.31</u>	<u>909,704.69</u>
Assessment for Debt Service on SDA Funding	<u>159,432.00</u>		<u>159,432.00</u>	<u>159,432.00</u>	



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

C-1  
Sheet #10

	<u>Original Budget</u>	<u>Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<u>Expenditures</u>					
Total Capital Outlay	\$ 2,164,432.00	\$ (90,500.00)	\$ 2,073,932.00	\$ 1,159,227.31	\$ 914,704.69
Transfer of Funds to Charter Schools	201,608.00	_____	201,608.00	187,985.00	13,623.00
Total Expenditures	<u>150,771,707.00</u>	<u>6,119.36</u>	<u>150,777,826.36</u>	<u>165,167,285.41</u>	<u>(14,389,459.05)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	<u>(7,981,317.00)</u>	<u>(6,119.36)</u>	<u>(7,987,436.36)</u>	<u>(587,352.51)</u>	<u>7,400,083.85</u>
Other Financing Sources (Uses):					
Operating Transfer Out:					
Transfer to Capital Projects Fund	_____	(37,500.00)	(37,500.00)	(37,500.00)	_____
Fund Balances, July 1	<u>21,007,039.94</u>	_____	<u>21,007,039.94</u>	<u>21,007,039.94</u>	_____
Fund Balances, June 30	<u>\$ 13,025,722.94</u>	<u>\$ (43,619.36)</u>	<u>\$ 12,982,103.58</u>	<u>\$ 20,382,187.43</u>	<u>\$ 7,400,083.85</u>
<u>Recapitulation of Fund Balance</u>					
Restricted Fund Balance:					
Assigned Fund Balance - Designated for Subsequent Years' Expenditures				\$ 1,517,427.79	
Reserve Excess Surplus Designated for Subsequent Years' Expenditures				2,648,588.21	
Additional Assigned Fund Balance - Designated for Subsequent Years' Expenditures				1,056,834.00	
Reserve for Excess Surplus				2,472,810.54	
Capital Reserve				4,908,106.89	
Maintenance Reserve				3,616,179.09	
Emergency Reserve				1,830.25	
Committed Fund Balance:					
Year Ended Encumbrances				108,256.69	
Unassigned Fund Balance				<u>4,052,353.97</u>	
				20,382,187.43	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				<u>4,432,004.00</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 15,950,183.43</u>	

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

C-2

	<u>Original Budget</u>	<u>Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<u>Revenues</u>					
State Sources	\$ 463,801.00	\$ 8,624.00	\$ 472,425.00	\$ 419,758.49	\$ 52,666.51
Federal Sources	2,686,383.00	638,392.48	3,324,775.48	3,162,766.49	162,008.99
Private Sources	81,263.67	81,263.67	81,263.67	46,009.76	35,253.91
	<u>3,150,184.00</u>	<u>728,280.15</u>	<u>3,878,464.15</u>	<u>3,628,534.74</u>	<u>249,929.41</u>
<u>Expenditures</u>					
Instruction:					
Personnel Services - Salaries	2,422,415.00	(1,468,592.32)	953,822.68	878,698.52	75,124.16
Salaries of Teachers	366,331.00	(174,382.00)	191,949.00	181,088.00	10,861.00
Purchased Professional and Technical Services	35,477.00	(22,874.00)	12,603.00	12,603.00	
Tuition to Other LEA's Within the State		1,210,411.00	1,210,411.00	1,210,411.00	
Tuition to Private Schools		367,582.55	367,582.55	367,582.55	
General Supplies	149,778.00	113,656.75	263,434.75	231,655.79	31,778.96
Textbooks	68,339.00	(21,119.00)	47,220.00	45,403.85	1,816.15
Total Instruction	<u>3,042,340.00</u>	<u>4,682.98</u>	<u>3,047,022.98</u>	<u>2,927,442.71</u>	<u>119,580.27</u>
Support Services:					
Salaries		34,352.35	34,352.35	15,781.10	18,571.25
Salaries for Teachers	107,844.00	(55,344.00)	52,500.00	52,500.00	
Salaries of Other Professional Staff		82,723.98	82,723.98	82,723.98	
Personal Services - Employee Benefits		257,595.78	257,595.78	257,595.78	
Purchased Professional and Technical Services		217,352.74	217,352.74	157,688.13	59,664.61
Other Purchased Services		1,383.00	1,383.00	1,383.00	
Other Purchased Professional Services		42,926.00	42,926.00	33,309.00	9,617.00
Contracted Service - Transportation (Home and School) - Vendors		20,354.00	20,354.00	20,354.00	
Travel		13,400.15	13,400.15	12,120.58	1,279.57
Supplies and Materials		100,955.80	100,955.80	59,739.09	41,216.71
Total Support Services	<u>107,844.00</u>	<u>715,699.80</u>	<u>823,543.80</u>	<u>693,194.66</u>	<u>130,349.14</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment		7,897.37	7,897.37	7,897.37	
Total Expenditures	<u>3,150,184.00</u>	<u>728,280.15</u>	<u>3,878,464.15</u>	<u>3,628,534.74</u>	<u>249,929.41</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGET-TO-GAAP RECONCILIATION  
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

C-3

Note A - 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 basis) "revenue".	[C-1]	\$ 164,579,932.90	[C-2]	\$ 3,628,534.74
<b>Difference - Budget-to-GAAP:</b>				
State aid payment recognized for budgetary purposes, not recognized for GAAP statements - current year.		(4,432,004.00)		
State aid payment not recognized for budgetary purposes, recognized for GAAP statements - prior year.		<u>4,435,938.00</u>		<u>                    </u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>\$ 164,583,866.90</u>	[B-2]	<u>\$ 3,628,534.74</u>
<b>Uses/Outflows of Resources:</b>				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	[C-1]	\$ 165,167,285.41	[C-2]	\$ 3,628,534.74
Difference - Budget-to-GAAP		<u>None</u>		<u>None</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>\$ 165,167,285.41</u>	[B-2]	<u>\$ 3,628,534.74</u>

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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

**Note:** GASB 68 requires that ten years of statistical data be presented. The following unaudited information is presented utilizing information available. Data for the latest years available has been presented. Each year hereafter, an additional year's data will be included until ten years of data is presented.

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
LAST FIVE FISCAL YEARS  
(Unaudited)

L-1

	Fiscal Year Ending June 30,				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability (asset)	0.1789%	0.1752%	0.1744%	0.1781%	0.1709%
District's proportionate share of the net pension liability (asset)	\$ 41,639,496	\$ 51,884,555	\$ 39,146,322	\$ 33,344,335	\$ 32,668,889
State's proportionate share of the net pension liability (asset) associated with the District	<u>23,278,401,588</u>	<u>29,617,131,759</u>	<u>22,447,996,119</u>	<u>18,722,735,003</u>	<u>19,111,986,911</u>
<b>Total</b>	<u>\$ 23,320,041,084</u>	<u>\$ 29,669,016,314</u>	<u>\$ 22,487,142,441</u>	<u>\$ 18,756,079,338</u>	<u>\$ 19,144,655,800</u>
District's covered-employee payroll	\$ 12,395,295	\$ 12,087,895	\$ 11,857,447	\$ 11,682,213	*
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	335.93%	429.23%	330.14%	285.43%	*
Plan fiduciary net position as a percentage of the total pension liability	51.90%	40.13%	47.93%	52.08%	48.72%

\*Data was not provided by School District.

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
 SCHEDULE OF THE DISTRICT CONTRIBUTIONS  
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
 LAST FIVE FISCAL YEARS  
 (Unaudited)

L-2

	Fiscal Year Ending June 30,				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,657,096	\$ 1,556,312	\$ 1,499,258	\$ 1,468,193	\$ 1,284,324
Contributions in relation to the contractually required contribution	<u>(1,657,096)</u>	<u>(1,556,312)</u>	<u>(1,499,258)</u>	<u>(1,468,193)</u>	<u>(1,284,324)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$11,804,383	\$12,395,295	\$12,087,895	\$11,857,447	\$11,682,213
Contributions as a percentage of covered-employee payroll	14.04%	12.56%	12.40%	12.38%	10.99%

\*Data was not provided by School District.



OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -  
 TEACHERS' PENSION AND ANNUITY FUND  
 LAST FIVE FISCAL YEARS  
 (Unaudited)

L-3

	Fiscal Year Ending June 30,				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability (asset)	0.622%	0.620%	0.619%	0.610%	0.610%
District's proportionate share of the net pension liability (asset)	\$ 419,854,463	\$ 487,915,473	\$ 391,512,022	\$ 327,811,808	\$ 309,975,505
State's proportionate share of the net pension liability (asset) associated with the District	<u>67,670,209,171</u>	<u>79,028,907,033</u>	<u>63,204,270,305</u>	<u>53,446,745,367</u>	<u>50,539,213,484</u>
Total	<u>\$ 68,090,063,634</u>	<u>\$ 79,516,822,506</u>	<u>\$ 63,595,782,327</u>	<u>\$ 53,774,557,175</u>	<u>\$ 50,849,188,989</u>
District's covered-employee payroll	\$ 66,585,044	\$ 63,971,317	\$ 62,821,388	\$ 62,041,476	*
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	630.55%	762.71%	623.21%	528.38%	*
Plan fiduciary net position as a percentage of the total pension liability	25.41%	22.33%	28.71%	33.64%	33.76%

\*Data was not provided by School District.

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

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART III  
FOR THE YEAR ENDED JUNE 30, 2018

Changes of Benefit Terms and Changes of Assumptions

Refer to Note 7 on the Notes to Financial Statements for benefits and assumptions.

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

**Note:** GASB 75 requires that ten years of statistical data be presented. The following unaudited information is presented utilizing information available. Data for the latest years available has been presented. Each year hereafter, an additional year's data will be included until ten years of data is presented.

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM AND TEACHERS' PENSION AND ANNUITY FUND  
LAST TWO FISCAL YEAR  
(Unaudited)

M-1

	Measurement Date	
	Fiscal Year Ending June 30,	
	2017	2016
Total OPEB Liability		
Service Cost	\$ 13,313,317	\$ 10,387,102
Interest Cost	10,207,914	10,987,460
Change in Benefit Term	-	-
Difference Between Expected and Actual Experiences	-	-
Change in Assumptions	(41,757,047)	51,884,398
Contributions: Members*	275,478	278,799
Gross Benefit Payments*	(7,481,252)	(7,370,375)
Net Change in Total OPEB Liability	\$ (25,441,590)	\$ 66,167,384
Total OPEB Liability (Beginning)	\$348,436,696	\$282,269,312
Total OPEB Liability (Ending)	\$322,995,106	\$348,436,696
Plan Fiduciary Net Position:		
Plan Fiduciary Net Position (Ending)	\$ -	\$ -
Net OPEB Liability (Ending)	\$322,995,106	\$348,436,696
Net Position as a Percentage of OPEB Liability	0%	0%
Covered Employee Payroll	\$ 78,980,339	\$ 76,059,212
Net OPEB Liability as a Percentage of Payroll	409%	458%

\*Data for Measurement Periods ending June 30, 2016 and June 30, 2017 were provided by the State.

Notes to Schedule:

Benefit Changes: None

Changes in Assumptions: The increase in the liability from June 30, 2015 to June 30, 2016 is due to the decrease in the assumed discount rate from 3.80% as of June 30, 2015 to 2.85% as of June 30, 2016. The Decrease in the liability from June 30, 2016 to June 30, 2017 is due to the increase in the assumed discount rate from 2.85% as of June 30, 2016 to 3.58% as of June 30, 2017.

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

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MIDDLESEX

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART III  
FOR THE YEAR ENDED JUNE 30, 2018

Changes of Benefit Terms and Changes of Assumptions

Refer to Notes 8 and 9 on the Notes to Financial Statements for benefits and assumptions.

**OTHER SUPPLEMENTARY INFORMATION**



**D. SCHOOL-BASED BUDGET SCHEDULES (IF APPLICABLE)**

**E. SPECIAL REVENUE FUND**

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

E-1  
Sheet #1

	Nonpublic <u>Textbooks</u>	Nonpublic <u>Nursing</u>	Nonpublic <u>Technology</u>	Nonpublic Chapter 192			Nonpublic Chapter 193			
				Nonpublic <u>Transportation</u>	Compensatory <u>Education</u>	Nonpublic <u>ESL</u>	Supplemental <u>Instruction</u>	Exam and <u>Classification</u>	Annual <u>Review</u>	Corrective <u>Speech</u>
REVENUES:										
State Sources	\$ 45,403.85	\$ 82,723.98	\$ 29,858.24	\$ 15,354.00	\$ 83,269.00	\$ 12,647.00	\$ 34,890.00	\$ 31,827.00	\$ 10,944.00	\$ 29,463.00
Federal Sources										
Private Sources										
Total Revenues	<u>\$ 45,403.85</u>	<u>\$ 82,723.98</u>	<u>\$ 29,858.24</u>	<u>\$ 15,354.00</u>	<u>\$ 83,269.00</u>	<u>\$ 12,647.00</u>	<u>\$ 34,890.00</u>	<u>\$ 31,827.00</u>	<u>\$ 10,944.00</u>	<u>\$ 29,463.00</u>
EXPENDITURES:										
Instruction:										
Personnel Services - Salaries	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Salaries for Teachers					83,269.00	12,647.00	34,890.00		10,944.00	
Purchased Professional - Technical Services										
Tuition to Other LEA's Within the State										
Tuition to Private Schools										
General Supplies			29,858.24							29,463.00
Textbooks	45,403.85									
	<u>45,403.85</u>		<u>29,858.24</u>		<u>83,269.00</u>	<u>12,647.00</u>	<u>34,890.00</u>		<u>10,944.00</u>	<u>29,463.00</u>
Support Services:										
Salaries										
Salaries for Teachers										
Salaries of Other Professional Staff		82,723.98								
Personal Services - Employee Benefits										
Purchased Professional and Technical Services										
Other Purchased Services										
Other Purchased Professional Services								31,827.00		
Contracted Service - Transportation (Home and School) - Vendors				15,354.00						
Travel										
Supplies and Materials										
		<u>82,723.98</u>		<u>15,354.00</u>				<u>31,827.00</u>		
Facilities Acquisition and Construction Services:										
Equipment										
Total Expenditures	<u>\$ 45,403.85</u>	<u>\$ 82,723.98</u>	<u>\$ 29,858.24</u>	<u>\$ 15,354.00</u>	<u>\$ 83,269.00</u>	<u>\$ 12,647.00</u>	<u>\$ 34,890.00</u>	<u>\$ 31,827.00</u>	<u>\$ 10,944.00</u>	<u>\$ 29,463.00</u>

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

E-1  
Sheet #2

	Home Instruction	Nonpublic Security	Title IV FY 2018	Title I (Chapter 1)		Title IIA		Perkins Grant
				2018 Part A	2017 Part A	FY 2018	FY 2017	
<b>REVENUES:</b>								
State Sources	\$ 5,800.00	\$ 37,578.42	\$ 9,734.95	\$ 694,535.53	\$ 91,438.34	\$ 151,075.34	\$ 14,060.13	\$ 55,391.00
Federal Sources								
Private Sources								
<b>Total Revenues</b>	<b>\$ 5,800.00</b>	<b>\$ 37,578.42</b>	<b>\$ 9,734.95</b>	<b>\$ 694,535.53</b>	<b>\$ 91,438.34</b>	<b>\$ 151,075.34</b>	<b>\$ 14,060.13</b>	<b>\$ 55,391.00</b>
<b>EXPENDITURES:</b>								
Instruction:								
Personnel Services - Salaries	\$ 5,800.00	\$	\$ 5,928.00	\$ 526,972.76	\$ 91,438.34	\$	\$	\$
Salaries for Teachers								
Purchased Professional - Technical Services								12,603.00
Tuition to Other LEA's Within the State								
Tuition to Private Schools								
General Supplies			2,795.55	332.91				41,156.00
Textbooks								
	<u>5,800.00</u>		<u>8,663.55</u>	<u>527,305.67</u>	<u>91,438.34</u>			<u>53,759.00</u>
Support Services:								
Personnel Services - Salaries				8,551.00		5,903.30		
Salaries for Teachers						52,500.00		
Salaries of Other Professional Staff								
Personal Services - Employee Benefits			443.00	154,678.86		13,150.00		
Purchased Professional and Technical Services				4,000.00		61,155.81	13,627.13	150.00
Other Purchased Services								
Other Purchased Professional Services								1,482.00
Contracted Service - Transportation (Home and School) - Vendors								
Travel								
Supplies and Materials		37,578.42	828.40			18,366.23	433.00	
		<u>37,578.42</u>	<u>1,071.40</u>	<u>167,229.86</u>		<u>151,075.34</u>	<u>14,060.13</u>	<u>1,632.00</u>
Facilities Acquisition and Construction Services:								
Equipment								
<b>Total Expenditures</b>	<b>\$ 5,800.00</b>	<b>\$ 37,578.42</b>	<b>\$ 9,734.95</b>	<b>\$ 694,535.53</b>	<b>\$ 91,438.34</b>	<b>\$ 151,075.34</b>	<b>\$ 14,060.13</b>	<b>\$ 55,391.00</b>

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

E-1  
Sheet #3

	IDEA			Emergency Impact Aid	Title III				Exxon Education Grant
	Regular Program Part B	Preschool Handicapped	Caryover Part B		FY 2018	FY 2017	Immigrant		
							FY 2018	FY 2017	
<b>REVENUES:</b>									
State Sources	\$	\$	\$	\$	\$	\$	\$	\$	\$
Federal Sources	1,987,377.76	64,731.00	18,952.49	6,750.00	57,151.95	4,754.82	5,063.38	1,749.80	
Private Sources									19.29
<b>Total Revenues</b>	<b>\$1,987,377.76</b>	<b>\$64,731.00</b>	<b>\$18,952.49</b>	<b>\$6,750.00</b>	<b>\$57,151.95</b>	<b>\$4,754.82</b>	<b>\$5,063.38</b>	<b>\$1,749.80</b>	<b>\$19.29</b>
<b>EXPENDITURES:</b>									
Instruction:									
Personnel Services - Salaries	\$ 244,230.00	\$	\$	\$	\$	\$	\$4,329.42	\$	\$
Salaries for Teachers					39,338.00				
Purchased Professional - Technical Services									
Tuition to Other LEA's Within the State	1,210,411.00								
Tuition to Private Schools	302,851.55	64,731.00							
General Supplies	98,050.00		2,673.23	1,750.00	4,781.66	3,895.64	733.96	350.00	
Textbooks									
	<u>1,855,542.55</u>	<u>64,731.00</u>	<u>2,673.23</u>	<u>1,750.00</u>	<u>44,119.66</u>	<u>3,895.64</u>	<u>5,063.38</u>	<u>350.00</u>	
Support Services:									
Salaries								1,326.80	
Salaries for Teachers									
Salaries of Other Professional Staff									
Personal Services - Employee Benefits	76,932.45				12,391.47				
Purchased Professional and Technical Services	54,902.76		16,279.26		640.82	859.18			19.29
Other Purchased Services									
Other Purchased Professional Services									
Contracted Service - Transportation (Home and School) - Vendors				5,000.00					
Travel									
Supplies and Materials								73.00	
	<u>131,835.21</u>		<u>16,279.26</u>	<u>5,000.00</u>	<u>13,032.29</u>	<u>859.18</u>		<u>1,399.80</u>	<u>19.29</u>
Facilities Acquisition and Construction Services:									
Equipment									
<b>Total Expenditures</b>	<b>\$1,987,377.76</b>	<b>\$64,731.00</b>	<b>\$18,952.49</b>	<b>\$6,750.00</b>	<b>\$57,151.95</b>	<b>\$4,754.82</b>	<b>\$5,063.38</b>	<b>\$1,749.80</b>	<b>\$19.29</b>

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

E-1  
Sheet #4

	Elks Hooked on Fishing Not Drugs Grant	Rand Auto Grant	State House Express Grant	CSMS Learning Commons Grant	Confucius Grant	CSMS Target Field Grant	Cyber- mission Grant	CSMS Civil War Grant
<b>REVENUES:</b>								
State Sources	\$	\$	\$	\$	\$	\$	\$	\$
Federal Sources								
Private Sources	<u>139.83</u>	<u>10,000.00</u>	<u>300.00</u>	<u>5,367.71</u>	<u>13,743.58</u>	<u>253.00</u>	<u>86.91</u>	<u>2.13</u>
<b>Total Revenues</b>	<b><u>\$139.83</u></b>	<b><u>\$ 10,000.00</u></b>	<b><u>\$300.00</u></b>	<b><u>\$5,367.71</u></b>	<b><u>\$ 13,743.58</u></b>	<b><u>\$253.00</u></b>	<b><u>\$86.91</u></b>	<b><u>\$ 2.13</u></b>
<b>EXPENDITURES:</b>								
Instruction:								
Personnel Services - Salaries	\$	\$	\$	\$	\$	\$	\$	\$
Salaries for Teachers								
Purchased Professional - Technical Services								
Tuition to Other LEA's Within the State								
Tuition to Private Schools								
General Supplies	139.83	2,102.63		5,367.71	240.00		86.91	1.25
Textbooks	<u>139.83</u>	<u>2,102.63</u>		<u>5,367.71</u>	<u>240.00</u>		<u>86.91</u>	<u>1.25</u>
Support Services:								
Salaries								
Salaries for Teachers								
Salaries of Other Professional Staff								
Personal Services - Employee Benefits								
Purchased Professional and Technical Services			300.00			253.00		0.88
Other Purchased Services					1,383.00			
Other Purchased Professional Services								
Contracted Service - Transportation (Home and School) - Vendors								
Travel					12,120.58			
Supplies and Materials								
			<u>300.00</u>		<u>13,503.58</u>	<u>253.00</u>		<u>0.88</u>
Facilities Acquisition and Construction Services:								
Equipment		7,897.37						
<b>Total Expenditures</b>	<b><u>\$ 139.83</u></b>	<b><u>\$ 10,000.00</u></b>	<b><u>\$ 300.00</u></b>	<b><u>\$ 5,367.71</u></b>	<b><u>\$ 13,743.58</u></b>	<b><u>\$ 253.00</u></b>	<b><u>\$ 86.91</u></b>	<b><u>\$ 2.13</u></b>

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

E-1  
Sheet #5

	<u>Milo Robot Special Education Grant</u>	<u>Girls Who Code Grant</u>	<u>Salk Roadrunners Grant</u>	<u>Peer to Peer Grant</u>	<u>Elks Peer to Peer Grant</u>	<u>Totals 2018</u>
<b>REVENUES:</b>						
State Sources	\$	\$	\$	\$	\$	\$ 419,758.49
Federal Sources						3,162,766.48
Private Sources	<u>5,000.00</u>	<u>175.00</u>	<u>7,762.27</u>	<u>2,660.04</u>	<u>500.00</u>	<u>46,009.76</u>
<b>Total Revenues</b>	<u>\$ 5,000.00</u>	<u>\$ 175.00</u>	<u>\$ 7,762.27</u>	<u>\$ 2,660.04</u>	<u>\$ 500.00</u>	<u>\$ 3,628,534.74</u>
<b>EXPENDITURES:</b>						
<b>Instruction:</b>						
Personnel Services - Salaries	\$	\$	\$	\$	\$	\$ 878,698.52
Salaries for Teachers						181,088.00
Purchased Professional - Technical Services						12,603.00
Tuition to Other LEA's Within the State						1,210,411.00
Tuition to Private Schools						367,582.55
General Supplies		175.00	7,762.27			231,655.79
Textbooks		<u>175.00</u>	<u>7,762.27</u>			<u>45,403.85</u>
						<u>2,927,442.71</u>
<b>Support Services:</b>						
Salaries						15,781.10
Salaries for Teachers						52,500.00
Salaries of Other Professional Staff						82,723.98
Personal Services - Employee Benefits						257,595.78
Purchased Professional and Technical Services	5,000.00				500.00	157,688.13
Other Purchased Services						1,383.00
Other Purchased Professional Services						33,309.00
Contracted Service - Transportation (Home and School) - Vendors						20,354.00
Travel						12,120.58
	<u>5,000.00</u>			<u>2,660.04</u>	<u>500.00</u>	<u>59,739.09</u>
				<u>2,660.04</u>		<u>693,194.66</u>
<b>Facilities Acquisition and Construction Services:</b>						
Equipment						7,897.37
<b>Total Expenditures</b>	<u>\$ 5,000.00</u>	<u>\$ 175.00</u>	<u>\$ 7,762.27</u>	<u>\$ 2,660.04</u>	<u>\$ 500.00</u>	<u>\$ 3,628,534.74</u>

**F. CAPITAL PROJECTS FUND**



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

F-1

<u>Project Title/Issue</u>	<u>Approval Date</u>	<u>Budgetary Appropriations</u>	<u>Expenditures to Date</u>		<u>Cancelled</u>	<u>Unexpended Appropriation June 30, 2018</u>
			<u>Prior Years</u>	<u>Current Year</u>		
Carl Sandburg Generator Project	March 16, 2016	\$ 625,000.00	<u>\$ 395,995.61</u>	<u>\$ 214,318.10</u>	<u>\$ -</u>	<u>\$ 14,686.29</u>

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

F-2

**Expenditures and Other Financing Uses:**

Construction Services	<u>\$ 214,318.10</u>
Total Expenditures	<u>214,318.10</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(214,318.10)
Fund Balance - Beginning	<u>229,004.39</u>
Fund Balance - Ending	<u>\$ 14,686.29</u>

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGETARY BASIS  
 CARL SANDBURG MIDDLE SCHOOL GENERATOR PROJECT  
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2018

F-2a

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Costs</u>
<b>Revenues and Other Financing Sources:</b>				
Federal Grant	\$ 587,500.00	\$	\$ 587,500.00	\$ 587,500.00
Private Source	37,500.00	_____	37,500.00	37,500.00
<b>Total Revenues</b>	<u>625,000.00</u>	_____	<u>625,000.00</u>	<u>625,000.00</u>
<b>Expenditures and Other Financing Uses:</b>				
Professional Services	41,643.71	_____	41,643.71	56,330.00
Construction Services	354,351.90	214,318.10	568,670.00	568,670.00
<b>Total Expenditures</b>	<u>395,995.61</u>	<u>214,318.10</u>	<u>610,313.71</u>	<u>625,000.00</u>
<b>Excess (Deficiency) of Revenues Over/(Under) Expenditures</b>	<u>\$ 229,004.39</u>	<u>\$ (214,318.10)</u>	<u>\$ 14,686.29</u>	<u>\$ -</u>

**Additional Project Information:**

Project Number	FEMA-DR-4086-NJ-486-R
Date	October 23, 2015
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 625,000.00
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 625,000.00
Percentage Increase/(Decrease) Over Original Authorized Cost	N/A
Original Target Completion Date	October 23, 2017
Revised Target Completion Date	N/A

**G. PROPRIETARY FUNDS**

**ENTERPRISE FUND**

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
 COMBINING STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 JUNE 30, 2018

G-1

	Business-Type Activities Enterprise Funds <hr/> Food Service
<u>ASSETS</u>	
Current Assets:	
Cash and Cash Equivalents	\$(164,372.42)
Accounts Receivable:	
State Sources	2,349.87
Federal Sources	77,966.64
Other Sources	136,160.15
Inventories:	
Regular	21,794.78
Food Distribution Program Commodities	<u>6,144.64</u>
Total Current Assets	<u>80,043.66</u>
Noncurrent Assets:	
Furniture, Machinery and Equipment	493,222.40
Less: Accumulated Depreciation	<u>(408,273.48)</u>
Total Noncurrent Assets	<u>84,948.92</u>
Total Assets	<u>\$ 164,992.58</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	<u>\$ 224,985.75</u>
<u>NET POSITION</u>	
Invested in Capital Assets, Net of Related Debt	\$ 84,948.92
Unrestricted	<u>(144,942.09)</u>
Total Net Position	<u>\$ (59,993.17)</u>

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

G-2

Business-Type  
 Activities  
 Enterprise  
 Funds  
 Food  
 Service

Operating Revenues:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 912,264.26
Daily Sales - Nonreimbursable Programs	624,183.00
Special Functions	38,542.48
Total Operating Revenues	<u>1,574,989.74</u>
Operating Expenses:	
Cost of Sales - Reimbursable Programs	659,270.11
Cost of Sales - Nonreimbursable Programs	134,812.00
Food Distribution Program	187,553.32
Salaries	1,124,263.63
Payroll Taxes	224,400.70
Purchased Professional and Technical Services	159,120.00
Management Fee	133,120.00
Supplies and Materials	150,807.66
Miscellaneous	103,707.91
Depreciation	15,017.23
Total Operating Expenses	<u>2,892,072.56</u>
Operating Loss	<u>(1,317,082.82)</u>
Nonoperating Revenues:	
State Sources:	
State School Lunch Program	29,172.22
Federal Sources:	
National School Breakfast Program	85,844.05
National School Lunch Program	907,421.03
Food Distribution Program	187,553.32
Food Service Company Contribution	132,009.00
Interest Revenue	633.08
Total Nonoperating Revenues	<u>1,342,632.70</u>
Income before Contributions and Transfers	25,549.88
Capital Contributions	<u>27,013.60</u>
Change in Net Position	52,563.48
Total Net Position - Beginning	<u>(112,556.65)</u>
Total Net Position - Ending	<u>\$ (59,993.17)</u>

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
 COMBINING STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2018

G-3

Business-Type  
 Activities  
 Enterprise  
 Funds  


---

 Food  
 Service

Cash Flows from Operating Activities

Receipts from Customers	\$ 1,512,781.47
Payments to Suppliers	<u>(2,632,049.57)</u>

Net Cash Used for Operating Activities	<u>(1,119,268.10)</u>
--	-----------------------

Cash Flows from Noncapital Financing Activities

State Sources	31,261.12
Federal Sources	972,713.75
Other Sources	<u>150,471.43</u>

Net Cash Provided by Noncapital Financing Activities	<u>1,154,446.30</u>
--	---------------------

Cash Flows from Investing Activities

Interest	<u>633.08</u>
----------	---------------

Net Increase in Cash and Cash Equivalents	35,811.28
---	-----------

Balance - Beginning of Year	<u>(200,183.70)</u>
-----------------------------	---------------------

Balance - End of Year	<u>\$ (164,372.42)</u>
-----------------------	------------------------

Reconciliation of Operating Loss to Net Cash

Used by Operating Activities:	
Operating Loss	<u>\$ (1,317,082.82)</u>

Adjustments to Reconcile Operating Loss to

Cash Used by Operating Activities:	
Depreciation	15,017.23
Federal Commodities	187,553.32
Change in Assets and Liabilities:	
(Increase)/Decrease in Accounts Receivable	(62,208.27)
(Increase)/Decrease in Inventory	(2,854.84)
Increase/(Decrease) in Accounts Payable	<u>60,307.28</u>

Total Adjustments	<u>197,814.72</u>
-------------------	-------------------

Net Cash Used for Operating Activities	<u>\$ (1,119,268.10)</u>
--	--------------------------



**INTERNAL SERVICE FUND**

## H. FIDUCIARY FUNDS

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 JUNE 30, 2018

H-1

	<u>Unemployment Compensation Trust Fund</u>	<u>Agency Fund</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	<u>\$ 267,696.82</u>	<u>\$1,398,597.13</u>
<u>LIABILITIES</u>		
Payable to Student Groups		\$ 572,414.63
Payroll Deductions and Withholdings		814,566.90
Interfunds Payable		<u>11,615.60</u>
Total Liabilities		<u>\$1,398,597.13</u>
<u>NET POSITION</u>		
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 267,696.82</u>	

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

H-2

Unemployment  
 Compensation  
Trust Fund

Additions

Contributions:

    Payroll Deductions

\$ 220,088.40

    Board Contributions

2,715.00

Investment Earnings:

    Interest

1,203.46

Total Additions

224,006.86

Deductions

Quarterly Contribution Reports

93,823.33

Unemployment Claims

106,426.22

Total Deductions

200,249.55

Change in Net Position

23,757.31

Total Net Position - Beginning

243,939.51

Total Net Position - Ending

\$ 267,696.82

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

H-3

	<u>Balance</u> <u>June 30, 2017</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2018</u>
<b>Elementary Schools:</b>				
Cheesequake	\$ 1,418.20	\$ 680.03	\$ 333.94	\$ 1,764.29
Cooper	1,261.16	2.67	332.46	931.37
Glenn	92.31	0.20		92.51
Grissom	14.98	0.04		15.02
Madison Park	213.66	0.45		214.11
McDivitt	14.25	0.04		14.29
Memorial	4,422.09	73.78	800.00	3,695.87
Miller	42.17	0.10		42.27
Schirra	3,025.63	2,044.83	3,953.29	1,117.17
Shepard	2,478.38	205.27		2,683.65
Southwood	40.84	0.09		40.93
General	26,389.19	55.83		26,445.02
General Interest	84.21	193.99	84.21	193.99
Elementary Enrichment	303.13	0.67		303.80
Elementary Music	0.00	875.24	834.45	40.79
<b>Total Elementary Schools</b>	<u>39,800.20</u>	<u>4,133.23</u>	<u>6,338.35</u>	<u>37,595.08</u>
<b>Junior High Schools:</b>				
Jonas Salk	55,152.68	104,120.27	122,368.26	36,904.69
Jonas Salk Athletic Fund	386.72	10,132.86	8,831.00	1,688.58
Carl Sandburg	67,053.57	155,845.17	171,325.09	51,573.65
Carl Sandburg Athletic Fund	603.96	10,235.44	8,448.00	2,391.40
<b>Total Junior High Schools</b>	<u>123,196.93</u>	<u>280,333.74</u>	<u>310,972.35</u>	<u>92,558.32</u>
<b>Senior High Schools:</b>				
Athletic Fund	8,375.07	134,002.89	129,292.83	13,085.13
Project Graduation	10,810.08	25,824.14	30,555.03	6,079.19
Old Bridge High School	319,390.33	1,836,257.56	1,732,550.98	423,096.91
<b>Total Senior High Schools</b>	<u>338,575.48</u>	<u>1,996,084.59</u>	<u>1,892,398.84</u>	<u>442,261.23</u>
<b>Total All Schools</b>	<u>\$ 501,572.61</u>	<u>\$ 2,280,551.56</u>	<u>\$ 2,209,709.54</u>	<u>\$ 572,414.63</u>

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

H-4

	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2018</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	<u>\$790,280.62</u>	<u>\$ 99,842,702.82</u>	<u>\$ 99,806,800.94</u>	<u>\$826,182.50</u>
 <u>LIABILITIES</u>				
Liabilities:				
Payroll Deductions and Withholdings	\$783,353.82	\$ 99,834,821.07	\$ 99,803,607.99	\$814,566.90
Due to General Fund	<u>6,926.80</u>	<u>7,881.75</u>	<u>3,192.95</u>	<u>11,615.60</u>
Total Liabilities	<u>\$790,280.62</u>	<u>\$ 99,842,702.82</u>	<u>\$ 99,806,800.94</u>	<u>\$826,182.50</u>

## I. LONG-TERM DEBT

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF SERIAL BONDS  
LONG-TERM DEBT  
JUNE 30, 2018

J-1

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance June 30, 2017	Retired/Refunded	Balance June 30, 2018
			Date	Amount				
Refunding 2016 Bonds	7/15/2016	\$32,215,000.00	7/15/2018	\$1,500,000.00	3.000%			
			7/15/2019	1,560,000.00	4.000%			
			7/15/2020	1,625,000.00	4.000%			
			7/15/2021	600,000.00	3.000%			
			7/15/2021	1,105,000.00	5.000%			
			7/15/2022	495,000.00	3.000%			
			7/15/2022	1,285,000.00	5.000%			
			7/15/2023	300,000.00	3.000%			
			7/15/2023	1,565,000.00	5.000%			
			7/15/2024	920,000.00	2.250%			
			7/15/2024	1,030,000.00	5.000%			
			7/15/2025	850,000.00	2.375%			
			7/15/2025	1,180,000.00	5.000%			
			7/15/2026	890,000.00	2.500%			
			7/15/2026	1,220,000.00	5.000%			
			7/15/2027	2,190,000.00	3.000%			
			7/15/2028	2,260,000.00	3.000%			
			7/15/2029	2,340,000.00	4.000%			
			7/15/2030	2,430,000.00	4.000%			
			7/15/2031	2,525,000.00	4.000%			
7/15/2032	2,610,000.00	4.000%						
						<u>\$31,940,000.00</u>	<u>\$1,460,000.00</u>	<u>\$30,480,000.00</u>



OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 DEBT SERVICE FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

I-3

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>Revenues</u>					
Local Sources:					
Local Tax Levy	\$2,642,188.00	\$	\$2,642,188.00	\$2,642,188.00	\$
Total Revenues	<u>2,642,188.00</u>		<u>2,642,188.00</u>	<u>2,642,188.00</u>	
<u>Expenditures</u>					
Regular Debt Service:					
Redemption of Principal	1,460,000.00		1,460,000.00	1,460,000.00	
Interest Payment	<u>1,190,938.00</u>		<u>1,190,938.00</u>	<u>1,190,937.50</u>	<u>0.50</u>
	<u>2,650,938.00</u>		<u>2,650,938.00</u>	<u>2,650,937.50</u>	<u>0.50</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	(8,750.00)		(8,750.00)	(8,749.50)	0.50
Fund Balance, July 1	<u>8,750.53</u>		<u>8,750.53</u>	<u>8,750.53</u>	
Fund Balance, June 30	<u>\$ 0.53</u>	<u>\$ -</u>	<u>\$ 0.53</u>	<u>\$ 1.03</u>	<u>\$ 0.50</u>

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
 SCHEDULE OF OBLIGATIONS UNDER LEASE PURCHASE AGREEMENT  
 LONG-TERM DEBT  
 JUNE 30, 2018

I-4

<u>Purpose</u>	<u>Interest Rate</u>	<u>Balance June 30, 2017</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2018</u>
Lease Purchase Agreement - School Buses and Facility Improvements	2.99%	\$352,275.54	\$	\$113,843.44	\$ 238,432.10
Lease Purchase Agreement - School Buses	1.97%		500,500.00	70,219.84	430,280.16
Lease Purchase Agreement - Energy Savings Improvement Plan	2.64%		<u>16,374,164.00</u>		<u>16,374,164.00</u>
		<u>\$352,275.54</u>	<u>\$16,874,664.00</u>	<u>\$184,063.28</u>	<u>\$17,042,876.26</u>

**STATISTICAL SECTION (UNAUDITED)**

## INTRODUCTION TO THE STATISTICAL SECTION

## FINANCIAL TRENDS

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

J-1

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Governmental Activities:</b>										
Invested in Capital Assets, Net of Related Debt	\$ 61,294,520	\$ 59,015,122	\$ 97,553,404	\$ 95,478,801	\$ 98,158,437	\$ 96,076,515	\$ 87,858,037	\$ 86,055,276	\$ 84,704,140	\$ 91,186,492
Restricted	10,427,417	8,406,534	10,842,595	14,962,241	11,397,480	14,103,165	15,637,539	16,965,775	16,986,312	15,964,871
Unrestricted	<u>(9,480,469)</u>	<u>(783,437)</u>	<u>(7,699,776)</u>	<u>(7,481,561)</u>	<u>(5,834,546)</u>	<u>(6,247,986)</u>	<u>(32,831,713)</u>	<u>(33,091,813)</u>	<u>(36,417,913)</u>	<u>(60,173,972)</u>
<b>Total Governmental Activities Net Assets</b>	<b><u>\$ 62,241,469</u></b>	<b><u>\$ 66,638,219</u></b>	<b><u>\$ 100,696,223</u></b>	<b><u>\$ 102,959,481</u></b>	<b><u>\$ 103,721,371</u></b>	<b><u>\$ 103,931,694</u></b>	<b><u>\$ 70,661,863</u></b>	<b><u>\$ 69,929,238</u></b>	<b><u>\$ 65,272,539</u></b>	<b><u>\$ 46,977,390</u></b>
<b>Business-Type Activities:</b>										
Invested in Capital Assets, Net of Related Debt	\$ 37,185	\$ 88,147	\$ 89,677	\$ 85,742	\$ 133,959	\$ 119,546	\$ 100,939	\$ 86,111	\$ 72,953	\$ 84,949
Unrestricted	60,209	58,056	113,913	87,319	85,487	24,571	(12,766)	(67,603)	(185,509)	(144,942)
<b>Total Business-Type Activities Net Assets</b>	<b><u>\$ 97,394</u></b>	<b><u>\$ 146,203</u></b>	<b><u>\$ 203,590</u></b>	<b><u>\$ 173,060</u></b>	<b><u>\$ 219,446</u></b>	<b><u>\$ 144,117</u></b>	<b><u>\$ 88,173</u></b>	<b><u>\$ 18,508</u></b>	<b><u>\$ (112,557)</u></b>	<b><u>\$ (59,993)</u></b>
<b>District-Wide:</b>										
Invested in Capital Assets, Net of Related Debt	\$ 61,331,705	\$ 59,103,269	\$ 97,643,081	\$ 95,564,542	\$ 98,292,396	\$ 96,196,061	\$ 87,956,976	\$ 86,141,387	\$ 84,777,093	\$ 91,271,441
Restricted	13,427,417	8,406,534	10,842,595	14,962,241	11,397,480	14,103,165	15,637,539	16,965,775	16,986,312	15,964,871
Unrestricted	<u>(9,420,260)</u>	<u>(725,381)</u>	<u>(7,585,864)</u>	<u>(7,394,242)</u>	<u>(5,749,059)</u>	<u>(6,223,415)</u>	<u>(32,844,480)</u>	<u>(33,159,416)</u>	<u>(36,603,422)</u>	<u>(60,318,914)</u>
<b>Total District-Wide Net Assets</b>	<b><u>\$ 65,338,863</u></b>	<b><u>\$ 66,784,422</u></b>	<b><u>\$ 100,899,812</u></b>	<b><u>\$ 103,132,541</u></b>	<b><u>\$ 103,940,816</u></b>	<b><u>\$ 104,075,811</u></b>	<b><u>\$ 70,750,036</u></b>	<b><u>\$ 69,947,746</u></b>	<b><u>\$ 65,159,962</u></b>	<b><u>\$ 46,917,397</u></b>

Source: School District Financial Reports.

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(Accrual Basis of Accounting)  
Unaudited

	Fiscal Year Ended June 30									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Expenses</b>										
<b>Governmental Activities:</b>										
Instruction:										
Regular	\$ 54,200,236	\$ 56,791,850	\$ 57,347,509	\$ 58,345,604	\$ 59,663,513	\$ 59,256,443	\$ 64,201,299	\$ 64,676,848	\$ 68,325,303	\$ 82,522,172
Special Education	12,325,309	13,827,108	15,448,983	15,955,185	17,356,430	17,717,024	18,125,546	18,697,978	20,435,571	25,096,060
Other Special Education	5,163,054	5,797,947	6,035,749	5,536,212	5,760,984	5,273,661	5,555,861	5,572,582	5,844,730	7,473,021
Other Instruction	1,750,668	1,807,658	1,726,948	1,848,871	2,179,542	2,065,265	2,172,684	2,240,691	2,300,718	2,815,631
Community Service Programs	6,439	6,792	6,940	2,499	7,581	7,094	8,319	8,181	7,959	8,635
Support Services:										
Tuition	6,554,588	5,209,497	6,760,682	5,368,305	5,059,644	5,299,626	5,204,505	4,600,565	4,881,777	5,914,138
Student and Instruction Related Services	15,333,654	16,869,548	17,226,198	18,940,914	18,273,678	18,371,983	18,980,974	19,429,559	20,651,205	25,336,998
School Administrative Services	9,849,803	9,802,032	10,818,290	10,817,479	7,494,734	7,440,969	7,667,185	7,607,823	7,945,752	9,554,263
General Administration	2,114,911	2,061,388	2,101,355	2,175,406	4,679,557	4,849,744	4,808,449	5,086,163	5,440,845	8,309,847
Plant Operations and Maintenance	19,158,345	17,484,338	17,109,257	18,915,285	18,960,375	18,197,807	19,684,684	19,488,982	21,514,128	25,555,501
Fuel Transportation	11,235,218	11,460,509	11,755,762	11,733,560	12,034,578	12,095,864	12,156,616	12,098,373	12,845,258	15,908,760
Special Schools	979,623	950,126	109,393	49,762	27,337	51,918	68,618	168,300	245,519	328,509
Interest on Long-Term Debt	2,006,350	1,917,686	1,660,839	1,609,388	1,759,300	1,779,969	1,636,207	2,011,587	304,633	1,381,443
	<u>141,688,895</u>	<u>143,988,289</u>	<u>148,168,784</u>	<u>147,849,487</u>	<u>151,257,453</u>	<u>153,188,436</u>	<u>160,111,653</u>	<u>161,896,792</u>	<u>171,163,558</u>	<u>208,204,875</u>
<b>Business-Type Activities:</b>										
Food Service	2,878,371	2,958,381	2,963,509	3,120,636	3,107,851	3,151,053	3,224,035	3,060,542	3,207,253	2,892,073
Community School	25,235	12,055	4,751	53,305						
	<u>2,903,607</u>	<u>2,970,437</u>	<u>2,968,260</u>	<u>3,173,941</u>	<u>3,107,851</u>	<u>3,151,053</u>	<u>3,224,035</u>	<u>3,060,542</u>	<u>3,207,253</u>	<u>2,892,073</u>
<b>Total District Expenses</b>	<u>\$ 144,592,501</u>	<u>\$ 146,958,726</u>	<u>\$ 151,137,044</u>	<u>\$ 150,023,428</u>	<u>\$ 154,365,304</u>	<u>\$ 156,340,489</u>	<u>\$ 163,335,688</u>	<u>\$ 164,957,334</u>	<u>\$ 174,370,811</u>	<u>\$ 211,096,948</u>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Charge for Services - Instruction	\$ 8,086,818	\$ 8,373,109	\$ 8,458,690	\$ 10,165,089	\$ 12,926,079	\$ 11,441,510	\$ 13,615,816	\$ 15,415,500	\$ 17,730,394	\$ 39,532,674
Operating Grants and Contributions	8,095,819	8,378,199	8,496,690	10,165,669	12,969,979	11,441,510	13,615,816	15,415,500	17,730,394	39,632,674
<b>Total Governmental Activities Program Revenue</b>	<u>16,182,637</u>	<u>16,751,308</u>	<u>16,955,380</u>	<u>20,330,758</u>	<u>25,896,058</u>	<u>22,883,020</u>	<u>27,231,632</u>	<u>30,831,000</u>	<u>35,460,788</u>	<u>79,165,348</u>
<b>Business-Type Activities:</b>										
Charges for Food Service	1,970,930	1,927,421	2,021,891	1,880,064	1,763,335	1,809,854	1,751,029	1,697,268	1,881,578	1,574,990
Charges for Community School	13,577	9,903								
Operating Grants and Contributions	776,962	892,195	987,017	1,107,999	1,093,407	1,135,480	1,418,303	1,120,565	1,301,855	1,209,991
<b>Total Business-Type Activities Program Revenue</b>	<u>2,761,469</u>	<u>2,829,520</u>	<u>3,008,908</u>	<u>2,988,063</u>	<u>2,856,742</u>	<u>2,945,334</u>	<u>3,169,332</u>	<u>2,818,233</u>	<u>3,183,433</u>	<u>2,784,981</u>
<b>Total District Program Revenues</b>	<u>\$ 18,944,106</u>	<u>\$ 19,580,828</u>	<u>\$ 19,964,288</u>	<u>\$ 23,318,821</u>	<u>\$ 28,752,800</u>	<u>\$ 25,828,354</u>	<u>\$ 30,400,964</u>	<u>\$ 33,649,233</u>	<u>\$ 38,644,221</u>	<u>\$ 81,950,329</u>
<b>Net (Expense)/Revenue</b>	<u>\$ (125,648,395)</u>	<u>\$ (127,377,898)</u>	<u>\$ (131,172,756)</u>	<u>\$ (126,684,607)</u>	<u>\$ (126,107,453)</u>	<u>\$ (130,492,135)</u>	<u>\$ (132,934,724)</u>	<u>\$ (131,308,101)</u>	<u>\$ (135,726,590)</u>	<u>\$ (129,146,619)</u>
<b>General Revenue and Other Changes in Net Assets</b>										
<b>Governmental Activities:</b>										
General Purpose Property Taxes	\$ 83,063,096	\$ 83,844,345	\$ 84,320,510	\$ 88,006,920	\$ 84,636,261	\$ 98,061,995	\$ 98,623,234	\$ 91,137,544	\$ 93,715,445	\$ 98,328,054
Taxes Levied for Debt Service	2,911,113	2,936,594	2,947,219	2,947,969	2,654,119	2,659,969	2,922,103	2,970,218	2,844,833	2,842,186
Unrestricted Grants and Contributions	49,169,393	52,430,474	48,069,260	49,817,818	50,519,317	50,481,573	51,084,068	50,841,371	51,631,436	50,586,053
Miscellaneous	801,247	1,051,754	1,112,371	955,189	842,667	454,711	776,935	595,531	794,780	818,756
Loss on Temporary Note Pay-Off	(1,367,641)									
Asset Revaluation Adjustment			38,300,737							
Transfers	(6,256)	(61,526)								
	<u>134,569,857</u>	<u>140,003,640</u>	<u>136,740,897</u>	<u>139,820,896</u>	<u>138,052,364</u>	<u>149,998,252</u>	<u>144,406,341</u>	<u>145,544,664</u>	<u>146,976,504</u>	<u>150,577,053</u>
<b>Business-Type Activities:</b>										
Miscellaneous	124,651	128,180	16,739	155,349	297,494	130,379	160	172,744	92,657	132,842
Capital Contributions	6,350	61,526								27,014
Transfers	131,001	169,700	16,739	155,349	297,494	130,379	160	172,744	92,657	159,658
<b>Total District-Wide</b>	<u>\$ 134,825,509</u>	<u>\$ 140,253,946</u>	<u>\$ 136,763,375</u>	<u>\$ 139,983,025</u>	<u>\$ 138,349,858</u>	<u>\$ 149,228,629</u>	<u>\$ 144,606,501</u>	<u>\$ 145,717,408</u>	<u>\$ 147,069,161</u>	<u>\$ 150,736,723</u>
<b>Change in Net Assets</b>	<u>\$ 1,296,713</u>	<u>\$ 4,306,750</u>	<u>\$ 34,058,004</u>	<u>\$ 2,263,258</u>	<u>\$ 761,890</u>	<u>\$ 210,325</u>	<u>\$ (1,886,895)</u>	<u>\$ (732,625)</u>	<u>\$ (4,856,899)</u>	<u>\$ (18,295,149)</u>
<b>Governmental Activities</b>	<u>\$ (11,237)</u>	<u>\$ 49,810</u>	<u>\$ 57,386</u>	<u>\$ (30,529)</u>	<u>\$ 46,385</u>	<u>\$ (75,326)</u>	<u>\$ (55,944)</u>	<u>\$ (69,665)</u>	<u>\$ (131,064)</u>	<u>\$ 52,563</u>
<b>Business-Type Activities</b>	<u>\$ 1,307,950</u>	<u>\$ 4,256,940</u>	<u>\$ 34,000,618</u>	<u>\$ 2,293,787</u>	<u>\$ 808,205</u>	<u>\$ 285,651</u>	<u>\$ (1,830,951)</u>	<u>\$ (662,960)</u>	<u>\$ (4,725,835)</u>	<u>\$ (18,347,712)</u>
<b>Total District</b>	<u>\$ 1,550,744</u>	<u>\$ 4,445,550</u>	<u>\$ 34,115,360</u>	<u>\$ 2,232,729</u>	<u>\$ 808,275</u>	<u>\$ 134,996</u>	<u>\$ (1,942,840)</u>	<u>\$ (802,290)</u>	<u>\$ (5,187,764)</u>	<u>\$ (18,242,586)</u>

Source: CAFR Schedule A-2

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
 FUND BALANCES, GOVERNMENTAL FUNDS  
 LAST TEN FISCAL YEARS  
 (Modified Accrual Basis of Accounting)  
 Unaudited

J-3

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund:										
Restricted	\$ 7,425,617.77	\$ 6,888,190.57	\$ 9,370,675.04	\$ 12,842,264.81	\$ 11,348,866.43	\$ 14,063,423.81	\$ 15,637,538.47	\$ 16,957,024.66	\$ 16,748,556.84	\$ 16,329,833.46
Unassigned	(1,008,776.22)	(783,437.18)	(351,952.81)	(955,731.82)	(152,151.24)	(313,111.93)	(1,173,111.23)	(307,766.96)	(177,454.90)	(379,650.03)
Total General Fund	<u>\$ 6,416,841.55</u>	<u>\$ 6,104,753.39</u>	<u>\$ 9,018,722.23</u>	<u>\$ 11,886,532.99</u>	<u>\$ 11,196,715.19</u>	<u>\$ 13,750,311.88</u>	<u>\$ 14,464,427.24</u>	<u>\$ 16,649,257.70</u>	<u>\$ 16,571,101.94</u>	<u>\$ 15,950,183.43</u>
All Other Governmental Funds:										
Restricted	\$ 1,491,535.60	\$	\$	\$	\$	\$	\$	\$	\$ 229,004.39	\$ 14,886.29
Unassigned, Reported in:										
Special Revenue	0.63	0.86	39,740.60	39,740.82	39,741.05	39,741.27	0.49	8,750.53	8,750.53	1.03
Debt Service Fund	1,510,263.44	1,518,342.43	1,478,147.02	2,080,235.33	8,772.05					
Capital Projects Fund										
Total All Other Governmental Funds	<u>\$ 3,001,799.67</u>	<u>\$ 1,518,343.29</u>	<u>\$ 1,517,887.62</u>	<u>\$ 2,119,976.15</u>	<u>\$ 48,513.10</u>	<u>\$ 39,741.27</u>	<u>\$ 0.49</u>	<u>\$ 8,750.53</u>	<u>\$ 237,754.92</u>	<u>\$ 14,687.32</u>
Total Fund Balances	<u>\$ 9,418,641.22</u>	<u>\$ 7,623,096.68</u>	<u>\$ 10,536,609.85</u>	<u>\$ 14,006,509.14</u>	<u>\$ 11,245,228.29</u>	<u>\$ 13,790,053.15</u>	<u>\$ 14,464,427.73</u>	<u>\$ 16,658,008.23</u>	<u>\$ 16,808,856.86</u>	<u>\$ 15,964,870.75</u>

Source: School District Financial Reports.



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

J-4

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Revenues</b>										
Tax Levy	\$ 85,994,209	\$ 86,583,139	\$ 87,267,729	\$ 88,954,889	\$ 87,890,380	\$ 91,021,964	\$ 92,745,337	\$ 94,107,762	\$ 96,360,278	\$ 98,970,242
Tuition	123,965	71,965	139,310	201,918	56,470	15,537	62,812	43,257	30,608	242,005
Miscellaneous	2,739,282	979,789	973,061	753,252	586,197	439,174	776,935	552,274	754,181	541,061
Interest on Capital Reserve Account										23,597
Interest on Maintenance Reserve Account										12,095
State Sources	53,839,280	48,330,400	51,288,220	54,202,576	59,891,525	58,442,338	60,847,262	62,796,874	65,364,495	67,785,018
Federal Sources	3,413,731	12,479,273	4,197,730	5,600,111	3,594,770	3,480,747	3,454,844	3,464,000	3,997,335	3,280,571
<b>Total Revenue</b>	<b>146,110,467</b>	<b>148,444,566</b>	<b>143,866,051</b>	<b>149,712,745</b>	<b>152,019,343</b>	<b>153,399,760</b>	<b>157,887,190</b>	<b>160,964,167</b>	<b>166,506,898</b>	<b>170,854,590</b>
<b>Expenditures</b>										
<b>Instruction:</b>										
Regular	41,279,234	43,377,753	40,675,109	42,112,753	42,433,185	42,599,210	44,998,542	45,811,968	46,711,699	47,207,913
Special Education	9,842,542	10,509,996	10,958,260	11,537,804	12,344,037	12,734,116	12,704,153	13,243,808	13,971,109	14,356,537
Other Special Instruction	3,931,633	4,407,024	4,281,001	3,995,933	4,097,260	4,509,196	3,894,104	3,947,352	3,995,844	4,275,041
Other Instruction	1,333,123	1,374,002	1,224,881	1,190,846	1,550,109	1,498,785	1,522,409	1,587,085	1,572,923	1,610,720
Community Service Programs	4,903	5,094	4,923	1,804	5,391	5,509	6,251	5,780	5,441	4,940
<b>Support Services and Undistributed Costs:</b>										
Tuition	4,891,278	3,959,743	4,795,178	3,889,177	3,598,461	3,809,108	3,647,825	3,258,588	3,337,506	3,383,262
Student and Instruction Related Services	11,676,482	12,612,212	12,218,098	11,993,355	12,929,390	13,204,868	13,093,451	13,759,863	14,118,531	14,494,368
School Administrative Services	7,348,113	7,450,578	7,531,279	7,880,028	5,330,317	5,347,983	5,387,933	5,388,633	5,432,242	5,465,644
Other Administrative Services	1,610,491	1,566,863	1,490,366	1,570,167	3,328,140	3,342,005	3,433,312	3,602,537	3,719,722	3,609,518
Plant Operation and Maintenance	14,589,722	13,274,657	12,135,155	12,209,133	12,062,359	13,079,679	13,796,935	13,811,146	14,708,482	14,619,366
Pupil Transportation	8,555,547	8,726,344	8,338,059	8,469,076	8,559,093	8,744,518	8,520,544	8,569,297	8,645,135	9,100,819
Employee Benefits	30,490,818	31,447,520	32,655,944	35,130,337	38,483,452	37,335,484	41,162,535	41,027,476	45,648,295	49,312,583
Special Schools	745,977	722,191	77,590	35,917	19,442	37,315	69,121	119,207	167,853	187,985
<b>Debt Service:</b>										
Principal	905,000	1,010,000	1,065,000	1,115,000	1,170,000	1,230,000	1,295,000	1,370,000	1,720,000	1,460,000
Interest	2,036,377	1,928,594	1,882,219	1,832,969	1,784,119	1,729,969	1,666,844	1,600,218	924,833	1,190,938
Capital Outlay	6,358,278	7,867,539	1,619,478	3,278,547	5,963,609	1,647,290	2,013,856	1,667,608	1,676,435	1,381,443
<b>Total Expenditures</b>	<b>145,699,517</b>	<b>150,240,110</b>	<b>140,952,537</b>	<b>146,242,845</b>	<b>153,658,362</b>	<b>150,855,035</b>	<b>157,212,815</b>	<b>158,770,587</b>	<b>166,356,050</b>	<b>171,661,076</b>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	410,950	(1,795,545)	2,913,513	3,469,899	(1,639,019)	2,544,725	674,375	2,193,581	150,849	(806,486)
<b>Other Financing Sources (Uses)</b>										
Cancellation of Capital Projects - Local Share					(1,122,162)	(8,772)				
Transfers In		251,711	39,740	1,700,000	355,985	8,772				
Transfers Out		(251,711)	(39,740)	(1,700,000)	(355,985)					(37,500)
<b>Total Other Financing Sources (Uses)</b>					<b>(1,122,162)</b>					
<b>Net Change in Fund Balances</b>	<b>\$ 410,950</b>	<b>\$ (1,795,545)</b>	<b>\$ 2,913,513</b>	<b>\$ 3,469,899</b>	<b>\$ (2,761,181)</b>	<b>\$ 2,544,725</b>	<b>\$ 674,375</b>	<b>\$ 2,193,581</b>	<b>\$ 150,849</b>	<b>\$ (843,986)</b>
Debt Service as a Percentage of Noncapital Expenditures	2.11%	2.06%	2.12%	2.06%	2.00%	1.98%	1.91%	1.89%	1.61%	1.56%

Source: School District Financial Reports.

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

J-5

	Fiscal Year Ended June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Interest Earned	\$ 69,472.42	\$ 39,525.55	\$ 37,234.04	\$ 32,518.14	\$ 29,806.75	\$ 33,444.27	\$ 88,331.79	\$ 150,604.31	\$ 185,140.11	\$ 325,896.83
Insurance Reimbursement							263,349.13			
Clean Energy Rebate	94,283.65									
ASFDF									59,665.92	
Refund of Prior Year Expenditures	67,160.48	45,650.16	11,330.36	17,029.12						25,872.59
Sale of Browntown School								600,000.00		
Registration Fees		30,545.00	39,165.00	32,962.50	13,745.00	25,975.00	4,425.00	3,750.00		
Rentals	11,373.03	15,453.86	12,376.96	8,044.28	43,355.32	46,421.58	57,193.44	7,135.75	16,453.09	19,348.88
E-Rate		49,152.97	78,184.89	65,253.02	40,076.53	98,875.55	80,143.65	61,058.72		95,444.07
Tuition Refunds		12,978.20					30,459.95			29,748.00
Building Application Fee				320.00	590.00	760.00	800.00	12,279.00	695.00	1,040.00
FEMA Aid		65,527.93								
Vandalism	62.50								1,050.00	95.00
Cell Tower Rentals	87,207.63	81,518.24								
Retiree Drug Program						25,975.00		50,062.14		
Daycare Tuition	37,985.00	273,103.50	265,336.50	248,356.00	247,385.50	213,475.00	23,270.00			
Community School Close-Out							53,304.87			
Advertising				299.45	668.42	1,320.21	2,259.08	9,000.02	7,868.70	15,600.00
Transportation Ventures	47,141.26	19,591.90	23,521.16	24,482.10	25,398.83	31,019.51	63,445.55	20,169.04	71,232.11	
Lead Testing Reimbursement	16,508.00									
Other	63,857.23	57,975.38	40,839.02	8,514.74	14,144.20	13,787.87	35,446.81	38,145.87	96,101.11	40,493.22
<b>Total</b>	<u>\$495,051.20</u>	<u>\$691,022.69</u>	<u>\$507,987.93</u>	<u>\$437,779.35</u>	<u>\$415,170.55</u>	<u>\$491,053.99</u>	<u>\$702,429.27</u>	<u>\$952,204.65</u>	<u>\$438,206.04</u>	<u>\$553,538.59</u>

## REVENUE CAPACITY

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN YEARS  
*Unaudited*

J-5

<u>Fiscal Year Ended June 30,</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm Regular</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartments</u>	<u>Total Assessed Value</u>	<u>Tax-Exempt Property</u>	<u>Net Valuation Taxable</u>	<u>Total Direct School Tax Rate</u>	<u>Estimated Actual (County Equalized Value)</u>
2009	\$ 60,767,300	\$2,762,914,100	\$10,202,400	\$340,455,300	\$50,246,400	\$164,023,700	\$3,388,609,200	\$372,158,400	\$3,339,763,515	\$2.54	\$8,001,438,489
2010	55,630,100	2,773,163,700	9,998,200	339,460,400	48,610,000	163,823,700	3,390,686,100	374,155,200	3,395,973,211	2.56	7,832,492,723
2011	54,894,600	2,772,812,500	9,825,300	353,469,800	46,073,000	163,588,400	3,400,663,600	374,845,700	3,404,867,872	2.59	7,562,460,359
2012	53,300,500	2,776,133,200	9,106,500	351,393,400	45,733,200	162,538,700	3,398,205,500	380,012,400	3,402,578,488	2.60	7,334,724,052
2013	52,633,000	2,780,083,800	9,760,300	342,230,000	44,862,700	161,764,700	3,391,334,500	380,908,200	3,395,470,040	2.64	6,898,557,578
2014	54,531,000	2,787,731,500	10,160,200	333,021,900	44,862,700	161,519,700	3,391,827,000	381,200,500	3,395,350,100	2.71	6,807,582,255
2015	57,145,900	2,796,022,500	9,782,100	343,576,400	45,135,400	161,519,700	3,413,182,000	381,341,400	3,416,582,520	2.74	7,009,317,782
2016	51,446,600	2,817,879,400	9,148,500	347,275,200	45,347,000	161,519,700	3,432,616,400	382,129,200	3,435,833,471	2.777	7,355,860,113
2017	47,889,900	2,831,935,668	9,219,300	355,739,300	45,443,000	161,519,700	3,451,746,868	383,656,100	3,435,833,471	2.831	7,529,988,805
2018	47,889,900	2,827,761,600	9,219,300	355,739,300	45,443,000	161,519,700	3,447,572,800	383,656,100	3,450,706,168	2.826	7,537,644,595

Source: Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation.

**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS  
(Rate per \$100 of assessed value)  
*Unaudited***

J-7

Fiscal Year Ended June 30,	Board of Education Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Old Bridge Township	Middlesex County	
2009	\$2.46	\$0.08	\$0.08	\$0.87	\$0.70	\$1.65
2010	2.47	0.09	0.09	0.94	0.70	1.73
2011	2.50	0.09	0.09	0.98	0.75	1.82
2012	2.51	0.09	0.09	1.00	0.77	1.86
2013	2.55	0.09	0.09	1.01	0.78	1.88
2014	2.62	0.09	0.09	1.02	0.80	1.91
2015	2.648	0.087	0.087	0.948	0.884	1.919
2016	2.695	0.0817	2.777	0.961	1.085	4.823
2017	2.754	0.0766	2.831	0.972	1.093	4.896
2018	2.751	0.0755	2.826	1.043	0.874	4.743

Source: Municipal Tax Collector and Business Administrator

N.J.S.A. 10A:7F-5d limits the amount that the District can submit for a general fund tax levy. The levy when added to other components of the District's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

The District's basic tax rate is calculated from the A4F Form which is submitted with the budget and the Net Valuation Taxable.

Rates for debt service are based on each year's requirements.

**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO  
*Unaudited***

J-8

<u>Taxpayer</u>	<u>2018</u>			<u>2009</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
Middlesex Builders, Inc.	\$ 20,000,000	1	0.582%	\$ 20,000,000	1	0.590%
Madison Realty Company	17,300,000	2	0.504%	17,500,000	3	0.520%
Route Nine Plaza LLC	15,227,200	3	0.443%	15,227,200	5	0.450%
Heritage Old Bridge, LLC	14,800,000	4	0.431%	17,600,000	2	0.510%
Aldercrest, Inc., Section 3	14,425,600	5	0.420%	14,425,600	7	0.430%
Aldercrest, Inc., Section 2	14,425,600	6	0.420%	14,425,600	6	0.430%
Aldercrest, Inc., Section 1	14,131,200	7	0.411%	14,131,200	8	0.420%
Wilf, Harry, Joe, Leonard and Zygmunt				16,500,000	4	0.490%
Stratford Village & Cammeby's Management				10,200,000	10	0.300%
Woodhaven Village NC	13,612,800	8	0.396%			
Hudson 90 Matawan LP	11,700,000	9	0.341%			
Nieuw Amsterdam c/o Smith and Kriegman	11,400,000	10	0.332%	11,400,000	9	0.340%
	<u>\$147,022,400</u>		<u>4.280%</u>	<u>\$151,409,600</u>		<u>4.480%</u>

Source: Municipal Tax Assessor

**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
MUNICIPAL PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN YEARS  
SCHOOL DISTRICT COLLECTION ONLY  
*Unaudited***

J-9

<u>Year Ended June 30,</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy <sup>a</sup></u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2009	\$85,994,209	\$85,994,209	100.00%	\$
2010	86,583,139	86,583,139	100.00%	
2011	87,267,729	87,267,729	100.00%	
2012	88,954,889	88,954,889	100.00%	
2013	87,890,380	87,890,380	100.00%	
2014	88,061,995	88,061,995	100.00%	
2015	92,745,337	92,745,337	100.00%	
2016	94,107,762	94,107,762	100.00%	
2017	96,360,278	96,360,278	100.00%	
2018	96,328,054	96,328,054	100.00%	

Source: Township records including the Certificate and Report of School Taxes (A4F Form)

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

## DEBT CAPACITY



OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
*Unaudited*

J-10

Fiscal Year Ended June 30,	Governmental Activities		Bond Anticipation Notes (BANS)	Business- Type Activities	Total District	Percentage of Personal Income (a)	Per Capita (a)
	Serial Bonds	Capital Leases		Capital Leases			
2009	\$44,445,000	\$ 361,614	N/A	N/A	\$44,806,614	1.43%	\$973.68
2010	43,435,000	1,191,041	N/A	N/A	44,626,041	1.41%	944.47
2011	42,370,000	2,632,209	N/A	N/A	45,002,209	1.39%	890.20
2012	41,255,000	1,789,424	N/A	N/A	43,044,424	1.25%	812.94
2013	40,085,000	300,803	N/A	N/A	40,385,803	1.16%	795.36
2014	38,855,000	N/A	N/A	N/A	38,855,000	1.12%	746.19
2015	37,560,000	565,000	N/A	N/A	38,125,000	1.05%	704.75
2016	33,660,000	463,181	N/A	N/A	34,123,181	0.91%	609.56
2017	31,940,000	352,276	N/A	N/A	32,292,276	*	*
2018	30,480,000	17,042,876	N/A	N/A	47,522,876	*	*

\*Data was not provided by School District.

Source: School District Financial Records

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

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

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
*Unaudited*

J-11

<u>Fiscal Year Ended June 30,</u>	<u>General Obligation Bonds</u>	<u>Deductions</u>	<u>Net General Bonded Debt Outstanding</u>	<u>Estimated Actual County Equalized Value</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Population</u>	<u>Per Capita</u>
2009	\$44,445,000	\$	\$44,445,000	\$8,001,438,489	0.56%	65,942	R 674 R
2010	43,435,000		43,435,000	7,832,492,723	0.55%	65,386	R 664 R
2011	42,370,000		42,370,000	7,562,460,359	0.56%	65,748	R 644 R
2012	41,255,000		41,255,000	7,334,724,052	0.56%	66,216	R 623 R
2013	40,085,000		40,085,000	6,898,557,578	0.58%	66,556	R 602 R
2014	38,855,000		38,855,000	6,807,582,255	0.57%	66,894	R 581 R
2015	37,560,000		37,560,000	7,009,317,782	0.54%	66,976	R 561 R
2016	33,660,000		33,660,000	7,355,860,113	0.46%	66,917	R 503 R
2017	31,940,000		31,940,000	7,529,988,805	0.42%	67,032	R 476 R
2018	30,480,000		30,480,000	7,537,644,595	0.40%	*	*

\*Data was not provided by School District.

Source: School District Financial Reports

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

R - Revised

**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2017  
Unaudited**

J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes:			
Township of Old Bridge	\$ 44,020,966	100.00%	\$ 44,020,966
Middlesex County General Obligation Debt	476,938,580	7.41%	<u>3,534,115</u>
Sub-Total Overlapping Debt			47,555,081
Old Bridge School District Direct Debt			<u>30,480,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 78,035,081</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the Middlesex County Board of Taxation; debt outstanding data provided by each governmental unit.

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

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

**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**  
**(DOLLARS IN THOUSANDS)**  
*Unaudited*

J-13

Legal Debt Margin Calculation

		Equalized Valuation Basis
	2015	\$ 7,297,802,010
	2016	7,488,251,309
	2017	<u>8,121,490,695</u>
	(A)	<u>\$22,907,544,014</u>
Average Equalized Valuation of Taxable Property	[A/3]	<u>\$ 7,635,848,005</u>
Debt Limit (4.0% of Average Equalization Value)	[B]	\$ 305,433,920 (a)
Net Bonded School Debt	[C]	<u>30,480,000</u>
Legal Debt Margin	[B-C]	<u>\$ 274,953,920</u>

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>Transitional Year 2015</u>	<u>2016</u>	<u>2017</u>
Debt Limit	\$ 240,297,786	\$ 314,944,412	\$ 310,769,308	\$ 302,374,796	\$ 290,060,397	\$ 280,322,265	\$ 275,234,864	\$ 280,484,022	\$ 289,801,260	\$ 305,433,920
Total Net Debt Applicable to Limit	<u>45,350,000</u>	<u>43,435,000</u>	<u>42,370,000</u>	<u>41,255,000</u>	<u>40,085,000</u>	<u>38,855,000</u>	<u>37,560,000</u>	<u>33,660,000</u>	<u>31,940,000</u>	<u>30,480,000</u>
Legal Debt Margin	<u>\$ 194,947,786</u>	<u>\$ 271,509,412</u>	<u>\$ 268,399,308</u>	<u>\$ 261,119,796</u>	<u>\$ 249,975,397</u>	<u>\$ 241,467,265</u>	<u>\$ 237,674,864</u>	<u>\$ 246,824,022</u>	<u>\$ 257,861,260</u>	<u>\$ 274,953,920</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	18.87%	13.79%	13.63%	13.64%	13.82%	13.86%	13.65%	12.00%	11.02%	9.98%

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

(a) Limit set by N.J.S. 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts.

## DEMOGRAPHIC AND ECONOMIC INFORMATION

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 LAST TEN FISCAL YEARS  
*Unaudited*

J-14

<u>Year</u>	<u>Population</u>		<u>Personal Income</u>		<u>Per Capita Personal Income</u>		<u>Unemployment Rate</u>
2008	65,478	R	\$ 3,131,747,262	R	\$ 47,829	R	3.50%
2009	65,942	R	3,034,518,956	R	46,018	R	8.40%
2010	65,386	R	3,089,488,500	R	47,250	R	8.70%
2011	65,748	R	3,323,758,644	R	50,553	R	8.40%
2012	66,216	R	3,506,070,984	R	52,949	R	8.60%
2013	66,556	R	3,379,514,012	R	50,777	R	7.20%
2014	66,894	R	3,483,237,474	R	52,071	R	5.60%
2015	66,976	R	3,623,200,672	R	54,097	R	4.60%
2016	66,917		3,746,013,660		55,980		4.20%
2017	67,032		*		*		3.90%

\*Data not available

Source:

a = Population information provided by the N.J. Department of Labor and Workforce Development.

b = Personal income has been estimated based upon the municipal population and per capita personal income presented.

c = Per capita personal income by municipality estimated based upon the 2000 Census published by the U.S. Bureau of Economic Analysis.

d = Unemployment Data provided by the N.J. Department of Labor and Workforce Development.

R - Revised

**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT**  
**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND NINE YEARS AGO**  
*Unaudited*

J-15

<u>Employer</u>	<u>2018</u>		<u>2009</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>
Blonder - Tongue Labs	*	*		*
Madison Industries	*	*		*
Madison Chemicals	*	*		*
Old Bridge Chemicals	*	*		*
CPS Chemical	*	*		*
Old Bridge Board of Education	*	*	1,182.6	*
	*	*	1,182.6	*

\*Data was not provided by School District.

Districts may obtain principal employer information from various sources such as their local Chamber of Commerce, Local Economic Development Agency, or other creditable source for their municipality.

Old Bridge Employees include Full-Time and Part-Time (Noon Hour Supervisors).

## OPERATING INFORMATION



**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS  
*Unaudited***

J-16

<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	568.6	562.0	535.9	529.8	538.1	542.4	533.0	536.0	540.0	538.0
Special Education	164.1	164.2	172.5	169.6	171.0	166.5	172.0	174.0	180.0	178.0
Other Special Education	131.5	144.5	147.0	155.0	170.0	166.0	163.0	161.0	171.0	155.0
Support Services:										
Student and Instruction Related Services	136.0	140.0	136.2	133.2	144.4	144.7	146.0	148.6	143.0	161.0
School Administrative Services	64.0	64.0	60.0	60.2	61.7	57.2	56.2	57.2	57.0	56.0
General and Business Administration	25.5	26.5	26.5	26.9	25.8	29.8	29.2	25.8	25.0	25.0
Plant Operations and Maintenance	48.7	49.2	33.2	30.8	31.4	31.4	31.6	31.6	34.0	34.0
Pupil Transportation	59.0	62.0	58.0	53.0	56.0	61.0	59.0	59.0	60.0	60.0
Special Schools	3.0	3.0								
<b>Total</b>	<u>1,200.4</u>	<u>1,215.4</u>	<u>1,169.3</u>	<u>1,158.5</u>	<u>1,198.4</u>	<u>1,199.0</u>	<u>1,190.0</u>	<u>1,193.2</u>	<u>1,210.0</u>	<u>1,207.0</u>

Source: District Personnel Office

**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
*Unaudited***

J-17

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures (a)</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil/Teacher Ratio (b)</u>	<u>Average Daily Enrollment (ADE) (c)</u>	<u>Average Daily Attendance (ADA) (c)</u>	<u>Percentage Change in (ADE)</u>	<u>Student Attendance Percentage</u>
2009	9,633.0	\$ 136,399,862	\$14,160	1.27%	732.7	13.1	9,610.4	9,151.0	-0.96%	95.20%
2010	9,521.0	139,433,977	14,645	3.43%	726.2	13.1	9,484.7	9,019.7	-0.94%	95.10%
2011	9,403.0	136,385,841	14,505	2.44%	707.4	13.3	9,415.4	8,921.9	-0.94%	94.80%
2012	9,291.0	140,016,329	15,070	2.90%	699.4	13.3	9,203.3	8,746.2	-2.25%	95.00%
2013	9,195.5	146,190,431	15,898	9.61%	709.0	13.0	9,101.6	8,636.2	-1.11%	94.89%
2014	8,989.5	146,247,776	16,269	2.33%	711.0	12.6	8,880.9	8,443.5	2.42%	95.08%
2015	9,079.0	148,568,109	16,364	0.59%	708.0	12.8	9,018.0	8,555.0	1.30%	94.87%
2016	9,016.0	151,138,440	16,763	2.44%	712.0	12.7	8,917.0	8,443.0	-1.13%	94.68%
2017	8,905.5	158,274,310	17,773	6.02%	720.0	12.4	8,829.6	8,380.0	-1.14%	94.91%
2018	8,737.0	167,628,695	19,186	7.95%	716.0	12.2	8,656.6	8,198.8	-2.00%	94.71%

Source: School District Financial 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).

**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
*Unaudited***

J-18  
Sheet #1

<u>District Building</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>
<b>Old Bridge High School - Main Building:</b>										
Square Feet	209,715	209,715	209,715	209,715	209,715	209,715	209,715	209,715	209,715	209,715
Capacity (Students)	2,183	2,183	2,183	2,183	2,183	2,183	2,183	2,183	2,183	2,183
Enrollment	2,291	2,291	2,341	2,291	2,367	2,223	2,227	2,227	2,170	2,168
<b>Old Bridge High School - Grade Nine Center:</b>										
Square Feet	119,500	119,500	119,500	119,500	119,500	119,500	119,500	119,500	119,500	119,500
Capacity (Students)	1,122	1,122	1,122	1,122	1,122	1,122	1,122	1,122	1,122	1,122
Enrollment	748	748	711	742	637	692	741	741	679	699
<b>Jonas Salk Middle School:</b>										
Square Feet	119,500	119,500	119,500	119,500	119,500	119,500	119,500	119,500	119,500	119,500
Capacity (Students)	1,181	1,181	1,181	1,181	1,181	1,181	1,181	1,181	1,181	1,181
Enrollment	1,272	1,272	985	1,036	1,024	1,007	983	983	996	987
<b>Carl Sandburg Middle School:</b>										
Square Feet	181,400	181,400	181,400	181,400	181,400	181,400	181,400	181,400	181,400	181,400
Capacity (Students)	1,284	1,284	1,284	1,284	1,284	1,284	1,284	1,284	1,284	1,284
Enrollment	1,201	1,201	1,249	1,188	1,163	1,160	1,164	1,164	1,138	1,058
<b>M. Scott Carpenter Elementary School:</b>										
Square Feet	32,950	32,950	32,950	32,950	32,950	32,950	32,950	32,950	32,950	32,950
Capacity (Students)	303	303	303	303	303	303	303	303	303	303
Enrollment	302	302	285	279	290	295	304	304	283	269
<b>Cheesequake Elementary School:</b>										
Square Feet	30,100	30,100	30,100	30,100	30,100	30,100	30,100	30,100	30,100	30,100
Capacity (Students)	329	329	329	329	329	329	329	329	329	329
Enrollment	324	324	316	302	290	298	295	295	284	285
<b>Leroy Gordon Cooper Elementary School:</b>										
Square Feet	25,050	25,050	25,050	25,050	25,050	25,050	25,050	25,050	25,050	25,050
Capacity (Students)	245	245	245	245	245	245	245	245	245	245
Enrollment	186	186	272	261	263	250	233	233	238	238
<b>Virgil I. Grissom Elementary School:</b>										
Square Feet	24,700	24,700	24,700	24,700	24,700	24,700	24,700	24,700	24,700	24,700
Capacity (Students)	269	269	269	269	269	269	269	269	269	269
Enrollment	229	229	234	235	222	210	208	208	230	226
<b>Madison Park Elementary School:</b>										
Square Feet	33,750	33,750	33,750	33,750	33,750	33,750	33,750	33,750	33,750	33,750
Capacity (Students)	383	383	383	383	383	383	383	383	383	383
Enrollment	338	338	316	298	282	271	278	278	262	273
<b>James A. McDivitt Elementary School:</b>										
Square Feet	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Capacity (Students)	564	564	564	564	564	564	564	564	564	564
Enrollment	555	555	532	550	520	553	441	441	446	420

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
*Unaudited*

J-18  
Sheet #2

<u>District Building</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>
Memorial Elementary School:										
Square Feet	32,200	32,200	32,200	32,200	32,200	32,200	32,200	32,200	32,200	32,200
Capacity (Students)	377	377	377	377	377	377	377	377	377	377
Enrollment	436	436	432	420	398	393	393	393	403	405
William A. Miller Elementary School:										
Square Feet	28,900	28,900	28,900	28,900	28,900	28,900	28,900	28,900	28,900	28,900
Capacity (Students)	269	269	269	269	269	269	269	269	269	269
Enrollment	353	353	337	313	352	344	341	341	326	327
Walter M. Schirra Elementary School:										
Square Feet	36,570	36,570	36,570	36,570	36,570	36,570	36,570	36,570	36,570	36,570
Capacity (Students)	499	499	499	499	499	499	499	499	499	499
Enrollment	420	420	374	334	366	355	356	356	329	291
Alan B. Shepard Elementary School:										
Square Feet	27,302	27,302	27,302	27,302	27,302	27,302	27,302	27,302	27,302	27,302
Capacity (Students)	353	353	353	353	353	353	353	353	353	353
Enrollment	343	343	290	292	269	255	274	274	255	251
Southwood Elementary School:										
Square Feet	408,000	408,000	408,000	408,000	408,000	408,000	408,000	408,000	408,000	408,000
Capacity (Students)	383	383	383	383	383	383	383	383	383	383
Enrollment	380	380	316	390	304	290	433	433	456	460
Raymond E. Voorhees Elementary School:										
Square Feet	39,410	39,410	39,410	39,410	39,410	39,410	39,410	39,410	39,410	39,410
Capacity (Students)	557	557	557	557	557	557	557	557	557	557
Enrollment	464	464	413	390	364	325	346	346	353	346

Source: School District Facilities Office

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
SCHEDULE OF REQUIRED MAINTENANCE EXPENDITURES BY SCHOOL FACILITY  
LAST TEN FISCAL YEARS  
*Unaudited*

J-19

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

School Number	Fiscal Years Ending June 30,										
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	
School Facilities*:											
Old Bridge High School Main Building (Effective July 1, 2005)	40	\$1,013,915.00	\$1,336,577.00	\$ 978,013.00	\$1,328,787.00	\$ 940,088.00	\$1,011,087.00	\$1,215,370.00	\$1,013,462.00	\$1,063,375.00	\$1,376,635.00
Alan B. Shepard Elementary School	82	282,233.00	187,994.00	206,997.00	176,541.00	170,543.00	124,612.00	114,786.00	152,701.00	140,682.00	123,724.00
OBHS-GNC (Formerly Carl Sandburg Middle School)	103	480,857.00	615,099.00	507,484.00	465,756.00	482,190.00	399,733.00	512,008.00	367,862.00	356,828.00	323,346.00
Cheesequake Elementary School	105	147,893.00	149,396.00	204,548.00	205,304.00	158,158.00	142,973.00	266,897.00	155,901.00	169,559.00	197,106.00
James A. McDivitt Elementary School	108	228,504.00	187,351.00	199,551.00	263,145.00	234,569.00	221,470.00	171,991.00	176,477.00	191,842.00	261,668.00
Jonas Salk Middle School	110	595,772.00	652,363.00	505,683.00	409,524.00	493,803.00	438,731.00	469,101.00	384,823.00	427,131.00	423,349.00
Leroy Gordon Cooper Elementary School	113	170,211.00	112,354.00	145,813.00	167,309.00	106,594.00	78,717.00	126,265.00	109,553.00	110,892.00	121,385.00
Madison Park Elementary School	120	209,726.00	176,239.00	165,619.00	172,213.00	160,487.00	134,623.00	156,983.00	184,674.00	210,981.00	212,747.00
Memorial Elementary School	130	208,315.00	309,396.00	191,127.00	212,404.00	208,237.00	150,216.00	146,528.00	127,926.00	157,793.00	254,270.00
M. Scott Carpenter Elementary School	133	173,647.00	157,498.00	215,681.00	174,505.00	184,115.00	127,075.00	314,834.00	147,114.00	152,129.00	174,918.00
Raymond E. Voorhees Elementary School	140	192,002.00	201,366.00	186,392.00	194,925.00	174,011.00	166,118.00	176,283.00	179,379.00	200,300.00	207,857.00
Southwood Elementary School	150	185,860.00	154,028.00	168,071.00	224,162.00	145,603.00	136,245.00	145,513.00	137,319.00	164,951.00	166,549.00
Virgil I. Grissom Elementary School	163	131,917.00	163,607.00	157,760.00	160,655.00	149,201.00	144,673.00	133,842.00	134,808.00	143,743.00	165,344.00
Walter M. Schirra Elementary School	165	284,401.00	199,981.00	177,658.00	184,998.00	161,623.00	221,270.00	145,672.00	187,487.00	161,048.00	193,269.00
William A. Miller Elementary School	170	79,146.00	93,055.00	164,429.00	181,777.00	129,423.00	77,013.00	78,960.00	98,154.00	110,993.00	123,874.00
Other Facilities	999	1,544,352.00	1,598,642.00	1,455,876.00	1,270,163.00	1,069,989.00	748,193.30	1,057,373.00	1,053,248.00	977,150.00	1,177,134.00
<b>Total School Facilities</b>		<u>\$5,928,751.00</u>	<u>\$6,294,946.00</u>	<u>\$5,630,902.00</u>	<u>\$5,792,168.00</u>	<u>\$4,968,634.00</u>	<u>\$4,322,751.30</u>	<u>\$5,232,406.00</u>	<u>\$4,610,888.00</u>	<u>\$4,739,397.00</u>	<u>\$5,503,175.00</u>

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

Source: School District records

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2018  
Unaudited

J-20

	<u>Amounts/Limits</u>	<u>Company</u>	<u>Policy Number</u>
<b>Property</b>			
Blanket Building and Contents	\$ 265,797	SAIF	PR-17-01-251
Deductible	5,000		
Business Income and Extra Expenses	5,000,000		
Flood	5,000,000		
Computer Equipment	6,000,000		
Contractors Equipment	250,000		
<b>Commercial Liability</b>			
Bodily Injury and Property Damage		SAIF	PR-17-01-251
Each Occurrence	5,000,000		
General Aggregate	5,000,000		
Products/Completed Operations	5,000,000		
Damage to Premises Rented	5,000,000		
Medical Payments	10,000		
Personal and Advertising Injury	5,000,000		
Employee Benefits Liability	5,000,000		
<b>Crime</b>			
Employee Dishonesty	500,000	SAIF	PR-17-01-251
Money and Security	25,000		
Forgery or Alteration	100,000		
Computer Fraud	25,000		
<b>Business Auto</b>			
Combined Single Limit	10,000,000	SAIF	PR-17-01-251
Personal Injury Protection	Statutory		
Medical Payments	5,000		
Uninsured/Underinsured	15/30/5		
Comprehensive Deductible	1,000		
Collision Deductible	1,000		
<b>School Board Legal</b>			
Limit of Liability	10,000,000	SAIF	SLPL-17-251
<b>Workers' Compensation</b>			
Employer's Liability	2,000,000	NJSIG	W388AI
<b>Umbrella</b>			
Limit of Liability	5,000,000	SAIF	PR-17-01-251
<b>CAP EXCESS</b>			
Limit of Liability	50,000,000	Fireman's Fund	SHX-000-246-05248
<b>Bonds</b>			
Business Administrator/Board Secretary	100,000	Selective	B1150483
Treasurer of School Monies	526,000	Selective	B1145135
<b>Supplemental WC</b>			
Max Benefit Per Week	2,500	NJSIG	9907-15-88
<b>Student Accident</b>			
Blanket Student Accident	1,000,000	CATLIN	BAH3000351-0817
<b>Environmental Impairment</b>			
Occurrence	1,000,000	SAIF	45946847
Roof/Security Projects			
<b>International</b>			
	1,000 Each Occurrence	Navigator Insurance Co.	PH17FPKOB
	2,000,000 General		AFFJNV
<b>Limit of Liability</b>	Aggregate		

**SINGLE AUDIT SECTION**

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

The Honorable President and Members  
of the Board of Education  
Old Bridge Township Board of Education  
County of Middlesex  
Matawan, New Jersey 07747

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and 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 the Old Bridge Township Board of Education, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Old Bridge Township Board of Education's basic financial statements, and have issued our report thereon dated January 31, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Old Bridge Township School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Old Bridge Township School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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



**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Board of Education of the Old Bridge 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.



JOSEPH J. FACCONI  
Licensed Public School Accountant #194



SAMUEL KLEIN AND COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS

Newark, New Jersey  
January 31, 2019

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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE  
OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY UNIFORM ADMINISTRATIVE  
REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL  
AWARDS (UNIFORM GUIDANCE)**

The Honorable President and Members  
of the Board of Education  
Old Bridge Township Board of Education  
County of Middlesex  
Matawan, New Jersey 07747

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

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

### **Management's Responsibility**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Old Bridge Township's 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 *New Jersey State Aid/Grant Compliance Supplement*, 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 audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and New Jersey OMB's Circulars 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid (NJOMB 15-08)*. 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 the Old Bridge 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 program. However, our audit does not provide a legal determination of the Old Bridge Township School District's compliance.

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

In our opinion, the Old Bridge 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.

### **Report on Internal Control over Compliance**

Management of the Old Bridge Township School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Old Bridge 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 the Uniform Guidance and NJOMB's 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Old Bridge Township School District's internal control over compliance.

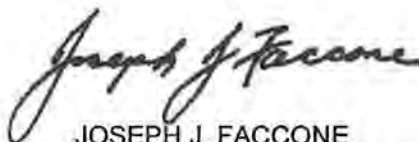
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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

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

**Report on Schedules of Expenditures of Federal and State Awards Required by the Uniform Guidance and New Jersey OMB's Circular 15-08**

We have audited the financial statements of the Old Bridge Township School District as of and for the year ended June 30, 2018, and have issued our report thereon dated January 31, 2019, 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 schedules of expenditures of federal and state awards are presented for purposes of additional analysis as required by the Uniform Guidance and New Jersey OMB's Circular 15-08 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and related 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 schedules of expenditures of federal and state awards is fairly stated in all material respects in relation to the financial statements as a whole.



JOSEPH J. FACCONI  
Licensed Public School Accountant #194



SAMUEL KLEIN AND COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS

Newark, New Jersey  
January 31, 2019

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

Schedule A

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant Period	Award Amount	Balance at June 30, 2017	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditure	Adjustments	Repayment of Prior Year's Balance	June 30, 2018:		Due to Grantor
											(Accounts Receivable)	Deferred Revenue	
U.S. Department of Education:													
General Fund:													
Medical Assistance Program	93.778	1805NJSMAP	7/1/17 - 8/30/18	\$ 103,064.78	\$ -	\$ -	\$ 103,064.78	\$ (117,804.78)	\$ -	\$ -	\$ (14,740.03)	\$ -	\$ -
Total General Fund							103,064.78	(117,804.78)			(14,740.03)		
U.S. Department of Education:													
Passed-Through State Department of Education:													
Special Revenue Fund:													
Title I, Part A	84.010	S010A160030	7/1/16 - 8/30/17	747,807.00	(242,495.32)		242,495.32						
Title I, Part A Carryover	84.010	S010A170030	7/1/17 - 8/30/18	747,607.00			91,438.34	(91,438.34)					
Title I, Part A	84.010	S010A170030	7/1/17 - 8/30/18	783,851.00			444,472.34	(694,535.53)			(250,063.19)		
Title II, Part A	84.367A	S367A160029	7/1/16 - 8/30/17	203,251.00	(75,084.73)		75,084.73						
Title II, Part A - Carryover	84.367A	S367A170029	7/1/17 - 8/30/18	203,251.00			14,060.13	(14,060.13)					
Title II, Part A	84.367A	S367A170029	7/1/17 - 8/30/18	195,282.00			112,371.14	(151,075.34)			(38,704.20)		
Title III	84.385	S365A160030	7/1/16 - 8/30/17	73,746.00	(26,682.42)		26,682.00		0.42				
Title III Carryover	84.385	S385A170030	7/1/17 - 8/30/18	73,746.00			4,754.82	(4,754.82)					
Title III	84.385	S365A170030	7/1/17 - 8/30/18	63,171.00			28,989.19	(57,151.95)			(28,162.77)		
Title III Immigrant	84.365	S365A180030	7/1/16 - 8/30/17	21,283.00	(19,533.20)		19,533.20						
Title III Immigrant Carryover	84.365	S365A170030	7/1/17 - 8/30/18	21,283.00			1,749.80	(1,749.80)					
Title III Immigrant Carryover	84.365	S385A160030	7/1/16 - 8/30/17	4,553.00	(434.75)		434.75						
Title III Immigrant	84.365	S385A170030	7/1/17 - 8/30/18	14,385.00			1,193.25	(5,083.38)			(3,870.13)		
Title IV	84.424	S424A170031	7/1/17 - 8/30/18	10,387.00			7,908.00	(9,734.85)			(1,826.95)		
IDEA Part B, Basic Regular	84.027	H027A160100	7/1/16 - 8/30/17	2,052,387.00	(106,789.38)		105,769.38						
IDEA Part B, Basic Regular Carryover	84.027	H027A170100	7/1/17 - 8/30/18	2,052,387.00			18,952.49	(18,952.49)					
IDEA Part B, Basic Regular	84.027	H027A170100	7/1/17 - 8/30/18	2,019,360.00			1,330,877.13	(1,987,377.78)			(658,500.63)		
IDEA Part B, Preschool Handicapped Carryover	84.173	S173A160114	7/1/16 - 8/30/17	65,308.00			751.00					751.00	
IDEA Part B, Preschool Handicapped	84.173	S173A170114	7/1/17 - 8/30/18	64,731.00			64,731.00	(64,731.00)					
Emergency Impact Aid	84.938C	S938C18005	7/1/17 - 8/30/18	6,750.00				(6,750.00)			(6,750.00)		
Perkins Grant	84.048	V048A160030	7/1/16 - 8/30/17	52,506.00	(16,720.00)		16,720.00						
Perkins Grant	84.048	V048A170030	7/1/17 - 8/30/18	55,391.00			41,123.00	(55,391.00)			(14,268.00)		
Total Special Revenue Fund					(487,739.80)		2,651,111.00	(3,182,766.49)	0.42		(1,000,145.87)	751.00	
U.S. Department of Agriculture:													
Passed-Through State Department of Education:													
Enterprise Fund:													
Food Distribution Program	10.555	171NJ304N1099	7/1/16 - 8/30/17	197,292.60	\$ 251.92			(251.92)					
Food Distribution Program	10.555	181NJ304N1099	7/1/17 - 8/30/18	187,553.32			187,553.32	(181,408.68)				6,144.64	A
National School Lunch Program	10.555	171NJ304N1099	8/1/16 - 8/30/17	984,863.16	(52,304.40)		52,304.40						
National School Lunch Program	10.555	181NJ304N1099	7/1/17 - 8/30/18	907,421.03			836,709.40	(907,421.03)			(70,711.63)		
National School Breakfast Program	10.553	171NJ304N1099	9/1/16 - 8/30/17	89,013.15	(5,110.91)		5,110.91						
National School Breakfast Program	10.553	181NJ304N1099	7/1/17 - 8/30/18	85,844.05			78,589.04	(85,844.05)			(7,255.01)		
Total Enterprise Fund					(57,163.39)		1,160,267.07	(1,174,925.88)			(77,666.64)	6,144.64	
Total Federal Awards					\$ (544,803.19)	\$ -	\$ 3,914,442.83	\$ (4,455,486.96)	\$ 0.42	\$ -	\$ (1,092,652.54)	\$ 6,895.64	\$ -

A = Inventory Value at June 30, 2018

See accompanying Notes to the Schedules of Awards and Financial Assistance.

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

Schedule B  
 Sheet #1

State Grant/Program Title	Grant or State Project Number	Grant Period	Award Amount	June 30, 2017			Carryover/(Walkover) Amount	Cash Received	Budgetary Expenditures Passed-Through Funds	Repayment of Prior Year's Balance	Adjustments	June 30, 2018			Memo		
				(Accounts Receivable)	Deferred Revenue	Due to Grantor						(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures	
State Department of Education:																	
General Fund:																	
Equalization Aid	18-495-034-5120-078	7/1/17 - 6/30/18	\$36,713,533.00	\$	\$	\$	\$	\$36,713,533.00	\$(36,713,533.00)	\$	\$	\$	\$	\$	\$	\$3,625,384.90	\$36,713,533.00
Categorical Special Education Aid	18-495-034-5120-089	7/1/17 - 6/30/18	5,572,334.00					5,572,334.00	(5,572,334.00)							557,231.80	5,572,334.00
Categorical Transportation Aid	18-495-034-5120-014	7/1/17 - 6/30/18	958,933.00					958,933.00	(958,933.00)							95,893.30	958,933.00
Adjustment Aid	18-495-034-5120-085	7/1/17 - 6/30/18	437,066.00					437,066.00	(437,066.00)							43,706.60	437,066.00
PARCC Readiness Aid	18-495-034-5120-098	7/1/17 - 6/30/18	86,680.00					86,680.00	(86,680.00)							8,668.00	86,680.00
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17 - 6/30/18	86,680.00					86,680.00	(86,680.00)							8,668.00	86,680.00
Categorical Security Aid	18-495-034-5120-084	7/1/17 - 6/30/18	835,366.00					835,366.00	(835,366.00)							83,536.60	835,366.00
Professional Learning Community Aid	18-495-034-5120-101	7/1/17 - 6/30/18	89,150.00					89,150.00	(89,150.00)							8,915.00	89,150.00
On-Behalf TPAF Post-Retirement Medical Benefit Contributions	18-495-034-5095-001	7/1/17 - 6/30/18	6,129,264.00					6,129,264.00	(6,129,264.00)								6,129,264.00
On-Behalf TPAF Post-Retirement Pension Contributions	18-495-034-5095-002	7/1/17 - 6/30/18	9,489,807.00					9,489,807.00	(9,489,807.00)								9,489,807.00
On-Behalf TPAF Post-Retirement Non-Contributory Insurance Contributions	18-495-034-5095-004	7/1/17 - 6/30/18	9,701.00					9,701.00	(9,701.00)								9,701.00
Reimbursed TPAF Social Security Contribution	17-495-034-5095-002	7/1/17 - 6/30/18	4,880,709.43	(236,546.92)				236,546.92									
Reimbursed TPAF Social Security Contribution	18-100-034-5095-002	7/1/17 - 6/30/18	4,848,764.73					4,808,020.53	(4,848,764.73)			(239,744.20)			239,744.20	4,848,764.73	
Extraordinary Aid	17-495-034-5120-044	7/1/16 - 6/30/17	2,227,413.00	(2,227,413.00)													
Extraordinary Aid	18-495-034-5120-044	7/1/17 - 6/30/18	1,935,215.00					1,935,215.00				(1,935,215.00)			1,935,215.00	1,935,215.00	
Nonpublic Transportation Aid	Unknown	7/1/16 - 6/30/17	140,821.00	(140,821.00)				140,821.00									
Nonpublic Transportation Aid	Unknown	7/1/17 - 6/30/18	168,832.00						(168,832.00)			(168,832.00)			168,832.00	168,832.00	
<b>Total General Fund</b>				<b>(2,604,780.92)</b>				<b>67,622,315.45</b>	<b>(67,361,325.73)</b>			<b>(2,343,791.20)</b>			<b>6,775,795.20</b>	<b>67,361,325.73</b>	
Special Revenue Fund:																	
N.J. Nonpublic Aid:																	
Textbook Aid	18-100-034-5120-064	7/1/17 - 6/30/18	47,220.00					47,220.00	(45,403.85)						1,816.15		45,403.85
Textbook Aid	17-100-034-5120-064	7/1/16 - 6/30/17	52,741.00			1,947.18											
Nursing Services	18-100-034-5120-070	7/1/17 - 6/30/18	83,711.00					83,711.00	(82,723.98)						987.02		82,723.98
Nursing Services	17-100-034-5120-070	7/1/16 - 6/30/17	82,440.00			2,380.48											
Technology	18-100-034-5120-373	7/1/17 - 6/30/18	31,894.00					31,894.00	(29,858.24)						2,035.76		29,858.24
Technology	17-100-034-5120-373	7/1/16 - 6/30/17	23,790.00			1,572.41											
Security	18-100-034-5120-509	7/1/17 - 6/30/18	64,725.00					64,725.00	(37,578.42)						27,146.58		37,578.42
Security	17-100-034-5120-509	7/1/16 - 6/30/17	45,800.00			5,792.52											
Auxiliary Services:																	
Public Transportation	18-100-034-5120-068	7/1/17 - 6/30/18	15,354.00					15,354.00	(15,354.00)								15,354.00
Compensatory Education	18-100-034-5120-067	7/1/17 - 6/30/18	83,269.00					83,269.00	(83,269.00)								83,269.00
Compensatory Education	17-100-034-5120-067	7/1/16 - 6/30/17	109,288.00			10,750.00											
English as a Second Language	18-100-034-5120-067	7/1/17 - 6/30/18	17,164.00					17,164.00	(12,647.00)						4,517.00		12,647.00
English as a Second Language	17-100-034-5120-067	7/1/16 - 6/30/17	23,751.00			11,875.00											
Handicapped Services:																	
Supplemental Instruction	18-100-034-5120-066	7/1/17 - 6/30/18	41,234.00					41,234.00	(34,890.00)						6,344.00		34,890.00
Annual Review	18-100-034-5120-066	7/1/17 - 6/30/18	10,944.00					10,944.00	(10,944.00)								10,944.00
Examination and Classification	18-100-034-5120-066	7/1/17 - 6/30/18	31,827.00					31,827.00	(31,827.00)								31,827.00
Examination and Classification	17-100-034-5120-066	7/1/16 - 6/30/17	44,646.00			722.00											
Corrective Speech	18-100-034-5120-066	7/1/17 - 6/30/18	39,283.00					39,283.00	(29,463.00)						9,820.00		29,463.00
Corrective Speech	17-100-034-5120-066	7/1/16 - 6/30/17	47,709.00			14,136.00											
Home Instruction	18-100-034-5120-066	7/1/17 - 6/30/18	5,800.00						(5,800.00)			(5,800.00)					5,800.00
Home Instruction	17-100-034-5120-066	7/1/16 - 6/30/17	5,064.00	5,064.00				5,064.00									
<b>Total Special Revenue Fund</b>				<b>5,064.00</b>		<b>49,175.59</b>		<b>471,689.00</b>	<b>(419,756.49)</b>	<b>49,175.59</b>		<b>(5,800.00)</b>		<b>52,666.51</b>		<b>419,758.49</b>	

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

State Grantor/ Program Title	Grant or State Project Number	Grant Period	Award Amount	June 30, 2017			Carryover/ (Waiver) Amount	Cash Received	Budgetary Expenditures Passed-Through Funds	Repayment of Prior Year's Balance	Adjustments	June 30, 2018			Memo	
				(Accounts Receivable)	Deferred Revenue	Due to Grantor						(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:																
Capital Projects Fund:																
Educational Facilities Construction Financing Act:	3845-110-14-1007	7/1/14 - Ongoing	\$ 587,500.00	\$ -	\$ -	\$ -	\$ -	\$ (587,500.00)	\$ -	\$ -	\$ (587,500.00)	\$ -	\$ -	\$ 587,500.00	\$ 587,500.00	
Total Capital Projects Fund								(587,500.00)			(587,500.00)			587,500.00	587,500.00	
Enterprise Fund:																
National School Lunch Program	18-100-010-3380-067	7/1/17 - 6/30/18	29,172.22					29,822.35	(29,172.22)			(2,349.87)		2,349.87	29,172.22	
National School Lunch Program	17-100-010-3360-067	7/1/16 - 6/30/17	30,966.27	(4,438.77)				4,438.77								
Total Enterprise Fund				(4,438.77)				31,261.12	(29,172.22)			(2,349.87)		2,349.87	29,172.22	
Total State Financial Assistance				<u>\$ (2,604,155.69)</u>	<u>\$ -</u>	<u>\$ 49,175.59</u>	<u>\$ -</u>	<u>\$ 68,125,285.57</u>	<u>\$ (68,307,756.44)</u>	<u>\$ 49,175.59</u>	<u>\$ -</u>	<u>\$ (2,939,441.07)</u>	<u>\$ -</u>	<u>\$ 52,668.51</u>	<u>\$ 7,385,645.07</u>	<u>\$ 68,397,756.44</u>
Less: On-Behalf TPAF Pension System Contributions:																
On-Behalf TPAF Post-Retirement Medical Benefit Contributions	18-495-034-5085-001								\$ 6,129,264.00							
On-Behalf TPAF Post-Retirement Pension Contributions	18-495-034-5085-002								9,489,807.00							
On-Behalf TPAF Post-Retirement Non-Contributory Insurance Contributions	18-495-034-5085-004								9,701.00							
									<u>15,628,772.00</u>							
Total for State Financial Assistance - Major Program Determination									<u>\$ (52,768,084.44)</u>							

See accompanying Notes to the Schedules of Awards and Financial Assistance.

**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS**  
**AND STATE FINANCIAL ASSISTANCE**

**YEAR ENDED JUNE 30, 2018**

**1. GENERAL**

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include federal and state award activity of the Old Bridge Township School District. The School District is defined in Note 1(A) to the District's basic financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed-through other government agencies is included on the Schedule of Federal Awards and State Financial Assistance.

**2. BASIS OF ACCOUNTING**

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. This basis of accounting is described in Note 1 to the Board's basic financial statements. The information in these schedules are presented in accordance with the requirements of 2 CFR 200-*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from amounts presented in or used in the preparation of the basic financial statements.

**3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes that payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund and capital projects fund are 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.



### 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(3,934.00) for the general fund and \$ - 0 - for the special revenue fund. See Note 2 (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 117,804.79	\$ 67,365,259.73	\$ 67,483,064.52
Special Revenue Fund	3,162,766.49	419,758.49	3,582,524.98
Food Service	<u>1,180,818.40</u>	<u>29,172.22</u>	<u>1,209,990.62</u>
Totals	<u>\$ 4,461,389.68</u>	<u>\$ 67,814,190.44</u>	<u>\$ 72,275,580.12</u>

### 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.

### 5. FEDERAL AND STATE LOANS OUTSTANDING

The District had no loans payable outstanding to federal or state entities at June 30, 2018.

### 6. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions, respectively.

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.

On-Behalf TPAF Post-Retirement Medical Benefit Contributions represents the amount paid directly by the State of New Jersey for post-retirement medical benefits for TPAF members retired from the District for the year ended June 30, 2018.

### 7. ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a State single audit. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's financial statements and the amount subject to State single audit and major program determination.

### 8. DE MINIMIS INDIRECT COST RATE

The District has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

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

*Section I - Summary of Auditor's Results*

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

**Financial Statements**

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified?

\_\_\_\_\_ Yes   √   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 Section .510(a) of the Uniform Guidance?

\_\_\_\_\_ Yes   √   No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Numbers</u>	<u>Name of Federal Program</u>
84.010	S010A160030	Title I, Part A
84.027	H027A160100	IDEA, Part B - Basic
10.555	171NJ304N1099	National School Lunch

Dollar threshold used to distinguish between Type A and Type B Programs:

\$750,000.00

Auditee qualified as low-risk auditee?

  √   Yes \_\_\_\_\_ No

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

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

**State Financial Assistance**

Internal control over major programs:

- |   |       |     |   |               |
|---|-------|-----|---|---------------|
| 1) Material weakness(es) identified   | _____ | Yes | _____ <input checked="" type="checkbox"/> | No            |
| 2) Significant deficiencies identified that are not considered to be material weaknesses? | _____ | Yes | _____ <input checked="" type="checkbox"/> | 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?

\_\_\_\_\_ Yes     No

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
18-495-034-5120-078	Equalization Aid
18-495-034-5095-003	Reimbursed TPAF Social Security Contributions
18-495-034-5120-089	Categorical Special Education Aid
18-495-034-5120-044	Extraordinary Aid

Dollar threshold used to distinguish between Type A and Type B programs:

\$1,583,069.53

Auditee qualified as low-risk auditee?

Yes    \_\_\_\_\_ No

**Section II - Financial Statement Findings:**

No financial statement findings that are required to be reported under *Government Auditing Standards*.

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

**a) Federal Award Findings and Questioned Costs:**

There were no findings or questioned costs for federal awards.

**b) State Award Findings and Questioned Costs:**

There were no findings or questioned costs for state financial assistance.

**OLD BRIDGE TOWNSHIP SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FISCAL YEAR ENDED JUNE 30, 2018**

There were no prior years' findings.

