

**PLUMSTED TOWNSHIP SCHOOL DISTRICT**

Plumsted, New Jersey  
County of Ocean

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



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**INTRODUCTORY SECTION**

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# Plumsted Township School District

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New Egypt, NJ 08533  
Telephone (609) 758-6800 Ext. 4200  
Fax (609) 758-6808  
[www.newegypt.us](http://www.newegypt.us)

*Gerald North*  
*Superintendent of Schools*

*Sean Gately*  
*Business Administrator/  
Board Secretary*

February 22, 2019

Honorable President and Members  
of the Board of Education  
Plumsted Township School District  
County of Ocean, New Jersey

Dear Board Members/Citizens:

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

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

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

Introductory Section:

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

Financial Section:

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

Statistical Section:

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

**Single Audit Section:**

The School District is required to undergo an annual Single Audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB’s Circular 15-08 OMB, “*Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*”. Information related to this Single Audit, including the independent auditor’s report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, are included in the Single Audit Section of this report.

**REPORTING ENTITY AND ITS SERVICES**

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

The School District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular as well as special education for children with special needs.

**ECONOMIC CONDITION AND OUTLOOK**

The economic outlook for the Plumsted Township School District has been adversely effected by school funding reform legislation signed into law on July 24, 2018, known as S-2. The legislation will reduce state aid annually through the 2024-2025 school year. The total reduction identified by the New Jersey Department of Education will be \$4,639,139, which represents 39.9% of the District’s 2018-2019 state aid allocation.

The District’s ability to increase the local tax levy is limited by a statutory two (2) percent cap, before adjustments. The current maximum increase for the 2019-2020 school year is \$228,883. In addition, the District may raise the local tax, prior year adjustments, by an additional \$294,036.

The District’s reserve accounts used to support the annual budget, \$840,441 for the 2018-2019 school year is not sustainable. The appropriations from the reserve accounts were principally used to fund capital projects and lease purchases in the annual operating budget.

In order to address the long-term capital needs of the District, adopted in the *Strategic Plan 2017-2022*, the Board of Education passed a resolution seeking voter approval of a \$9.6 capital bond. The bond referendum was defeated in two (2) separate elections, September and December 2018. Building systems in the high school and elementary school have been identified as end of life cycle and will require replacement in the near future.

The District student enrollment continues to decline as reported in the Application for State School Aid. Enrollment in the District has declined from a high of 1,841 students in the 2007-2008 school year. The table below represents the last five (5) years.

School Year	Enrollment as of October 15	% Change
2013-2014	1,523	-6.45%
2014-2015	1,466	-3.74%
2015-2016	1,374	-6.27%
2016-2017	1,334	-2.91%
2017-2018	1,285	-3.67%

**EDUCATION PROGRAMS**

***Mission Statement: The Plumsted Township School District shall inspire all students to realize their personal potential. A rich and challenging learning environment, in partnership with the community, will develop critical thinkers, lifelong learners and productive citizens in the emerging global society.***

The Plumsted Township School District educational program spans Pre-Kindergarten to 12th grade in a primary School, an elementary School, a middle school and a high school. Over 1250 students have an opportunity to enhance their learning in age appropriate settings using the most current teaching pedagogy, curriculum and technology.

The Plumsted Township School District has a 1:1 computing environment for grades 2 through 12. The District offers 5 high school academies: Teachers for Tomorrow, Business, Engineering, Law and Justice and Video Production. All students in grades Pre-Kindergarten -12 are exposed to STEAM (Science, Technology, Engineering, Arts and Mathematics) curriculum. Both the middle school and high school have formal labs that have been created to include space for academic study, as well as hands on design, manufacturing and assembly.

The Summit Learning Platform will now be used in grades 6-11. Summit Learning is a personalized approach to teaching and learning based on 3 pillars to the student experience: project-based learning; 1:1 mentoring; and student-centered learning and goal setting. The district has seen improved student ownership and performance, as well as teacher efficacy with the personalized approach.

The Plumsted Township School Districts realignment of the elementary school to include grades Kindergarten - 5 has shown distinct improvements in our literacy program. Currently, the district is exploring a new elementary math program for further alignment with those grades.

### **INTERNAL ACCOUNTING CONTROLS**

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

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

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

### **BUDGETARY CONTROLS**

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

### **ACCOUNTING SYSTEM AND REPORTS**

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

**OTHER INFORMATION**

*INDEPENDENT AUDIT*


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

and combining statements and related major fund supporting statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the Single Audit section of this report.

**ACKNOWLEDGEMENTS**

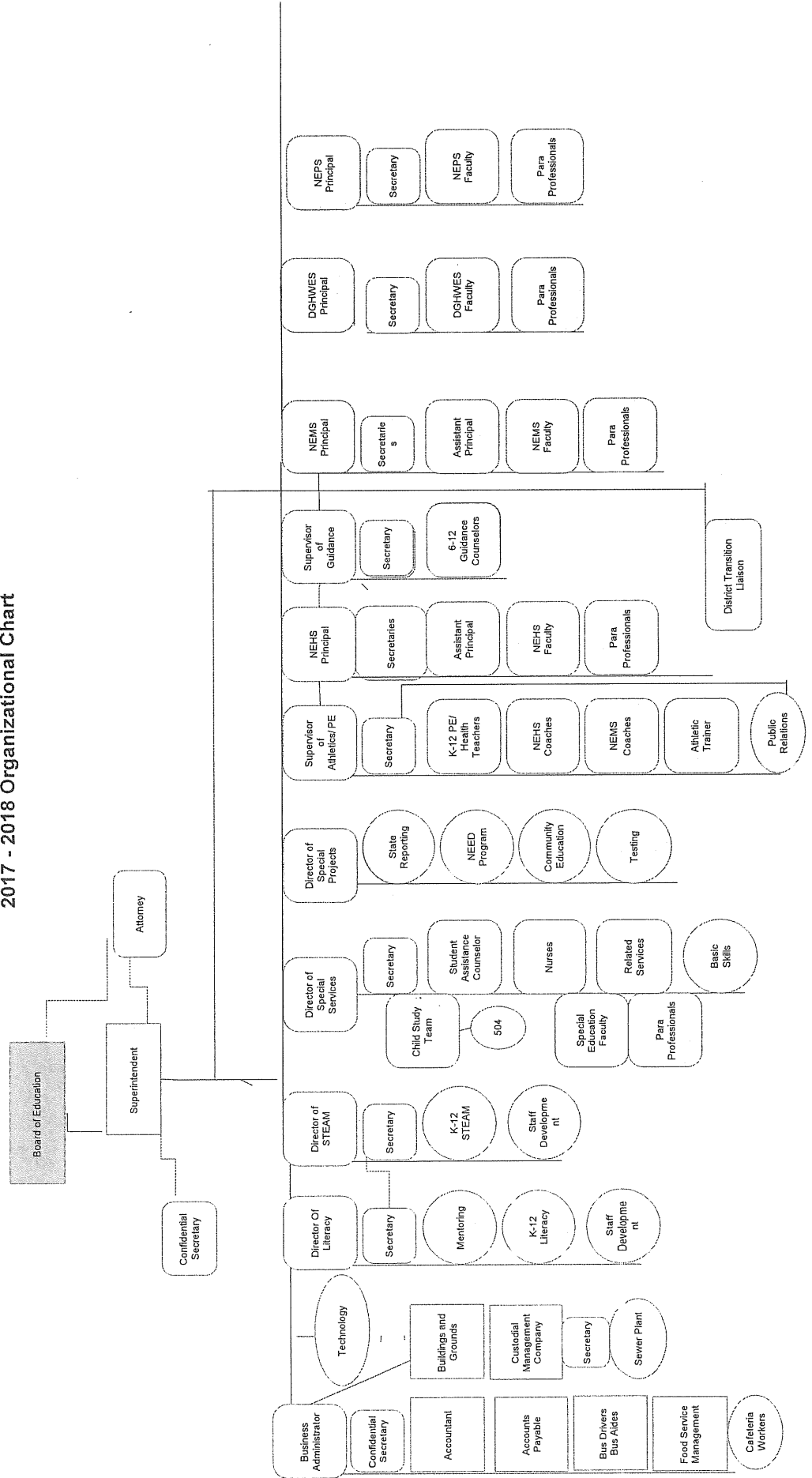
We would like to express our appreciation to the members of the Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation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

Respectfully submitted,

  
Gerald North  
Superintendent of Schools

  
Sean Gately  
School Business Administrator/  
Board Secretary

# Plumsted Township School District 2017 - 2018 Organizational Chart



**PLUMSTED TOWNSHIP SCHOOL DISTRICT**  
**Plumsted, New Jersey**

**ROSTER OF OFFICIALS**

**JUNE 30, 2018**

**MEMBERS OF THE BOARD OF EDUCATION**

**TERM EXPIRES**

**Leslie Septor, President**

**December 31, 2019**

**Joseph Surdo, Vice President**

**December 31, 2019**

**S. Justin Burnett**

**December 31, 2018**

**Robert Kudrick**

**December 31, 2018**

**Susan Potter**

**December 31, 2020**

**Monica Sempervive**

**December 31, 2018**

**Larry Witham**

**December 31, 2018**

**OTHER OFFICIALS**

**Gerald North, Superintendent**

**Sean Gately, Business Administrator**

**Frank J. Frazee, Treasurer**

**PLUMSTED TOWNSHIP SCHOOL DISTRICT**

**CONSULTANTS AND ADVISORS**

**AUDIT FIRM**

**Holman Frenia Allison, P. C.  
912 Highway 33, Suite 2  
Freehold, New Jersey 07728**

**ATTORNEY**

**Stein & Supsie, P.C.  
1041 West Lacey Road  
PO Box 1070  
Forked River, NJ 08731**

**BOND COUNSEL**

**McManimon Scotland & Baumann, LLC  
75 Livingston Avenue  
Roseland, NJ 07068**

**OFFICIAL DEPOSITORY**

**TD Bank  
1701 Route 70 East  
Cherry Hill, New Jersey 08034**

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**FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Education  
Plumsted Township School District  
County of Ocean  
Plumsted, New Jersey 08533

### Report on the Financial Statements

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

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

## **Opinions**

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

## **Emphasis of Matter**

### *Change in Accounting Principle*

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

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

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

Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules, and the schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and 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 other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 22, 2019 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert W. Allison  
Certified Public Accountant  
Public School Accountant, No. 897

Freehold, New Jersey  
February 22, 2019

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**REQUIRED SUPPLEMENTARY INFORMATION - PART I**

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

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

**Overview of the Basic Financial Statements**

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

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

**Government-Wide Financial Statements**

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

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

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

Both of the government-wide financial statements distinguish functions of the School District that are supported from taxes and intergovernmental revenues (*governmental activities*) and other functions that are intended to recover most of their costs from user fees and charges (*business-type activities*). Governmental activities consolidate governmental funds including the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund. Business-type activities reflect the Food Service Fund, New Egypt Extended Daycare (N.E.E.D.), Community Education, and Warrior Day Camp.

**Fund Financial Statements**

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

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

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

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

**Fund Financial Statements (continued)**

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

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

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

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

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

The School District's four enterprise funds (Food Service Fund, N.E.E.D. Fund, Community Education Fund, and Warrior Day Camp Fund) are listed individually and are considered to be a major funds.

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

**Notes to the Basic Financial Statements**

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

**Financial Analysis of the School District as a Whole**

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

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

**Financial Analysis of the School District as a Whole (continued)**

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

	June 30, <u>2018</u>	June 30, <u>2017</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Current & Other Assets	\$ 1,401,030	\$ 2,626,496	\$ (1,225,466)	-46.7%
Capital Assets, Net	29,721,889	30,922,333	(1,200,444)	-3.9%
Total Assets	<u>31,122,919</u>	<u>33,548,829</u>	<u>(2,425,910)</u>	-7.2%
Deferred Outflow of Resources	<u>1,749,537</u>	<u>2,308,082</u>	<u>(558,545)</u>	-24.2%
Current and other Liabilities	773,667	697,424	76,243	10.9%
Noncurrent Liabilities	<u>12,975,672</u>	<u>16,806,610</u>	<u>(3,830,938)</u>	-22.8%
Total Liabilities	<u>13,749,339</u>	<u>17,504,034</u>	<u>(3,754,695)</u>	-21.5%
Deferred Inflow of Resources	<u>1,238,326</u>	<u>136,856</u>	<u>1,101,470</u>	804.8%
Net Position:				
Net Investment in Capital Assets	22,841,035	21,594,849	1,246,186	5.8%
Restricted	1,717,333	2,489,427	(772,094)	-31.0%
Unrestricted (Deficit)	<u>(6,673,577)</u>	<u>(5,868,255)</u>	<u>(805,322)</u>	13.7%
Total Net Position	<u>\$ 17,884,791</u>	<u>\$ 18,216,021</u>	<u>\$ (331,230)</u>	-1.8%

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

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

	June 30, <u>2018</u>	June 30, <u>2017</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
<b>Revenues:</b>				
<b>Program Revenues:</b>				
Charges for Services	\$ 824,025	\$ 749,716	\$ 74,309	9.9%
Operating Grants & Contributions	10,623,280	3,938,872	6,684,408	169.7%
<b>General Revenues:</b>				
Property Taxes	12,683,038	12,420,697	262,341	2.1%
Federal & State Aid	13,571,207	13,676,642	(105,435)	-0.8%
Other General Revenues	<u>111,410</u>	<u>164,024</u>	<u>(52,614)</u>	-32.1%
Total Revenues	<u>37,812,960</u>	<u>30,949,951</u>	<u>6,863,009</u>	22.2%
<b>Function/Program Expenditures:</b>				
Regular Instruction	7,161,136	6,593,381	567,755	8.6%
Special Education Instruction	4,299,600	4,282,388	17,212	0.4%
Other Instruction	885,239	910,248	(25,009)	-2.7%
Tuition	403,195	501,272	(98,077)	-19.6%
Student & Instruction Related Services	3,148,097	2,924,819	223,278	7.6%
General Administrative	471,806	455,600	16,206	3.6%
School Administrative Services	1,125,046	1,101,961	23,085	2.1%
Central Services	427,263	460,625	(33,362)	-7.2%

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

**Financial Analysis of the School District as a Whole (continued)**

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

	June 30, <u>2018</u>	June 30, <u>2017</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
<b>Function/Program Expenditures (continued):</b>				
Regular Instruction	7,161,136	6,593,381	567,755	8.6%
Special Education Instruction	4,299,600	4,282,388	17,212	0.4%
Other Instruction	885,239	910,248	(25,009)	-2.7%
Tuition	403,195	501,272	(98,077)	-19.6%
Student & Instruction Related Services	3,148,097	2,924,819	223,278	7.6%
General Administrative	471,806	455,600	16,206	3.6%
School Administrative Services	1,125,046	1,101,961	23,085	2.1%
Central Services	427,263	460,625	(33,362)	-7.2%
Plant Operations & Maintenance	2,249,730	2,278,737	(29,007)	-1.3%
Pupil Transportation	1,331,815	1,217,694	114,121	9.4%
Unallocated Benefits	14,175,896	7,482,901	6,692,995	89.4%
Interest & Other Charges	247,962	305,633	(57,671)	-18.9%
Unallocated Depreciation	1,494,359	1,614,811	(120,452)	-7.5%
Food Service	411,452	443,683	(32,231)	-7.3%
Community Education	21,158	24,384	(3,226)	-13.2%
N.E.E.D.	189,070	178,230	10,840	6.1%
Warrior Day Camp	101,366	93,867	7,499	8.0%
Total Expenditures	<u>38,144,190</u>	<u>30,870,234</u>	<u>7,273,956</u>	23.6%
Change In Net Position	(331,230)	79,717	(410,947)	-515.5%
Net Position - Beginning	<u>18,216,021</u>	<u>18,136,304</u>	<u>79,717</u>	0.4%
Net Position - Ending	<u>\$ 17,884,791</u>	<u>\$ 18,216,021</u>	<u>\$ (331,230)</u>	-1.8%

**Governmental Activities**

During the fiscal year 2018, the net position of governmental activities decreased by \$318,911 or 1.75%.

The assets and deferred outflows of the primary government activities exceeded liabilities and deferred inflows by \$17,856,297, with an unrestricted deficit balance of \$6,691,684. The deficit in unrestricted net position is primarily due to accounting treatment for compensated absences payable, GASB 68 net pension liability, and the last 2 state aid payments. In addition, state statutes prohibit school districts from maintaining more than 2% of its adopted budget as unassigned fund balance.

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

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

Unrestricted Net Position (With GASB 68)	\$ (6,691,684)
Add back: PERS Pension Liability	5,680,610
Less: Deferred Outflows related to pensions	(1,749,537)
Add back: Deferred Inflows related to pensions	<u>1,238,326</u>
Unrestricted Net Position (Without GASB 68)	<u>\$ (1,522,285)</u>

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

**Business-type Activities**

During the fiscal year 2018, the net position of business-type activities decreased by \$12,319 or 30.2%.

The assets and deferred outflows of the business-type activities exceeded liabilities and deferred inflows by \$28,494.

**General Fund Budgeting Highlights**

Final budgeted revenues were \$24,166,190, which was equal to the original budget. Excluding nonbudgeted revenues, the School District's actual revenues were less than budgeted revenues by \$53,518.

Final budgeted appropriations were \$25,674,887, which was an increase of \$244,603 from the original budget. The increase is primarily due to prior year reserve for encumbrances, which increase the budget appropriations in the subsequent fiscal year's budget and the use of Impact Aid Reserve and Capital Reserve funds. Excluding nonbudgeted revenues, the School District's budget appropriations exceeded actual expenditures by \$180,752.

The School District's general fund balance – budgetary basis (Exhibit C-1) was \$2,095,020 at June 30, 2018, a decrease of \$1,219,127 from the prior year.

**Governmental Funds**

At the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$967,484, a decrease of \$1,281,077 from the prior year.

*General fund* - During the current fiscal year, the fund balance of the School District's general fund decreased by \$1,238,038. The primary factor(s) affecting the change in fund balance of the general fund is the inclusion of \$582,094 in Impact Aid funds and \$682,000 of Designated Fund Balance as current year budgeted revenue.

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

*Capital projects fund* - During the current fiscal year, the fund balance of the School District's capital projects fund decreased to \$-0-. The primary factor(s) affecting the change in fund balance of the capital projects fund is the conclusion of current projects. The remaining funds have been sent to the Capital Reserve account.

*Debt service fund* - There was no change in the fund balance for the debt service fund.

**Proprietary Funds**

*Food service fund* - During the current fiscal year, the net position of the School District's food service fund decreased by \$11,217. The primary factor was a continued operational loss.

*N.E.E.D. fund* - During the current fiscal year, the net position of the School District's N.E.E.D. fund increased by \$5,727. The primary factor was an increase in program revenue.

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

**Proprietary Funds (continued)**

*Warrior Day Camp fund* - During the current fiscal year, the net position of the School District's Warrior Day Camp fund decreased by \$30,634. The primary factor was a decrease in program revenue and an increase in program expense.

*Community Education fund* - During the current fiscal year, the net position of the School District's Community Education fund increased by \$23,805. The primary factor was an increase in program revenue and a decrease in program expense.

**Capital Assets**

The School District's capital assets for its governmental and business-type activities as of June 30, 2018, totaled \$29,641,200 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements and equipment. There was a net decrease in the School District's investment in capital assets for the current fiscal year in the amount of \$1,281,133. This decrease is primarily due to less assets being acquired during the current school year compared to the prior year. Table 4 shows fiscal 2018 balances compared to 2017.

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

<u>Capital Asset (Net of Depreciation):</u>	<u>June 30,</u> <u>2018</u>	<u>June 30,</u> <u>2017</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
Land	\$ 1,571,070	\$ 1,571,070	\$ -	0.0%
Construction in Progress	-	372,919	(372,919)	-100.0%
Building and Improvements	27,217,616	28,143,863	(926,247)	-3.3%
Equipment	933,203	834,481	98,722	11.8%
	<u>\$ 29,721,889</u>	<u>\$ 30,922,333</u>	<u>\$ (1,200,444)</u>	-3.9%

Depreciation Expense	<u>\$ 1,497,408</u>	<u>\$ 1,614,810</u>
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**Debt Administration**

**Long-term debt** – At the end of the current fiscal year, the School District had total bonded debt outstanding of \$6,455,000, which is a decrease of \$2,175,000 from the prior year.

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

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

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

Legislation signed into law on July 24, 2018 has had an immediate negative impact on the 2018-2019 school budget. State aid was reduced by \$231,957. The overall Operation budget for 2018-2019 decreased by \$372,838 from 2017-2018.

The appropriation of Impact Aid and unassigned fund balance in the amount of \$840,441 in the 2018-2019 school year is a decline of \$423,653 from 2017-2018. The appropriation of surplus funds at this level is not sustainable and further reductions to the total operational budget for 2019-2020 and future years will be necessary.

The District's long-term debt issued in 1998 matured with a final payment made in September 2018. The District's Strategic Plan identified future capital needs and the Board of Education sought voter approval on a new bond issuance. Voters rejected the proposals on October 2, 2018 and December 4, 2018. The result will be a decrease in the local tax levy for debt service starting in fiscal year 2019-2020.

**Contacting the School Districts Financial Management**

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Sean Gately, School Business Administrator/Board Secretary, at the Plumsted Township School District, 117 Evergreen Road, New Egypt, New Jersey 08533.

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**BASIC FINANCIAL STATEMENTS**

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**A. Government-Wide Financial Statements**

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

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS
Cash and Cash Equivalents	\$ 294,798	\$ 26,803	\$ 321,601
Receivables, Net (Note 4)	1,007,949	51,068	1,059,017
Inventory	-	7,106	7,106
Restricted Cash and Cash Equivalents	13,306	-	13,306
Capital Assets, Net (Note 5)			
Non-Depreciable	1,571,070	-	1,571,070
Depreciable	28,140,432	10,387	28,150,819
Total Assets	<u>31,027,555</u>	<u>95,364</u>	<u>31,122,919</u>
DEFERRED OUTFLOWS OF RESOURCES			
Related to Pensions (Note 8)	<u>1,749,537</u>	-	<u>1,749,537</u>
Total Deferred Outflow of Resources	<u>1,749,537</u>	-	<u>1,749,537</u>
Total Assets and Deferred Outflows of Resources	<u>32,777,092</u>	<u>95,364</u>	<u>32,872,456</u>
LIABILITIES			
Accounts Payable	317,733	6,737	324,470
Due to Other Governments	259,147	-	259,147
Unearned Revenue	30,836	60,133	90,969
Accrued Interest	99,081	-	99,081
Noncurrent Liabilities (Note 7)			
Due Within One Year	2,447,481	-	2,447,481
Due Beyond One Year	10,528,191	-	10,528,191
Total Liabilities	<u>13,682,469</u>	<u>66,870</u>	<u>13,749,339</u>
DEFERRED INFLOW OF RESOURCES			
Related to Pensions (Note 8)	<u>1,238,326</u>	-	<u>1,238,326</u>
Total Deferred Inflow of Resources	<u>1,238,326</u>	-	<u>1,238,326</u>
Total Liabilities and Deferred Inflows of Resources	<u>14,920,795</u>	<u>66,870</u>	<u>14,987,665</u>
NET POSITION			
Net Investment In Capital Assets	22,830,648	10,387	22,841,035
Restricted for:			
Capital Projects	13,306	-	13,306
Debt Service	1	-	1
Impact Aid Reserve	1,704,026	-	1,704,026
Unrestricted (Deficit)	<u>(6,691,684)</u>	<u>18,107</u>	<u>(6,673,577)</u>
Total Net Position	<u>\$ 17,856,297</u>	<u>\$ 28,494</u>	<u>\$ 17,884,791</u>

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

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

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE)/REVENUE AND CHANGES IN NET POSITION	
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	BUSINESS-TYPE ACTIVITIES	GOVERNMENTAL ACTIVITIES	TOTALS
Governmental Activities:						
Instruction:						
Regular Instruction	\$ 7,161,136	\$ 300,251	\$ -	\$ -	\$ (6,860,885)	\$ (6,860,885)
Special Schools Instruction	3,501,507	-	535,635	-	(2,965,872)	(2,965,872)
Other Special Instruction	798,093	-	-	-	(798,093)	(798,093)
Other Instruction	885,239	-	-	-	(885,239)	(885,239)
Support Services and Undistributed Costs:						
Instruction	403,195	-	-	-	(403,195)	(403,195)
Attendance and Social Work Services	95,685	-	-	-	(95,685)	(95,685)
Health Services	304,809	-	-	-	(304,809)	(304,809)
Other Support Services	2,368,615	-	118,885	-	(2,249,730)	(2,249,730)
Educational Media Services	147,683	-	-	-	(147,683)	(147,683)
Instructional Staff Training	231,305	-	-	-	(231,305)	(231,305)
General Administrative Services	471,806	-	-	-	(471,806)	(471,806)
School Administrative Services	1,125,046	-	-	-	(1,125,046)	(1,125,046)
Central Services	368,802	-	-	-	(368,802)	(368,802)
Technology	58,461	-	-	-	(58,461)	(58,461)
Allowed Maintenance for School Facilities	126,198	-	-	-	(126,198)	(126,198)
Other Operation & Maintenance of Plant	2,123,532	-	14,708	-	(2,108,824)	(2,108,824)
Student Transportation Services	1,331,815	-	-	-	(1,331,815)	(1,331,815)
Unallocated Employee Benefits	14,175,896	-	9,789,192	-	(4,386,704)	(4,386,704)
Interest on Long-Term Debt and Other Charges	247,962	-	-	-	(247,962)	(247,962)
Unallocated Depreciation and Amortization	1,494,359	-	-	-	(1,494,359)	(1,494,359)
Total Government Activities	37,421,144	300,251	10,458,420	-	(26,662,473)	(26,662,473)

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

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

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE)/REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS
Business-Type Activities:						
Food Service	411,452	213,282	164,860	-	(33,310)	(33,310)
Community Education	21,158	44,963	-	-	23,805	23,805
N.E.E.D.	189,070	194,851	-	-	5,781	5,781
Warrior Day Camp	101,366	70,678	-	-	(30,688)	(30,688)
Total Business-Type Activities	723,046	523,774	164,860	-	(34,412)	(34,412)
Total Primary Government	38,144,190	824,025	10,623,280	(26,662,473)	(34,412)	(26,696,885)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				11,103,947	-	11,103,947
Property Taxes, Levied for Debt Service				1,579,091	-	1,579,091
Federal & State Aid Not Restricted				13,571,207	-	13,571,207
Miscellaneous Income				89,317	22,093	111,410
Total General Revenues, Special Items, Extraordinary Items & Transfers				26,343,562	22,093	26,365,655
Change in Net Position				(318,911)	(12,319)	(331,230)
Net Position - Beginning				18,175,208	40,813	18,216,021
Net Position - Ending				\$ 17,856,297	\$ 28,494	\$ 17,884,791

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

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## B. Fund Financial Statements

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Governmental Funds

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

ASSETS	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE FUND	TOTALS
Cash and Cash Equivalents	\$ 770,828	\$ -	\$ -	\$ -	\$ 770,828
Receivables, Net:					
Receivables From Other Governments:					
State	163,858	-	-	-	163,858
Federal	-	58,532	-	-	58,532
Other Receivables	353,559	-	-	432,000	785,559
Restricted Cash and Cash Equivalents	13,306	-	-	-	13,306
<b>Total Assets</b>	<b>1,301,551</b>	<b>58,532</b>	<b>-</b>	<b>432,000</b>	<b>1,792,083</b>
<b>LIABILITIES &amp; FUND BALANCES</b>					
Liabilities:					
Cash Deficit	-	44,031	-	431,999	476,030
Accounts Payable	312,758	4,975	-	-	317,733
Unearned Revenue	21,310	9,526	-	-	30,836
<b>Total Liabilities</b>	<b>334,068</b>	<b>58,532</b>	<b>-</b>	<b>431,999</b>	<b>824,599</b>
Fund Balances:					
Restricted:					
Capital Reserve	13,306	-	-	-	13,306
Debt Service	-	-	-	1	1
Reserve for Impact Aid	963,585	-	-	-	963,585
Reserve for Impact Aid - Designated for Subsequent Year's Expenditures	740,441	-	-	-	740,441
Assigned:					
Designated for Subsequent Year's Expenditures	100,000	-	-	-	100,000
Other Purposes - Year-End Encumbrances	9,933	-	-	-	9,933
Unassigned	(859,782)	-	-	-	(859,782)
<b>Total Fund Balances</b>	<b>967,483</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>967,484</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,301,551</b>	<b>\$ 58,532</b>	<b>\$ -</b>	<b>\$ 432,000</b>	

Amounts reported for governmental activities in the statement of net position (A-1) are different because Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The cost of the assets is \$56,560,342 and the accumulated depreciation is \$26,848,840 (Note 5).

29,711,502

Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refundings are applicable to future reporting periods and, therefore, are not reported in the funds.

  Deferred outflow related to pensions

1,749,537

  Deferred inflow related to pensions

(1,238,326)

Accrued interest on long-term liabilities is not due and payable in the current period and therefore is not reported as a liability in the funds.

(99,081)

Accrued pension contributions for the June 30, 2018 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.

(259,147)

Long-term liabilities, including net pension liability and bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.

(12,975,672)

Net Position of Governmental Activities

\$ 17,856,297

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

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

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTALS
<b>Revenues:</b>					
Local Sources:					
Local Tax Levy	\$ 11,103,947	\$ -	\$ -	\$ 1,579,091	\$ 12,683,038
Tuition	300,251	-	-	-	300,251
Miscellaneous	89,317	21,462	-	-	110,779
<b>Total Revenues - Local Sources</b>	<b>11,493,515</b>	<b>21,462</b>	<b>-</b>	<b>1,579,091</b>	<b>13,094,068</b>
State Sources	15,303,789	-	-	851,665	16,155,454
Federal Sources	1,049,823	647,766	-	-	1,697,589
<b>Total Revenues</b>	<b>27,847,127</b>	<b>669,228</b>	<b>-</b>	<b>2,430,756</b>	<b>30,947,111</b>
<b>Expenditures:</b>					
Current:					
Regular Instruction	7,257,754	-	-	-	7,257,754
Special Education Instruction	2,965,872	535,635	-	-	3,501,507
Other Special Instruction	798,093	-	-	-	798,093
Other Instruction	885,239	-	-	-	885,239
Support Services and Undistributed Costs:					
Instruction	403,195	-	-	-	403,195
Attendance and Social Work Services	95,685	-	-	-	95,685
Health Services	304,809	-	-	-	304,809
Other Support Services	2,249,730	118,885	-	-	2,368,615
Educational Media Services	147,683	-	-	-	147,683
Instructional Staff Training	231,305	-	-	-	231,305
General Administrative Services	471,806	-	-	-	471,806
School Administrative Services	1,125,046	-	-	-	1,125,046
Central Services	368,802	-	-	-	368,802
Technology	58,461	-	-	-	58,461
Allowed Maintenance for School Facilities	126,198	-	-	-	126,198
Other Operation & Maintenance of Plant	2,083,769	-	-	-	2,083,769
Student Transportation Services	1,331,815	-	-	-	1,331,815
Unallocated Employee Benefits	4,117,375	-	-	-	4,117,375
On-Behalf TPAF Pension & FICA Contributions	3,634,070	-	-	-	3,634,070
Debt Service:					
Principal	85,017	-	-	2,175,000	2,260,017
Interest and Other Charges	70,671	-	-	255,756	326,427
Capital Outlay	315,809	14,708	-	-	330,517
<b>Total Expenditures</b>	<b>29,128,204</b>	<b>669,228</b>	<b>-</b>	<b>2,430,756</b>	<b>32,228,188</b>
Excess/(Deficiency) of Revenues					
Over/(Under) Expenditures	(1,281,077)	-	-	-	(1,281,077)
Other Financing Sources/(Uses):					
Operating Transfers (Out)/In	43,039	-	(43,039)	-	-
<b>Total Other Financing Sources/(Uses)</b>	<b>43,039</b>	<b>-</b>	<b>(43,039)</b>	<b>-</b>	<b>-</b>
Excess/(Deficiency) of Revenues					
Over/(Under) Expenditures	(1,238,038)	-	(43,039)	-	(1,281,077)
Net Change in Fund Balances	(1,238,038)	-	(43,039)	-	(1,281,077)
Fund Balance - July 1	2,205,521	-	43,039	1	2,248,561
Fund Balance - June 30	\$ 967,483	\$ -	\$ -	\$ 1	\$ 967,484

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

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

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ (1,281,077)

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.

	Depreciation Expense	\$ (1,494,359)	
	Capital Outlay	290,754	(1,203,605)

District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities. (190,616)

Repayment of long-term debt principal and obligation of lease purchase agreements are 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. 2,356,635

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation (+). 25,199

Governmental funds report the effect of premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these transactions is as follows:

	Amortization of premium on bonds	89,995	
	Amortization of loss on Bond Refunding	(36,729)	

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+). (78,713)

Change in Net Position of Governmental Activities \$ (318,911)

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Proprietary Funds

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**PLUMSTED TOWNSHIP SCHOOL DISTRICT**  
**PROPRIETARY FUNDS**  
**STATEMENT OF NET POSITION**  
**AS OF JUNE 30, 2018**

ASSETS	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				TOTALS
	FOOD SERVICE	N.E.E.D	WARRIOR DAY CAMP	COMMUNITY EDUCATION	
Current Assets:					
Cash and Cash Equivalents	\$ -	\$ 9,109	\$ 43,541	\$ 23,876	\$ 76,526
Accounts Receivable:					
State	766	-	-	-	766
Federal	26,614	-	-	-	26,614
Other	22,555	743	-	390	23,688
Inventories	7,106	-	-	-	7,106
Total - Current Assets	57,041	9,852	43,541	24,266	134,700
Noncurrent Assets					
Equipment	294,351	-	-	-	294,351
Accumulated Depreciation	(283,964)	-	-	-	(283,964)
Total - Noncurrent Assets	10,387	-	-	-	10,387
Total Assets	67,428	9,852	43,541	24,266	145,087
LIABILITIES					
Current Liabilities:					
Cash Deficit	49,723	-	-	-	49,723
Accounts Payable	15	-	6,651	71	6,737
Unearned Revenue	11,574	-	48,559	-	60,133
Total Liabilities	61,312	-	55,210	71	116,593
NET POSITION					
Investment in capital assets	10,387	-	-	-	10,387
Unrestricted	(4,271)	9,852	(11,669)	24,195	18,107
Total Net Position	\$ 6,116	\$ 9,852	\$ (11,669)	\$ 24,195	\$ 28,494

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

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

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS				TOTALS
	FOOD SERVICE	N.E.E.D	WARRIOR DAY CAMP	COMMUNITY EDUCATION	
Operating Revenues:					
Charges for services:					
Daily Sales - Reimbursable Programs:					
School Lunch Program	\$ 116,070	\$ -	\$ -	\$ -	\$ 116,070
Daily Sales - Non-Reimbursable Programs:					
A la Carte Sales	91,832	-	-	-	91,832
Special Functions	5,380	-	-	-	5,380
Program Fees	-	194,797	70,678	44,963	310,438
Miscellaneous Income	22,093	-	-	-	22,093
<b>Total Operating Revenues</b>	<b>235,375</b>	<b>194,797</b>	<b>70,678</b>	<b>44,963</b>	<b>545,813</b>
Operating Expenses:					
Salaries	146,897	152,936	54,879	18,711	373,423
Transportation	-	-	7,709	-	7,709
Support Services - Employee Benefits	26,798	23,702	4,198	-	54,698
Payroll Taxes	25,840	-	-	-	25,840
FICA	-	11,792	-	1,454	13,246
Management Fee	-	-	27,681	-	27,681
Supplies and Materials	15,094	184	2,928	494	18,700
Cost of Sales-reimbursable programs	145,530	-	-	-	145,530
Cost of Sales-non-reimbursable programs	30,778	-	-	-	30,778
Depreciation	3,049	-	-	-	3,049
Miscellaneous Expenditures	17,466	456	3,971	499	22,392
<b>Total Operating Expenses</b>	<b>411,452</b>	<b>189,070</b>	<b>101,366</b>	<b>21,158</b>	<b>723,046</b>
<b>Operating Income/(Loss)</b>	<b>(176,077)</b>	<b>5,727</b>	<b>(30,688)</b>	<b>23,805</b>	<b>(177,233)</b>
Nonoperating Revenues/(Expenses):					
Cancellation of Prior Year's A/P	-	-	54	-	54
State Sources:					
State School Lunch Program	3,706	-	-	-	3,706
Federal Sources:					
National School Lunch Program	109,575	-	-	-	109,575
National School Breakfast Program	22,703	-	-	-	22,703
Food Distribution Program	28,876	-	-	-	28,876
<b>Total Nonoperating Revenues/(Expenses)</b>	<b>164,860</b>	<b>-</b>	<b>54</b>	<b>-</b>	<b>164,914</b>
<b>Change In Net Position</b>	<b>(11,217)</b>	<b>5,727</b>	<b>(30,634)</b>	<b>23,805</b>	<b>(12,319)</b>
<b>Total Net Position - July 1</b>	<b>17,333</b>	<b>4,125</b>	<b>18,965</b>	<b>390</b>	<b>40,813</b>
<b>Total Net Position - June 30</b>	<b>\$ 6,116</b>	<b>\$ 9,852</b>	<b>\$ (11,669)</b>	<b>\$ 24,195</b>	<b>\$ 28,494</b>

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

**PLUMSTED TOWNSHIP SCHOOL DISTRICT**  
**PROPRIETARY FUNDS**  
**STATEMENT OF CASH FLOWS**  
**JUNE 30, 2018**

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>				TOTALS
	FOOD SERVICE	N.E.E.D	WARRIOR DAY CAMP	COMMUNITY EDUCATION	
Cash Flows From Operating Activities:					
Receipts From Customers	\$ 216,759	\$ 194,797	\$ 75,111	\$ 44,963	\$ 531,630
Payments To Employees	(172,737)	(152,936)	(54,879)	(18,711)	(399,263)
Payments To Employee Benefits	(26,798)	(23,702)	(4,198)	-	(54,698)
Payments To Suppliers	(207,054)	(12,432)	(40,465)	(2,376)	(262,327)
Net Cash Provided By/(Used For)					
Operating Activities	(189,830)	5,727	(24,431)	23,876	(184,658)
Cash Flows From Noncapital Financing Activities:					
Operating Subsidies and Transfers to Other Funds	-	-	(3,843)	(54,128)	(57,971)
Cash From Financing Activities	204,288	-	-	-	204,288
Net Cash Provided By Noncapital Financing Activities	204,288	-	(3,843)	(54,128)	146,317
Cash Flows From Capital Financing Activities:					
Purchase of Capital Assets	(6,210)	-	-	-	(6,210)
Net Cash Provided By/(Used for) Capital Financing Activities	(6,210)	-	-	-	(6,210)
Net (Decrease)/Increase in Cash and Cash Equivalents	8,248	5,727	(28,274)	(30,252)	(44,551)
Balance - Beginning of Year	(57,971)	3,382	71,815	54,128	71,354
Balance - End of Year	\$ (49,723)	\$ 9,109	\$ 43,541	\$ 23,876	\$ 26,803
Reconciliation of Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities:					
Used for Operating Activities:					
Operating Income/(Loss) Used for Operating Activities:	\$ (176,077)	\$ 5,727	\$ (30,688)	\$ 23,805	\$ (177,233)
(Increase)/Decrease in Accounts Receivable	(18,382)	-	-	-	(18,382)
Decrease in Inventory	1,799	-	-	-	1,799
Depreciation	3,049	-	-	-	3,049
Increase/(Decrease) in Unearned Revenue	(234)	-	4,433	-	4,199
Increase/(Decrease) in Accounts Payable	15	-	1,824	71	1,910
Total Adjustments	(13,753)	-	6,257	71	(7,425)
Net Cash Used for Operating Activities	\$ (189,830)	\$ 5,727	\$ (24,431)	\$ 23,876	\$ (184,658)

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

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Fiduciary Fund

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

ASSETS	PRIVATE PURPOSE			TOTALS
	UNEMPLOYMENT COMPENSATION TRUST	SCHOLARSHIP	AGENCY FUNDS	
Cash and Cash Equivalents	\$ 10,347	\$ 4,200	\$ 123,719	\$ 138,266
Total Assets	10,347	4,200	123,719	138,266
LIABILITIES				
Payroll Deductions and Withholdings	-	-	480	480
Due to Employees - Flex Spending	-	-	21,052	21,052
Accounts Payable	2,419	-	-	2,419
Payable To Student Groups	-	-	102,187	102,187
Total Liabilities	2,419	-	123,719	126,138
NET POSITION				
Held in Trust for Unemployment Claims and Other Purposes	7,928	-	-	7,928
Reserved For Scholarships	-	4,200	-	4,200
Total Net Position	\$ 7,928	\$ 4,200	\$ -	\$ 12,128

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

**PLUMSTED TOWNSHIP SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
JUNE 30, 2018**

ADDITIONS	PRIVATE PURPOSE		TOTALS
	UNEMPLOYMENT COMPENSATION TRUST	SCHOLARSHIP	
Contributions:			
Plan Member	\$ 44,916	\$ -	\$ 44,916
Other	-	15,857	15,857
Total Additions	44,916	15,857	60,773
Deductions:			
Payment of Claims	45,383	-	45,383
Scholarships Awarded	-	13,350	13,350
Total Deductions	45,383	13,350	58,733
Change in Net Position	(467)	2,507	2,040
Net Position - Beginning of Year	8,395	1,693	10,088
Net Position - End of Year	\$ 7,928	\$ 4,200	\$ 12,128

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

**PLUMSTED TOWNSHIP SCHOOL DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**June 30, 2018**

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**PLUMSTED TOWNSHIP PUBLIC SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 1. Summary of Significant Accounting Policies**

The financial statements of the Plumsted Township Public School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The following is a summary of more significant accounting policies.

**Reporting Entity**

The Plumsted Township Public School District (hereafter referred to as the "District") is a Type II district located in the County of Ocean, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three members' terms expire each year. The purpose of the District is to educate students in grades kindergarten through twelfth. The District has an approximate enrollment at June 30, 2018 of 1,335 students.

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.

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

**Component Units**

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

**Government-Wide Financial Statements**

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

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets, deferred outflows of resources, liabilities, and

**PLUMSTED TOWNSHIP PUBLIC SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

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

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

**Governmental Fund Financial Statements**

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

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

**Proprietary Fund Financial Statements**

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

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

**PLUMSTED TOWNSHIP PUBLIC SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

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

**Fiduciary Fund Financial Statements**

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

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

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

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

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

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

Property taxes, charges for services, licenses, and interest on notes receivable associated with the current fiscal period are all considered to be susceptible to accrual and accordingly have been recognized as

**PLUMSTED TOWNSHIP PUBLIC SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

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

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

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

The District reports the following major governmental funds:

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

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

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

**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



**PLUMSTED TOWNSHIP PUBLIC SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

**Capital Projects Fund** - The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

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

The District reports the following major proprietary funds:

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

**Community Education Program** – The Community Education fund accounts for the financial transactions related to the community fee-based operations to the School District.

**New Egypt Extended Daycare Program** – The New Egypt Extended Daycare fund accounts for the financial transactions related to fee-based daycare operations to the School District.

**Warrior Day Camp Program** – The Warrior Day Camp fund accounts for the financial transactions related to the fee-based summer camp operations of the School District.

Additionally, the District reports the following major fiduciary funds:

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

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

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

Trust Other – Revenues consist of interest income and donations. Expenditures consist of items to benefit students

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

**PLUMSTED TOWNSHIP PUBLIC SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

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

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

**Budgets/Budgetary Control**

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

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

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

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

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the General Fund Budgetary Comparison Schedules and the Special Revenue Fund Budgetary Comparison Schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the District does not report encumbrances outstanding at fiscal

**PLUMSTED TOWNSHIP PUBLIC SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

**Encumbrances**

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

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

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

**Cash and Cash Equivalents**

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

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

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

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

**Tuition Payable/Receivable**

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

**PLUMSTED TOWNSHIP PUBLIC SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

**Inventories**

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

**Interfund Receivables/Payables**

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year. The amounts are eliminated in the governmental and business-type activities, which are presented as Internal Balances. Balances with fiduciary funds are not considered Internal Balances; therefore those balances are reported on the Statement of Net Position.

**Capital Assets**

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

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

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

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

**Compensated Absences**

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

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

**PLUMSTED TOWNSHIP PUBLIC SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

**Unearned Revenue**

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

**Accrued Liabilities and Long-Term Obligations**

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

**Accounting Estimates**

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

**Interfund Activity**

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

**Fund Balance**

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

- **Non-spendable** – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
  
- **Restricted** – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

**PLUMSTED TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

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

- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2018.
- Assigned – This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

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

**Net Position**

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

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

**PLUMSTED TOWNSHIP PUBLIC SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

**Impact of Recently Issued Accounting Principles**

Adopted Accounting Pronouncements

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

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

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

Recently Issued Accounting Pronouncements

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

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

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

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

**PLUMSTED TOWNSHIP PUBLIC SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

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

**Bond Premiums, Discounts and Issuance Costs**

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

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

**Deferred Loss on Refunding Debt**

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

**Deferred Outflows and Deferred Inflows of Resources**

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

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

**Pensions**

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



**PLUMSTED TOWNSHIP PUBLIC SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 2. Cash Deposits and Investments**

**Cash Deposits**

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board’s deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public funds owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity funds or other funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2018, the District’s bank balance of \$852,628 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$	546,288
Uninsured and Uncollateralized		306,340
	\$	852,628

**Investments**

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

**Note 3. Reserve Accounts**

**A. Capital Reserve**

A capital reserve account was established by the School District by inclusion of \$173,833 in June 2012 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 (June 1 to June 30) 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 *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.6:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

**PLUMSTED TOWNSHIP PUBLIC SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 3. Reserve Accounts (continued):**

**A. Capital Reserve (continued):**

Beginning Balance, July 1, 2017	\$	10,267
Increased by:		
Capital Projects Transfer		43,038
		53,305
Decreased by:		
Budgeted Withdrawals		(40,000)
Ending Balance, June 30, 2018	\$	13,305

The June 30, 2018 balance did not exceed the LRFPS balance of local support costs of uncompleted capital projects.

**B. Federal Impact Aid Reserve**

The School District receives a large portion of its annual operating revenue from Federal Impact Aid. As permitted by P.L.2015, c.46 which amended N.J.S.A. 18A:7F-41 a federal impact reserve account was established by the Board of Education by board resolution for the amount of federal impact aid funds received during the current fiscal year for use as general fund expenditures in subsequent fiscal years. The federal impact aid general reserve account is maintained in the general fund and its activity is included in the general fund annual budget. Transfers to the impact aid reserves shall not exceed the total amount of federal impact aid received, by federally designated category, i.e. general fund or capital, in the fiscal year. The board, at its discretion, may use the funds in the reserve accounts to finance the School District's general fund, in a manner consistent with federal law. The total amount of funds on deposit in the reserve account shall not be limited.

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

Beginning Balance, July 1, 2017	\$	2,436,120
Decreased by:		
Anticipated in Budget		(732,094)
Ending Balance, June 30, 2018	\$	1,704,026

**PLUMSTED TOWNSHIP PUBLIC SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 4. Accounts Receivable**

Accounts receivable at June 30, 2018 consisted of accounts and intergovernmental grants. All state and federal receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

<u>Description</u>	<u>Governmental Funds</u>				<u>Proprietary Funds</u>			
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Activities</u>	<u>Food Service Fund</u>	<u>N.E.E.D Fund</u>	<u>Community Education Fund</u>	<u>Total Business-Type Activities</u>
Federal Awards	\$ -	\$ 58,532	\$ -	\$ 58,532	\$ 766	\$ -	\$ -	\$ 766
State Awards	163,858	-	-	163,858	26,614	-	-	26,614
Other	353,559	-	432,000	785,559	22,555	743	390	23,688
<b>Total</b>	<b>\$ 517,417</b>	<b>\$ 58,532</b>	<b>\$ 432,000</b>	<b>\$ 1,007,949</b>	<b>\$ 49,935</b>	<b>\$ 743</b>	<b>\$ 390</b>	<b>\$ 51,068</b>

**Note 5. Capital Assets**

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

	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	<u>Balance June 30, 2018</u>
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 1,571,070	\$ -	\$ -	\$ 1,571,070
Construction in Progress	372,919	-	(372,919)	-
<b>Total Capital Assets not being depreciated</b>	<b>1,943,989</b>	<b>-</b>	<b>(372,919)</b>	<b>1,571,070</b>
Capital Assets being depreciated:				
Land Improvements				
Buildings and Improvements	50,304,355	152,160	372,919	50,829,434
Equipment	4,021,244	138,594	-	4,159,838
<b>Total Capital Assets being depreciated</b>	<b>54,325,599</b>	<b>290,754</b>	<b>372,919</b>	<b>54,989,272</b>
Less: Accumulated Depreciation:				
Buildings, Improvements & Equipment	(25,354,481)	(1,494,359)		(26,848,840)
<b>Total Accumulated Depreciation</b>	<b>(25,354,481)</b>	<b>(1,494,359)</b>	<b>-</b>	<b>(26,848,840)</b>
<b>Total Capital Assets being depreciated, net</b>	<b>28,971,118</b>	<b>(1,203,605)</b>	<b>372,919</b>	<b>28,140,432</b>
<b>Total Governmental Activities Capital Assets, net</b>	<b>\$ 30,915,107</b>	<b>\$ (1,203,605)</b>	<b>\$ -</b>	<b>\$ 29,711,502</b>

**PLUMSTED TOWNSHIP PUBLIC SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

	Balance July 1, <u>2017</u>	<u>Additions</u>	Retirements and Transfers	Balance June 30, <u>2018</u>
<b>Business-Type Activities:</b>				
Machinery & Equipment	\$ 288,141	\$ 6,210	-	\$ 294,351
	<u>288,141</u>	<u>6,210</u>	<u>-</u>	<u>294,351</u>
Less: Accumulated Depreciation:				
Machinery & Equipment	(280,915)	(3,049)	-	(283,964)
	<u>(280,915)</u>	<u>(3,049)</u>	<u>-</u>	<u>(283,964)</u>
Total Business-Type Activities Capital Assets, net	<u>\$ 7,226</u>	<u>\$ 3,161</u>	<u>\$ -</u>	<u>\$ 10,387</u>

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

There were no individual fund receivables/payables balances at June 30, 2018

A summary of interfund transfers is as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 43,039	\$ -
Capital Projects Fund	<u>-</u>	<u>43,039</u>
	<u>\$ 43,039</u>	<u>\$ 43,039</u>

The purpose of the interfund transfers were to close-out the projects in the Capital Projects fund to the General Fund's Capital Reserve account.

**Note 7. Long-Term Obligations**

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

	Balance <u>July 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2018</u>	Balance Due Within <u>One Year</u>
<b>Governmental Activities:</b>					
General Obligation Bonds	\$ 8,630,000	\$ -	\$ 2,175,000	\$ 6,455,000	\$ 2,245,000
Capital Leases	479,944	-	181,635	298,309	188,309
Unamortized Bond Premiums	217,540	-	89,995	127,545	14,172
Compensated Absences	335,495	78,713	-	414,208	-
Net Pension Liability	7,143,631	-	1,463,021	5,680,610	-
	<u>\$ 16,806,610</u>	<u>\$ 78,713</u>	<u>\$ 3,909,651</u>	<u>\$ 12,975,672</u>	<u>\$ 2,447,481</u>

For governmental activities, the bonds payable are liquidated from the District's debt service fund. Compensated absences and capital leases are liquidated by the general fund.

**PLUMSTED TOWNSHIP PUBLIC SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

**A. Bonds Payable:**

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

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

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 2,245,000	\$ 188,206	\$ 2,433,206
2020	400,000	147,131	547,131
2021	420,000	130,731	550,731
2022	435,000	113,631	548,631
2023	455,000	97,822	552,822
2023-2027	2,500,000	235,606	2,735,606
	<u>\$ 6,455,000</u>	<u>\$ 913,127</u>	<u>\$ 7,368,127</u>

**B. Capital Lease Payable:**

The School District is leasing capital items and equipment under capital leases. All capital leases are for terms of varying years. The following is a schedule of the remaining future minimum lease payments under these capital leases and the present value of the net minimum lease payments at June 30, 2018:

Fiscal Year Ending <u>June 30,</u>	
2019	\$ 191,168
2020	<u>110,969</u>
Total Minimum Lease Payments	302,137
Less: Amount Representing Interest	<u>(3,828)</u>
Present Value of Minimum Lease Payments	<u>\$ 298,309</u>

**Bonds Authorized But Not Issued:**

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

**PLUMSTED TOWNSHIP PUBLIC SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 8. Pension Plans**

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

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

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

The following represents the membership tiers for PERS:

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

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

**Contributions** - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2017, the State's pension contribution was less than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability

**PLUMSTED TOWNSHIP PUBLIC SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

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

contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

**Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources** - At June 30, 2018, the School District reported a liability of \$5,680,610 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2016, to the measurement date of June 30, 2017. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2017. The School District's proportion measured as of June 30, 2017, was .02440%, which was an increase of .00028% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the School District recognized full accrual pension expense of \$419,618 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2017 measurement date. At June 30, 2018 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 133,759	\$ -
Changes of Assumptions	1,144,447	1,140,251
Net Difference between Projected and Actual Earnings on Pension Plan Investments	38,681	-
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	173,503	98,075
School District Contributions subsequent to measurement date	259,147	-
	<u>\$ 1,749,537</u>	<u>\$ 1,238,326</u>

**PLUMSTED TOWNSHIP PUBLIC SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

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

\$259,147 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2017-2018 total salaries for PERS employees multiplied by an employer pension contribution rate of 13.37%. The payable is due on April 1, 2019 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Client Year Ending</b>	
<b><u>June 30,</u></b>	<b><u>Amount</u></b>
2019	\$ 131,357
2020	196,964
2021	139,557
2022	(106,826)
2023	<u>(108,988)</u>
	 <u><u>\$ 252,064</u></u>

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



**PLUMSTED TOWNSHIP PUBLIC SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

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

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

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

**PLUMSTED TOWNSHIP PUBLIC SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

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

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

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

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

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

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

**PLUMSTED TOWNSHIP PUBLIC SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

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

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	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%
	<u>100.00%</u>	

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

**PLUMSTED TOWNSHIP PUBLIC SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

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

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

	<b>1% Decrease <u>(4.00%)</u></b>	<b>Current Discount Rate <u>(5.00%)</u></b>	<b>1% Increase <u>(6.00%)</u></b>
School District's Proportionate Share of the Net Pension Liability	\$ 7,047,182	\$ 5,680,610	\$ 4,542,086

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

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

	<u>6/30/2018</u>	<u>6/30/2017</u>
Actuarial valuation date (including roll forward)	June 30, 2017	June 30, 2016
Deferred Outflows of Resources	\$ 1,749,537	\$ 2,042,557
Deferred Inflows of Resources	1,238,326	136,856
Net Pension Liability	5,680,610	7,143,631
District's portion of the Plan's total net pension Liability	0.02440%	0.02412%

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

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

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

**PLUMSTED TOWNSHIP PUBLIC SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

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

The following represents the membership tiers for TPAF:

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

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

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

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

**Pension Liability and Pension Expense** - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2017 was \$73,646,284. The School District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2017, the State proportionate share of the TPAF net pension liability attributable to the School District was .10923%, which was a decrease of .00158% from its proportion measured as of June 30, 2016.

**PLUMSTED TOWNSHIP PUBLIC SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

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

For the fiscal year ended June 30, 2018, the School District recognized \$5,101,842 in on-behalf pension expense and revenue in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2017 measurement date.

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

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

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

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

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

**PLUMSTED TOWNSHIP PUBLIC SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

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

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

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

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

**PLUMSTED TOWNSHIP PUBLIC SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

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

	<b>1% Decrease <u>(3.25%)</u></b>	<b>Current Discount Rate <u>(4.25%)</u></b>	<b>1% Increase <u>(5.25%)</u></b>
District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the District	<u>\$ 87,494,096</u>	<u>\$ 73,646,284</u>	<u>\$ 62,238,397</u>
	<u>\$ 87,494,096</u>	<u>\$ 73,646,284</u>	<u>\$ 62,238,397</u>

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

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

	<u>6/30/2018</u>	<u>6/30/2017</u>
Collective Deferred Outflows of Resources	\$ 14,353,461,035	\$ 17,581,004,496
Collective Deferred Inflows of Resources	\$ 11,992,821,439	\$ 300,836,088
Collective Net Pension Liability	\$ 67,670,209,171	\$ 79,028,907,033
School District's portion	0.1092292285%	0.1108079559%

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

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

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;



**PLUMSTED TOWNSHIP PUBLIC SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

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

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

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

For the year ended June 30, 2018, employee contributions totaled \$7,134 and the District recognized pension expense of \$3,674.

**Note 9. Post-Retirement Benefits**

**General Information about the OPEB Plan**

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

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit

**PLUMSTED TOWNSHIP PUBLIC SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree’s annual retirement benefit and level of coverage.

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

**Basis of Presentation**

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

**Total Nonemployer OPEB Liability**

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

<b>Inflation Rate</b>	2.50%		
	<b>TPAF/ABP</b>	<b>PERS</b>	<b>PFRS</b>
Salary Increases:			
Through 2026	1.55 - 4.55% based on years of service	2.15 - 4.15% based on age	2.10 - 8.98% based on age
Thereafter	2.00 - 5.45% based on years of service	3.15 - 5.15% based on age	3.10 - 9.98% 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. Postretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2014 Headcount- Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

**PLUMSTED TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

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

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

**OPEB Obligation and OPEB Expense** – The State’s proportionate share of the total Other Post-Employment Benefits Obligations attributable to the School District as of June 30, 2017 was \$50,613,166. The School District’s proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2017, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The State’s proportionate share of the OPEB Obligation associated with the District was based on projection of the State’s long-term contributions to the OPEB plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2017, the State proportionate share of the OPEB Obligation attributable to the School District was 0.000943574%, which was an increase of 0.000000276% from its proportion measured as of June 30, 2016.

For the fiscal year ended June 30, 2018, the State of New Jersey recognized an OPEB expense in the amount of \$3,786,360 for the State’s proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2017 measurement date.

**Healthcare 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.

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

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

**PLUMSTED TOWNSHIP PUBLIC SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

	<b>June 30, 2017</b>		
	At 1% Decrease (2.58%)	At Discount Rate (3.58%)	At 1% Increase (4.58%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 60,081,480	\$ 50,613,166	\$ 43,102,810
State of New Jersey's Total Nonemployer OPEB Liability	\$ 63,674,362,200	\$ 53,639,841,858	\$ 45,680,364,953
	<b>June 30, 2016</b>		
	At 1% Decrease (1.85%)	At Discount Rate (2.85%)	At 1% Increase (3.85%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 65,355,190	\$ 54,552,614	\$ 46,049,602
State of New Jersey's Total Nonemployer OPEB Liability	\$69,283,705,084	\$57,831,784,184	\$48,817,654,566

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

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

**PLUMSTED TOWNSHIP PUBLIC SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

	<b>June 30, 2017</b>		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 41,624,436	\$ 50,613,166	\$ 62,550,093
State of New Jersey's Total Nonemployer OPEB Liability	\$ 44,113,584,560	\$ 53,639,841,858	\$ 66,290,599,457
	<b>June 30, 2016</b>		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 44,761,939	\$ 54,552,614	\$ 67,641,814
State of New Jersey's Total Nonemployer OPEB Liability	\$ 47,452,589,164	\$ 57,831,784,184	\$ 71,707,778,970

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

**Additional Information**

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

	<u>Deferred Outflows of</u>	<u>Deferred Inflows of</u>
Change in Proportion	\$ 99,843,255	\$ (99,843,255)
Change in Assumptions	-	(6,343,769,032)
Contributions Made in Fiscal Year Year Ending 2018 After June 30, 2017 Measurement Date **	1,190,373,242	-
	<b>\$ 1,290,216,497</b>	<b>\$ (6,443,612,287)</b>

**PLUMSTED TOWNSHIP PUBLIC SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

**Additional Information (continued):**

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

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

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

**Plan Membership**

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

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

**PLUMSTED TOWNSHIP PUBLIC SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

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

**Additional Information (continued):**

**Changes in the Total OPEB Liability**

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

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

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

As previously mentioned, the School District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers’ Pension and Annuity Fund (TPAF) pension plan. The School District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2018, the on-behalf payments for pension, social security, post-retirement medical costs, and long-term disability were \$1,660,560, \$898,800, \$1,072,520 and \$2,110, respectively.

**Note 11. 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

**PLUMSTED TOWNSHIP PUBLIC SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 11. Risk Management (continued):**

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 School District contributions, reimbursements to the State for benefits paid and the ending balance of the School District's trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017-2018	\$ 44,916	\$ 45,383	\$ 7,928
2016-2017	46,823	79,920	8,395
2015-2016	42,520	42,590	41,492

**Joint Insurance Pool** – The Robbinsville School District participates in the School Alliance Insurance Fund and, public entity risk pool. The Fund provides its members with the following coverage's:

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

**Note 12. Contingencies**

**State and Federal Grantor Agencies** - The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, 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 District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

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

**Note 13. Economic Dependency**

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



**PLUMSTED TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

**Note 14. Deferred Compensation**

The District offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457(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:

Security First  
American Express  
Lincoln Investment  
Equitable  
Valic  
Copeland Co  
Metropolitan Life

**Note 15. 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 amount of vacation and sick leave in accordance with the District's personnel policies. The District policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with Districts' agreements with the various employee unions.

The liability for vested compensated absences of the governmental fund types is recorded in the statement of net position under governmental activities. The current portion of the compensated absence balance is not considered material to the applicable funds total liabilities, and is therefore not shown separately from the long-term liability balance of compensated absences. The amount at June 30, 2018 is \$414,208.

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.

**Note 16. Tax Abatements**

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

**PLUMSTED TOWNSHIP PUBLIC SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**Note 16. Tax Abatements (continued):**

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

**Note 17. Commitments**

The School District has contractual commitments at June 30, 2018 to various vendors, which are recorded in the general fund as assigned to other purposes in the amount of \$9,933.

**Note 18. Calculation of Excess Surplus**

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

**Note 19. Fund Balance**

**General Fund** – Of the \$967,483 General Fund fund balance at June 30, 2018, \$13,306 has been restricted in the Capital Reserve Account; \$963,585 has been restricted for the Federal Impact Aid Reserve Account; \$740,441 has been restricted for the Federal Impact Aid Reserve Account – designated for subsequent year's expenditures; \$9,933 has been assigned to other purposes; \$100,000 has been assigned and included as anticipated revenue for the year ending June 30, 2019 and \$(859,782) has been unassigned.

**Debt Service Fund** – Of the \$1 Debt Service Fund fund balance at June 30, 2018, \$1 is restricted for future debt service payments.

**Note 20. Deficit Fund Balances**

Pursuant to N.J.S.A 18A:22-44.2 any negative unassigned 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 School District deficit in the fund statements (modified accrual basis) of \$859,782 is less than the last state aid payment

**Note 21. Deficit in Net Position**

**Unrestricted Net Position** – The School District's governmental activities had a deficit in unrestricted net position in the amount of \$6,691,684. The primary causes of the deficit are the School District not recognizing the receivable for the last two state aid payments and the recording of the net pension liability for the Public Employees' Retirement System (PERS) as of June 30, 2018. This deficit in unrestricted net position for governmental activities does not indicate that the School District is facing financial difficulties.

**PLUMSTED TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

**Note 22. Operating Leases**

The School District has commitments to lease Apple computers under an operating lease for 4 years. Total lease payments made during the year ended June 30, 2018 amounted to \$168,115. Future minimum lease payments are as follows:

Fiscal Year Ending <u>June 30,</u>	
2019	\$ 168,115
2020	<u>168,115</u>
Total Minimum Lease Payments	<u><u>\$ 336,230</u></u>

**Note 23. Subsequent Events**

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2018 and February 22, 2019, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements. No items have come to the attention of the School District that would require disclosure.

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**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

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C. Budgetary Comparison Schedules

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**PLUMSTED TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2018**

	ACCOUNT NUMBERS	JUNE 30, 2018				POSITIVE/ (NEGATIVE)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
<b>REVENUES</b>						
Local Sources:						
Local Tax Levy	10-1210	\$ 11,103,947	\$ -	\$ 11,103,947	\$ 11,103,947	\$ -
Tuition - From Individuals	10-1310	250,000	-	250,000	276,256	26,256
Other Tuition	10-1330	-	-	-	23,995	23,995
Unrestricted Miscellaneous Revenues	10-1XXX	206,703	-	206,703	89,317	(117,386)
<b>Total Local Sources</b>		<b>11,560,650</b>	<b>-</b>	<b>11,560,650</b>	<b>11,493,515</b>	<b>(67,135)</b>
State Sources:						
School Choice Aid	10-3116	246,468	-	246,468	246,468	-
Transportation Aid	10-3121	130,266	-	130,266	130,266	-
Categorical Special Education Aid	10-3132	975,623	-	975,623	975,623	-
Equalization Aid	10-3176	10,042,670	-	10,042,670	10,042,670	-
Security Aid	10-3177	125,293	-	125,293	125,293	-
Additional Adjustment Aid	10-3178	7,144	-	7,144	7,144	-
PARCC Readiness Aid	10-3181	14,395	-	14,395	14,395	-
Per Pupil Growth Aid	10-3182	14,395	-	14,395	14,395	-
Professional Learning Community Aid	10-3183	13,080	-	13,080	13,080	-
Extraordinary Aid	10-3131	-	-	-	109,741	109,741
Non-Public Transportation Aid		-	-	-	6,090	6,090
Lead Testing	10-3300	-	-	-	3,465	3,465
TPAF Normal Contributions (On-Behalf - Non-Budgeted)		-	-	-	1,660,560	1,660,560
TPAF Post-Retirement Medical (On-Behalf - Non-Budgeted)		-	-	-	1,072,520	1,072,520
TPAF LTDI (On-Behalf - Non-Budgeted)		-	-	-	2,110	2,110
TPAF Social Security (Reimbursed - Non-Budgeted)		-	-	-	898,880	898,880
<b>Total State Sources</b>		<b>11,569,334</b>	<b>-</b>	<b>11,569,334</b>	<b>15,322,700</b>	<b>3,753,366</b>
Federal Sources:						
Impact Aid	10-4100	1,000,000	-	1,000,000	1,007,626	7,626
Medicaid Reimbursement	10-4200	36,206	-	36,206	42,197	5,991
<b>Total Federal Sources</b>		<b>1,036,206</b>	<b>-</b>	<b>1,036,206</b>	<b>1,049,823</b>	<b>13,617</b>
<b>Total Revenues</b>		<b>24,166,190</b>	<b>-</b>	<b>24,166,190</b>	<b>27,866,038</b>	<b>3,699,848</b>
<b>EXPENDITURES</b>						
Current Expense:						
Regular Programs - Instruction:						
Preschool - Salaries of Teachers	11-105-100-101	-	293,865	293,865	293,865	-
Kindergarten - Salaries of Teachers	11-110-100-101	260,821	990	261,811	261,811	-
Grades 1-5 - Salaries of Teachers	11-120-100-101	1,915,860	(30,903)	1,884,957	1,884,957	-
Grades 6-8 - Salaries of Teachers	11-130-100-101	1,265,468	(68,926)	1,196,542	1,196,542	-
Grades 9-12 - Salaries of Teachers	11-140-100-101	2,145,530	50,448	2,195,978	2,195,978	-
Regular Programs-Home Instruction:						
Salaries of Teachers	11-150-100-101	15,000	23,611	38,611	38,611	-
Purchased Professional Education Services	11-150-100-320	3,500	12,023	15,523	15,523	-
Regular Programs - Undistributed Instruction:						
Other Salaries for Instruction	11-190-100-106	188,890	66,867	255,757	255,657	100
Purchased Professional - Educational Services	11-190-100-320	18,500	(708)	17,792	17,792	-
Other Purchased Services (Series 400-500)	11-190-100-500	519,826	58,578	578,404	578,384	20
General Supplies	11-190-100-610	605,424	(95,093)	510,331	510,202	129
Textbooks	11-190-100-640	17,000	(12,265)	4,735	4,432	303
Other Objects	11-190-100-800	-	4,155	4,155	4,000	155
<b>Total Regular Programs - Instruction</b>		<b>6,955,819</b>	<b>302,642</b>	<b>7,258,461</b>	<b>7,257,754</b>	<b>707</b>
Multiple Disabilities:						
Salaries of Teachers	11-212-100-101	434,465	114,534	548,999	548,999	-
Other Salaries for Instruction	11-212-100-106	283,610	112,916	396,526	396,526	-
Purchased Professional - Educational Services	11-212-100-320	-	12,452	12,452	12,452	-
General Supplies	11-212-100-610	3,325	3,217	6,542	6,542	-
<b>Total Multiple Disabilities</b>		<b>721,400</b>	<b>243,119</b>	<b>964,519</b>	<b>964,519</b>	<b>-</b>

**PLUMSTED TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2018**

	ACCOUNT NUMBERS	JUNE 30, 2018				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
<b>Resource Room/Resource Center:</b>						
Salaries of Teachers	11-213-100-101	1,712,876	216,040	1,928,916	1,928,916	-
General Supplies	11-213-100-610	43,445	(21,274)	22,171	22,171	-
<b>Total Resource Room/Resource Center</b>		<b>1,756,321</b>	<b>194,766</b>	<b>1,951,087</b>	<b>1,951,087</b>	<b>-</b>
<b>Preschool Disabilities-Part-Time:</b>						
Salaries of Teachers	11-215-100-101	311,288	(262,621)	48,667	48,667	-
Other Salaries for Instruction	11-215-100-106	30,995	(30,995)	-	-	-
General Supplies	11-215-100-600	3,100	(1,501)	1,599	1,599	-
<b>Total Preschool Disabilities-Part-Time</b>		<b>345,383</b>	<b>(295,117)</b>	<b>50,266</b>	<b>50,266</b>	<b>-</b>
<b>Preschool Disabilities-Full-Time:</b>						
Salaries of Teachers	11-216-100-101	46,208	(46,208)	-	-	-
Other Salaries for Instruction	11-216-100-106	41,000	(41,000)	-	-	-
<b>Total Preschool Disabilities-Full-Time</b>		<b>87,208</b>	<b>(87,208)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Special Education Instruction</b>		<b>2,910,312</b>	<b>55,560</b>	<b>2,965,872</b>	<b>2,965,872</b>	<b>-</b>
<b>Basic Skills/Remedial-Instruction:</b>						
Salaries	11-230-100-101	753,900	(52,970)	700,930	700,930	-
General Supplies	11-230-100-610	5,375	(3,506)	1,869	1,869	-
<b>Total Basic Skills/Remedial-Instruction</b>		<b>759,275</b>	<b>(56,476)</b>	<b>702,799</b>	<b>702,799</b>	<b>-</b>
<b>Bilingual Education-Instruction:</b>						
Salaries of Teachers	11-240-100-101	104,660	(9,741)	94,919	94,919	-
General Supplies	11-240-100-610	400	(25)	375	375	-
<b>Total Bilingual Education-Instruction</b>		<b>105,060</b>	<b>(9,766)</b>	<b>95,294</b>	<b>95,294</b>	<b>-</b>
<b>School-Spon. Co/Extra-curricular Activities-Instruction:</b>						
Salaries	11-401-100-100	147,600	(5,650)	141,950	141,949	1
Supplies and Materials	11-401-100-600	16,730	(15,155)	1,575	1,438	137
Other Objects	11-401-100-800	14,675	(8,216)	6,459	6,459	-
<b>Total School-Spon. Cocurricular Activities-Instruction</b>		<b>179,005</b>	<b>(29,021)</b>	<b>149,984</b>	<b>149,846</b>	<b>138</b>
<b>School-Spon. Athletics-Instruction:</b>						
Salaries	11-402-100-100	588,148	10,629	598,777	598,777	-
Purchased Services (300-500 Series)	11-402-100-500	65,999	(10,553)	55,446	55,437	9
Supplies and Materials	11-402-100-600	71,725	(5,327)	66,398	66,380	18
Other Objects	11-402-100-800	14,040	766	14,806	14,799	7
<b>Total School-Spon. Athletics-Instruction</b>		<b>739,912</b>	<b>(4,485)</b>	<b>735,427</b>	<b>735,393</b>	<b>34</b>
<b>Total Other Special Instructional Programs-Instruction</b>		<b>1,783,252</b>	<b>(99,748)</b>	<b>1,683,504</b>	<b>1,683,332</b>	<b>172</b>
<b>Total Instruction</b>		<b>11,649,383</b>	<b>258,454</b>	<b>11,907,837</b>	<b>11,906,958</b>	<b>879</b>
<b>Undistributed Expenditures-Instruction:</b>						
Tuition to Other LEAs within State - Special	11-000-100-562	354,393	(99,485)	254,908	179,483	75,425
Tuition to County Voc. School Dist.-Regular	11-000-100-563	50,400	3,000	53,400	53,400	-
Tuition to County Voc. School Dist.-Special	11-000-100-564	6,000	(6,000)	-	-	-
Tuition to County Spec. Serv. & Reg. Day Schools	11-000-100-565	76,000	2,700	78,700	78,700	-
Tuition to Private Schools for the Disabled W/I State	11-000-100-566	5,164	46,389	51,553	49,820	1,733
Tuition to State Facilities	11-000-100-568	42,000	-	42,000	41,792	208
<b>Total Undistributed Expenditures-Instruction</b>		<b>533,957</b>	<b>(53,396)</b>	<b>480,561</b>	<b>403,195</b>	<b>77,366</b>

**PLUMSTED TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2018**

	ACCOUNT NUMBERS	JUNE 30, 2018				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
<b>Attendance and Social Work Services:</b>						
Salaries	11-000-211-100	41,181	4	41,185	41,185	-
Salaries of Family Liaisons	11-000-211-173	-	54,500	54,500	54,500	-
<b>Total Attendance and Social Work Services</b>		<b>41,181</b>	<b>54,504</b>	<b>95,685</b>	<b>95,685</b>	<b>-</b>
<b>Undist. Expend. -Health Services:</b>						
Salaries	11-000-213-100	263,340	2,138	265,478	265,478	-
Purchased Professional and Technical Services	11-000-213-300	30,000	2,474	32,474	32,201	273
Supplies and Materials	11-000-213-600	9,739	(2,603)	7,136	7,130	6
<b>Total Undistributed Expenditures -Health Services</b>		<b>303,079</b>	<b>2,009</b>	<b>305,088</b>	<b>304,809</b>	<b>279</b>
<b>Undist. Expend. - Speech, OT, PT &amp; Related Services</b>						
Salaries	11-000-216-100	485,566	(1,376)	484,190	484,190	-
Purchased Professional - Educational Services	11-000-216-320	129,800	(96,855)	32,945	32,945	-
Supplies and Materials	11-000-216-600	6,000	1,359	7,359	7,359	-
Other Objects	11-000-216-800	500	(500)	-	-	-
<b>Total Undist. Expend. - Speech, OT, PT &amp; Related Services</b>		<b>621,866</b>	<b>(97,372)</b>	<b>524,494</b>	<b>524,494</b>	<b>-</b>
<b>Undist. Expend. -Other Support Services-Students-Extra Srvc:</b>						
Salaries	11-000-217-100	124,723	(40,809)	83,914	83,914	-
Purchased Professional - Educational Services	11-000-217-320	-	97,167	97,167	97,167	-
Supplies and Materials	11-000-217-600	-	550	550	550	-
<b>Total Undist. Expend.-Other Support Services-Students-Extra Srvc</b>		<b>124,723</b>	<b>56,908</b>	<b>181,631</b>	<b>181,631</b>	<b>-</b>
<b>Undistributed Expenditures - Guidance</b>						
Salaries of Other Professional Staff	11-000-218-104	553,035	5,619	558,654	558,654	-
Salaries of Secretarial and Clerical Assistants	11-000-218-105	37,182	-	37,182	37,182	-
Other Salaries	11-000-218-110	4,000	(1,946)	2,054	2,054	-
Purchased Professional - Educational Services	11-000-218-320	7,465	(1,129)	6,336	6,336	-
Other Purch. Prof. & Tech Svc.	11-000-218-390	16,500	(2,192)	14,308	14,308	-
Supplies and Materials	11-000-218-600	32,000	(20,638)	11,362	11,362	-
<b>Total Undist. Expend. - Guidance</b>		<b>650,182</b>	<b>(20,286)</b>	<b>629,896</b>	<b>629,896</b>	<b>-</b>
<b>Undist. Expend. - Child Study Teams</b>						
Salaries of Other Professional Staff	11-000-219-104	520,414	(20,501)	499,913	499,913	-
Salaries of Secretarial and Clerical Assistants	11-000-219-105	45,407	-	45,407	45,407	-
Other Purchased Prof. and Tech. Services	11-000-219-390	12,000	62,771	74,771	74,771	-
Other Purchased Services (400-500 series)	11-000-219-500	500	(242)	258	258	-
Supplies and Materials	11-000-219-600	9,000	(5,304)	3,696	3,696	-
<b>Total Undist. Expend. - Child Study Teams</b>		<b>587,321</b>	<b>36,724</b>	<b>624,045</b>	<b>624,045</b>	<b>-</b>
<b>Undist. Expend.-Improvement of Instruction Services-</b>						
Salaries of Supervisor of Instruction	11-000-221-102	191,068	2,649	193,717	193,717	-
Salaries of Other Professional Staff	11-000-221-104	70,000	(30,017)	39,983	39,983	-
Salaries of Secretarial and Clerical Assistants	11-000-221-105	32,265	15	32,280	32,280	-
Purchased Prof - Educational Services	11-000-221-320	39,000	(16,300)	22,700	22,700	-
Supplies and Materials	11-000-221-600	1,200	(147)	1,053	984	69
<b>Total Undist. Expend.-Improvement of Instruction Services</b>		<b>333,533</b>	<b>(43,800)</b>	<b>289,733</b>	<b>289,664</b>	<b>69</b>
<b>Undist. Expend.-Educational Media Services/School Library:</b>						
Salaries	11-000-222-100	110,906	4,013	114,919	114,919	-
Supplies and Materials	11-000-222-600	38,800	(6,036)	32,764	32,764	-
<b>Total Undist. Expend.-Educational Media Services/School Library</b>		<b>149,706</b>	<b>(2,023)</b>	<b>147,683</b>	<b>147,683</b>	<b>-</b>

**PLUMSTED TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2018**

	ACCOUNT NUMBERS	JUNE 30, 2018			POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		ACTUAL
Undist. Expend.-Instruction Staff Training Services:						
Salaries of Supervisors of Instruction	11-000-223-102	191,068	2,650	193,718	193,718	-
Salaries of Secretarial and Clerical Assistants	11-000-223-105	31,790	1,796	33,586	33,586	-
Supplies and Materials	11-000-223-600	5,500	(1,499)	4,001	4,001	-
<b>Total Undist. Expend.-Instruction Staff Training Services</b>		<b>228,358</b>	<b>2,947</b>	<b>231,305</b>	<b>231,305</b>	<b>-</b>
Undist. Expend.-Support Service-General Administration:						
Salaries	11-000-230-100	241,014	16,541	257,555	257,555	-
Legal Services	11-000-230-331	40,000	(10,785)	29,215	29,215	-
Audit Fees	11-000-230-332	27,500	115	27,615	27,615	-
Architectural/ Engineering Fees	11-000-230-334	10,000	(3,065)	6,935	2,491	4,444
Other Purchased Professional Services	11-000-230-339	14,700	1,961	16,661	16,661	-
Communications/Telephone	11-000-230-530	46,300	(6,186)	40,114	40,114	-
Board of Education Other Purchased Services	11-000-230-585	2,000	(1,571)	429	429	-
Miscellaneous Purchased Services	11-000-230-590	34,950	9,608	44,558	44,558	-
General Supplies	11-000-230-610	2,500	(2,242)	258	258	-
Board of Education In-House Training/Meeting Supplies	11-000-230-630	500	369	869	869	-
Judgements Against School District	11-000-230-820		32,500	32,500	32,500	-
Miscellaneous Expenditures	11-000-230-890	4,250	3,030	7,280	7,280	-
Board of Education Membership Dues and Fees	11-000-230-895	12,500	(239)	12,261	12,261	-
<b>Total Undist. Expend.-Support Service-General Administration</b>		<b>436,214</b>	<b>40,036</b>	<b>476,250</b>	<b>471,806</b>	<b>4,444</b>
Undist. Expend.-Support Service-School Administration:						
Salaries of Principals/Assistant Principals/Prog. Dir.	11-000-240-103	755,895	(2,061)	753,834	753,834	-
Salaries Other Professional Staff	11-000-240-104	113,055	(3)	113,052	113,052	-
Salaries of Secretarial and Clerical Assistants	11-000-240-105	222,001	(328)	221,673	221,673	-
Purchased Professional-Educational Services	11-000-240-320	-	3,400	3,400	3,400	-
Other Purchased Services (400-500 Series)	11-000-240-500	15,000	(10,969)	4,031	3,893	138
Supplies and Materials	11-000-240-600	17,250	(2,251)	14,999	14,555	444
Other Objects	11-000-240-800	22,560	(7,731)	14,829	14,639	190
<b>Total Undist. Expend.-Support Service-School Administration</b>		<b>1,145,761</b>	<b>(19,943)</b>	<b>1,125,818</b>	<b>1,125,046</b>	<b>772</b>
Undist. Expend.-Central Services:						
Salaries	11-000-251-100	330,809	(1,147)	329,662	329,662	-
Purchased Technical Services	11-000-251-340	26,100	1,012	27,112	27,112	-
Misc. Purchase Services (400-500 Series)	11-000-251-592	3,500	(2,092)	1,408	1,408	-
Supplies and Materials	11-000-251-600	3,000	(157)	2,843	2,843	-
Interest on Lease Purchase Agreements	11-000-251-832	3,382	(3,382)	-	-	-
Other Objects	11-000-251-890	4,300	3,477	7,777	7,777	-
<b>Total Undist. Expend.-Central Services</b>		<b>371,091</b>	<b>(2,289)</b>	<b>368,802</b>	<b>368,802</b>	<b>-</b>
Undist. Expend.-Admin. Info Technology:						
Salaries	11-000-252-100	46,697	(6,486)	40,211	40,211	-
Purchased Technical Services	11-000-252-340	8,000	9,795	17,795	17,795	-
Supplies and Materials	11-000-252-600	22,000	(21,545)	455	455	-
<b>Total Undist. Expand-Admin. Info. Technology</b>		<b>76,697</b>	<b>(18,236)</b>	<b>58,461</b>	<b>58,461</b>	<b>-</b>
Undist. Expend.-Required Maintenance for School Facilities:						
Cleaning, Repair and Maintenance Services	11-000-261-420	105,800	(31,634)	74,166	73,985	181
Travel	11-000-261-580	-	903	903	903	-
General Supplies	11-000-261-610	49,100	2,280	51,380	51,310	70
<b>Total Undist. Expend.-Required Maintenance for School Facilities</b>		<b>154,900</b>	<b>(28,451)</b>	<b>126,449</b>	<b>126,198</b>	<b>251</b>

**PLUMSTED TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2018**

	ACCOUNT NUMBERS	JUNE 30, 2018				POSITIVE/ (NEGATIVE)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
Undist. Expend.- Custodial Services						
Salaries	11-000-262-100	292,051	(30,684)	261,367	261,367	-
Cleaning, Repair, and Maintenance Services	11-000-262-420	998,150	(5,757)	992,393	979,375	13,018
Insurance	11-000-262-520	119,000	2,476	121,476	121,476	-
General Supplies	11-000-262-610	55,000	748	55,748	55,664	84
Energy (Natural Gas)	11-000-262-621	72,000	(9,529)	62,471	62,471	-
Energy (Electricity)	11-000-262-622	320,000	50,035	370,035	370,035	-
Energy (Gasoline)	11-000-262-626	8,000	584	8,584	8,584	-
Other Objects	11-000-262-800	27,400	6,185	33,585	33,351	234
<b>Total Undist. Expend.- Custodial Services</b>		<b>1,891,601</b>	<b>14,058</b>	<b>1,905,659</b>	<b>1,892,323</b>	<b>13,336</b>
Undist. Expend.- Care & Upkeep of Grounds:						
Cleaning, Repair, and Maintenance Services	11-000-263-420	87,200	(77,860)	9,340	8,954	386
General Supplies	11-000-263-610	54,400	(5,742)	48,658	48,439	219
<b>Total Undist. Expend. - Care &amp; Upkeep of Grounds</b>		<b>141,600</b>	<b>(83,602)</b>	<b>57,998</b>	<b>57,393</b>	<b>605</b>
Undist. Expend.- Security:						
Salaries	11-000-266-100	61,500	67,055	128,555	128,555	-
Purchased Prof & Tech Services	11-000-266-300	92,000	(91,865)	135	135	-
Cleaning, Repair, and Maintenance Services	11-000-266-420	-	1,374	1,374	1,374	-
General Supplies	11-000-266-610	6,000	(2,011)	3,989	3,989	-
<b>Total Undist. Expend. - Security</b>		<b>159,500</b>	<b>(25,447)</b>	<b>134,053</b>	<b>134,053</b>	<b>-</b>
<b>Total Undist. Expend. - Other Oper. &amp; Maintenance of Plant</b>		<b>2,347,601</b>	<b>(123,442)</b>	<b>2,224,159</b>	<b>2,209,967</b>	<b>14,192</b>
Undist. Expend.-Student Transportation Services:						
Salaries for Non-Instructional Aids	11-000-270-107	13,500	1,898	15,398	15,378	20
Salaries for Pupil Transportation (Bet. Home and School)-Reg.	11-000-270-160	78,173	6,006	84,179	84,179	-
Salaries for Pupil Trans. (Bet. Home and School)-Spec.Ed.	11-000-270-161	72,168	(17,263)	54,905	54,905	-
Other Purchased Professional & Technical Services	11-000-270-390	71,450	(1,450)	70,000	70,000	-
Cleaning, Repair and Maintenance Services	11-000-270-420	29,880	(9,455)	20,425	20,425	-
Contract Services-AIL Payments-Non Public Charter Sch.	11-000-270-503	20,332	(2,332)	18,000	18,000	-
Contract Services (Aid-In-Lieu)-Choice Students	11-000-270-505	26,520	3,480	30,000	30,000	-
Contract Services (Between Home & School)-Vendors	11-000-270-511	580,019	(34,896)	545,123	540,966	4,157
Contract Services (Other Than Bet. Home & School)-Vendors	11-000-270-512	93,340	(7,249)	86,091	86,062	29
Contract Services (Special Education)-Vendors	11-000-270-514	231,369	111,129	342,498	342,498	-
Contract Services (Special Education)-Joint Agreements	11-000-270-515	884	39,832	40,716	40,716	-
Miscellaneous Purchased Services-Transportation	11-000-270-593	1,410	2,290	3,700	3,700	-
General Supplies	11-000-270-610	500	(500)	-	-	-
Fuel Expenses offset by Adv.	11-000-270-626	25,238	(5,100)	20,138	20,087	51
Other Objects	11-000-270-800	5,000	(101)	4,899	4,899	-
<b>Total Undist. Expend.-Student Transportation Services</b>		<b>1,249,783</b>	<b>86,289</b>	<b>1,336,072</b>	<b>1,331,815</b>	<b>4,257</b>
Unallocated Benefits - Employee Benefits						
Social Security Contributions	11-000-291-220	220,000	33,208	253,208	253,208	-
Other Retirement Contributions-PERS	11-000-291-241	225,000	6,733	231,733	231,733	-
Other Retirement Contributions-Regular	11-000-291-249	5,500	(146)	5,354	5,317	37
Workman's Compensation	11-000-291-260	135,000	(21,140)	113,860	113,860	-
Health Benefits	11-000-291-270	3,451,100	43,312	3,494,412	3,490,359	4,053
Tuition Reimbursement	11-000-291-280	15,000	(50)	14,950	14,275	675
Unused Sick Payment to Terminated/Retired Staff	11-000-291-299	15,000	(6,377)	8,623	8,623	-
<b>Total Undist. Expend.-Benefits</b>		<b>4,066,600</b>	<b>55,540</b>	<b>4,122,140</b>	<b>4,117,375</b>	<b>4,765</b>
On-Behalf TPAF Normal Contributions (Non-Budgeted)		-	-	-	1,660,560	(1,660,560)
On-Behalf TPAF Post-Retirement Medical (Non-Budgeted)		-	-	-	1,072,520	(1,072,520)
On-Behalf TPAF LTDI (Non-Budgeted)		-	-	-	2,110	(2,110)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)		-	-	-	898,880	(898,880)
<b>Total On-Behalf Contributions</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>3,634,070</b>	<b>(3,634,070)</b>

**PLUMSTED TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2018**

	ACCOUNT NUMBERS	JUNE 30, 2018			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Total Personal Services-Employee Benefits		4,066,600	55,540	4,122,140	7,751,445	(3,629,305)
Total Undistributed Expenditures		13,267,653	(45,830)	13,221,823	16,749,749	(3,527,926)
Total Current Expense		24,917,036	212,624	25,129,660	28,656,707	(3,527,047)
<b>CAPITAL OUTLAY</b>						
<b>Equipment:</b>						
Grades 6-8	12-130-100-730	2,360	-	2,360	-	2,360
Grades 9-12	12-140-100-730	71,000	1,330	72,330	22,161	50,169
Multiple Disabilities	12-212-100-730	-	2,734	2,734	2,734	-
School-Sponsored and Other Instructional Program	12-4XX-100-730	62,200	(22,886)	39,314	31,096	8,218
Undist. Expend - Required Maintenance School Facilities	12-000-263-730	9,000	4,366	13,366	13,366	-
Total Equipment		144,560	(14,456)	130,104	69,357	60,747
<b>Facilities Acquisition and Construction Services:</b>						
Architectural/Engineering Services	12-000-400-334	-	40,097	40,097	30,753	9,344
Construction Services	12-000-400-450	213,000	6,338	219,338	215,699	3,639
Lease Purchase Agreements - Principal	12-000-400-721	85,017	-	85,017	85,017	-
Assessment for Debt Service on SDA Funding	12-000-400-896	70,671	-	70,671	70,671	-
Total Facilities Acquisition and Construction Services		368,688	46,435	415,123	402,140	12,983
Total Capital Outlay		513,248	31,979	545,227	471,497	73,730
Total Expenditures		25,430,284	244,603	25,674,887	29,128,204	(3,453,318)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		(1,264,094)	(244,603)	(1,508,697)	(1,262,166)	246,531
<b>Other Financing Sources/(Uses):</b>						
Transfer from Capital Projects		-	-	-	43,039	43,039
Total other Financing Sources/(Uses):		-	-	-	43,039	43,039
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses		(1,264,094)	(244,603)	(1,508,697)	(1,219,127)	289,570
Fund Balances, July 1		3,314,147	-	3,314,147	3,314,147	-
Fund Balances, June 30		\$ 2,050,053	\$ (244,603)	\$ 1,805,451	\$ 2,095,020	\$ 289,570
<b>RECAPITULATION OF BUDGET TRANSFERS</b>						
Prior Year Encumbrances			\$ 54,603			
Utilization of Impact Aid Reserve			150,000			
Utilization of Capital Reserve			40,000			
Total			\$ 244,603			
<b>RECAPITULATION OF FUND BALANCE:</b>						
<b>Restricted for:</b>						
Capital Reserve					\$ 13,306	
Reserve for Impact Aid					963,585	
Reserve for Impact Aid - Designated for Subsequent Year's Expenditures					740,441	
<b>Assigned:</b>						
Year-End Encumbrances					9,933	
Designated for Subsequent Year's Expenditures					100,000	
Unassigned					267,755	
Subtotal					2,095,020	
<b>Reconciliation to Governmental Funds Statements (GAAP):</b>						
Last State Aid Payments Not Recognized on GAAP Basis					(1,127,537)	
Fund Balance per Governmental Funds (GAAP)					\$ 967,483	

**PLUMSTED TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEARS ENDED JUNE 30, 2018**

	JUNE 30, 2018				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
<b>REVENUES:</b>					
Local Sources	\$ -	\$ 19,931	\$ 19,931	\$ 10,404	\$ (9,527)
Federal Sources	498,920	170,634	669,554	624,606	(44,948)
<b>Total Revenues</b>	<b>498,920</b>	<b>190,565</b>	<b>689,485</b>	<b>635,010</b>	<b>(54,475)</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries	108,060	24,932	132,992	111,792	21,200
Purchased Educational Services	300	5,002	5,302	5,002	300
Tuition	275,100	25,965	301,065	301,065	-
General Supplies	38,072	67,440	105,512	94,616	10,896
<b>Total Instruction</b>	<b>421,532</b>	<b>123,339</b>	<b>544,871</b>	<b>512,475</b>	<b>32,396</b>
Support Services:					
Other Salaries	7,520	16,672	24,192	12,186	12,006
Employee Benefits	-	15,239	15,239	13,260	1,979
Purchased Professional Educational Services	63,868	5,612	69,480	68,330	1,150
Other Purchased Services (400-500 Series)	6,000	12,570	18,570	18,345	225
Supplies and Materials	-	13,460	13,460	6,764	6,696
<b>Total Support Services</b>	<b>77,388</b>	<b>63,553</b>	<b>140,941</b>	<b>118,885</b>	<b>22,056</b>
Facilities Acquisition and Construction Services:					
Non-Instructional Equipment	-	3,673	3,673	3,650	23
<b>Total Facilities Acquisition and Construction Services</b>	<b>-</b>	<b>3,673</b>	<b>3,673</b>	<b>3,650</b>	<b>23</b>
<b>Total Expenditures</b>	<b>498,920</b>	<b>190,565</b>	<b>689,485</b>	<b>635,010</b>	<b>54,475</b>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Uses	\$ -	\$ -	\$ -	\$ -	\$ -

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**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

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

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

	GENERAL FUND	SPECIAL REVENUE FUND
<b>SOURCES/INFLOWS OF RESOURCES</b>		
Actual amounts (budgetary) "revenues" from the Budgetary Comparison Schedules	\$ 27,866,038	\$ 635,010
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year Encumbrances - Local	-	11,058
Prior Year Encumbrances - Federal	-	23,160
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	1,108,626	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(1,127,537)	-
	\$ 27,847,127	\$ 669,228
<b>USES/OUTFLOWS OF RESOURCES</b>		
Actual amounts (budgetary basis) "total outflows" from the Budgetary Comparison Schedule	\$ 29,128,204	\$ 635,010
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year Encumbrances - Local	-	11,058
Prior Year Encumbrances - Federal	-	23,160
	\$ 29,128,204	\$ 669,228

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**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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

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**PLUMSTED TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)  
LAST FIVE FISCAL YEARS\***

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
School District's proportion of the net pension liability	0.02440%	0.02412%	0.02315%	0.02352%	0.02441%
School District's proportionate share of the net pension liability	\$ 5,680,610	\$ 7,143,631	\$ 5,197,444	\$ 4,403,440	\$ 4,665,430
School District's covered payroll	\$ 1,762,152	\$ 1,630,839	\$ 1,452,025	\$ 1,402,008	\$ 1,526,365
School District's proportionate share of the net pension liability as a percentage of its covered payroll	322.37%	438.03%	357.94%	314.08%	305.66%
Plan fiduciary net position as a percentage of the total pension liability	36.78%	40.14%	47.93%	52.08%	48.72%

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

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

**PLUMSTED TOWNSHIP SCHOOL DISTRICT  
 SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS  
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)  
 LAST FIVE FISCAL YEARS**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
School District's contractually required contribution	\$ 259,147	\$ 226,067	\$ 214,278	\$ 199,056	\$ 193,889
Contributions in relation to the contractually required contribution	259,147	226,067	214,278	199,056	193,889
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 1,930,578	\$ 1,762,152	\$ 1,630,839	\$ 1,452,025	\$ 1,402,008
Contributions as a percentage of covered payroll	13.42%	12.83%	13.14%	13.71%	13.83%

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

**PLUMSTED TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEACHERS' PENSION AND ANNUITY FUND (TPAF)  
LAST FIVE FISCAL YEARS\***

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
School District's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%
School District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	<u>73,646,284</u>	<u>87,168,593</u>	<u>70,058,465</u>	<u>59,244,682</u>	<u>55,193,760</u>
District's covered-employee payroll	<u>\$ 11,813,356</u>	<u>\$ 11,312,720</u>	<u>\$ 11,104,989</u>	<u>\$ 11,100,021</u>	<u>\$ 10,754,490</u>
School District's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	25.41%	22.33%	28.71%	33.64%	33.76%

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

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

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

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

M. Schedules Related to Accounting and Reporting for Other Post-Employment Benefits (GASB 75)

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

	2018
<b>District's Total OPEB Liability</b>	
Service Cost	\$ 2,882,249
Interest Cost	1,620,916
Changes of Assumptions	(7,313,472)
Contributions: Member	43,167
Gross Benefit Payments	(1,172,308)
Net Change in District's Total OPEB Liability	(3,939,448)
District's Total OPEB Liability (Beginning)	54,552,614
District's Total OPEB Liability (Ending)	\$ 50,613,166
District's Covered Employee Payroll	\$ 3,815,181
District's Net OPEB Liability as a Percentage of Payroll	1327%

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

10-year trend is compiled, governments should present information for those years for which information is available.

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

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

**Changes in Benefit Terms** - None.

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

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

**Changes in Benefit Terms** - None.

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

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

**Changes in Benefit Terms** - None.

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

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**OTHER SUPPLEMENTARY INFORMATION**

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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

	NO CHILD LEFT BEHIND					Local Programs	Totals
	I.D.E.A. - PART B		Title I Part A	Title II Part A	Title III		
Revenues:	Basic	Preschool					
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,404	\$ 10,404
Federal Sources	301,065	25,772	224,378	45,108	28,283	-	624,606
<b>Total Revenues</b>	<b>\$ 301,065</b>	<b>\$ 25,772</b>	<b>\$ 224,378</b>	<b>\$ 45,108</b>	<b>\$ 28,283</b>	<b>\$ 10,404</b>	<b>\$ 635,010</b>
Expenditures:							
Instruction:							
Salaries of Teachers	\$ -	\$ 15,794	\$ 95,106	\$ -	\$ 892	\$ -	\$ 111,792
Purchased Educational Services	-	5,002	-	-	-	-	5,002
Tuition	301,065	-	-	-	-	-	301,065
General Supplies	-	-	62,912	-	24,950	6,754	94,616
<b>Total Instruction</b>	<b>301,065</b>	<b>20,796</b>	<b>158,018</b>	<b>-</b>	<b>25,842</b>	<b>6,754</b>	<b>512,475</b>
Support Services:							
Other Salaries	-	-	9,953	-	2,233	-	12,186
Personal Services - Employee Benefits	-	4,976	8,076	-	208	-	13,260
Purchased Professional - Educational Services	-	-	44,650	23,680	-	-	68,330
Other Purchased Professional Services	-	-	3,550	14,795	-	-	18,345
Supplies and Materials	-	-	131	6,633	-	-	6,764
<b>Total Support Services</b>	<b>-</b>	<b>4,976</b>	<b>66,360</b>	<b>45,108</b>	<b>2,441</b>	<b>-</b>	<b>118,885</b>
Facilities Acquisition & Construction Services							
Noninstructional Equipment	-	-	-	-	-	3,650	3,650
<b>Total Facilities Acquisition &amp; Construction Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,650</b>	<b>3,650</b>
<b>Total Expenditures</b>	<b>\$ 301,065</b>	<b>\$ 25,772</b>	<b>\$ 224,378</b>	<b>\$ 45,108</b>	<b>\$ 28,283</b>	<b>\$ 10,404</b>	<b>\$ 635,010</b>

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F. Capital Projects Fund

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

PROJECT TITLE/ISSUE	DATE	ORIGINAL APPROPRIATIONS	EXPENDITURES TO DATE		CANCELLATION OF GRANT RECEIVABLE	TRANSFER TO GENERAL	UNEXPENDED BALANCE JUNE 30, 2018
			PRIOR YEARS	CURRENT YEAR			
HVAC Project - All Schools	6/11/2014	\$ 267,480	\$ 266,192	\$ -	\$ -	\$ 1,288	\$ -
High School Roof Project	1/29/2014	811,653	714,197	-	55,705	41,751	-
		\$ 1,079,133	\$ 980,389	\$ -	\$ 55,705	\$ 43,039	\$ -

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

## REVENUES

State Sources - SDA Grant	\$ (55,705)
Total Revenues	<u>(55,705)</u>
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	<u>(55,705)</u>
Other Financing Sources/(Uses): Transfer To Capital Reserve	<u>(43,039)</u>
Total Other Financing Sources/(Uses)	<u>(43,039)</u>
Net Change in Fund Balance	(98,744)
Fund Balance - July 1	<u>98,744</u>
Fund Balance - June 30	<u><u>\$ -</u></u>

**PLUMSTED TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
AND PROJECT STATUS - BUDGETARY BASIS  
HVAC PROJECT - ALL SCHOOLS  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues and Other Financing Sources:				
Transfer from Capital Reserve	\$ 146,550	\$ -	\$ 146,550	\$ 146,550
State Sources-SDA Transfers	120,930	-	120,930	120,930
<b>Total Revenues</b>	<b>267,480</b>	<b>-</b>	<b>267,480</b>	<b>267,480</b>
Expenditures and Other Financing Uses:				
Construction Services	266,192	-	266,192	267,480
<b>Total Expenditures</b>	<b>266,192</b>	<b>-</b>	<b>266,192</b>	<b>267,480</b>
Other Financing Sources/(Uses):				
Transfer to General Fund	-	(1,288)	(1,288)	-
<b>Total Other Financing Sources/(Uses)</b>	<b>-</b>	<b>(1,288)</b>	<b>(1,288)</b>	<b>-</b>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures				
	\$ 1,288	\$ (1,288)	\$ -	\$ -
Additional Project Information:				
Project Number	SP 4190-010-14-1002-G04 SP 4190-080-14-1005-G04 SP 4190-050-14-1004-G04 SP 4190-040-14-1003-G04			
Percentage Completion	100.00%			

**PLUMSTED TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
AND PROJECT STATUS - BUDGETARY BASIS  
HIGH SCHOOL ROOF PROJECT  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues and Other Financing Sources:				
State Sources-SDA Transfers	\$ 403,653	\$ (55,705)	\$ 347,948	\$ 347,948
Lease Purchase Agreement	408,000	-	408,000	408,000
	<hr/>			
Total Revenues	811,653	(55,705)	755,948	755,948
	<hr/>			
Expenditures and Other Financing Uses:				
Construction Services	714,197	-	714,197	755,948
	<hr/>			
Total Expenditures	714,197	-	714,197	755,948
	<hr/>			
Other Financing Sources/(Uses):				
Transfer to General Fund		(41,751)	(41,751)	-
	<hr/>			
Total Other Financing Sources/(Uses)	-	(41,751)	(41,751)	-
	<hr/>			
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$ 97,456	\$ (97,456)	\$ -	\$ -
	<hr/> <hr/>			
Additional Project Information:				
Project Number	SP 4190-010-14-1001-G04			
Percentage Completion	100.00%			



G. Proprietary Funds

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Enterprise Funds

(See Exhibits B-4, B-5, B-6)

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Internal Service Fund

Not Applicable

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## H. Fiduciary Fund

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**PLUMSTED TOWNSHIP SCHOOL DISTRICT  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2018**

	PRIVATE PURPOSE		AGENCY		TOTALS
	UNEMPLOYMENT COMPENSATION TRUST	SCHOLARSHIP	STUDENT ACTIVITY	PAYROLL	
Assets:					
Cash and Cash Equivalents	\$ 10,347	\$ 4,200	\$ 102,187	\$ 21,532	\$ 138,266
Total Assets	10,347	4,200	102,187	21,532	138,266
Liabilities:					
Payroll Deductions and Withholdings	-	-	-	480	480
Due to Employees - Flex Spending	-	-	-	21,052	21,052
Accounts Payable	2,419	-	-	-	2,419
Due To Student Groups	-	-	102,187	-	102,187
Total Liabilities	2,419	-	102,187	21,532	126,138
Net Position:					
Held in Trust for Unemployment Claims and Other Purposes Reserved for Scholarships	7,928	-	-	-	7,928
	-	4,200	-	-	4,200
Total Net Position	\$ 7,928	\$ 4,200	\$ -	\$ -	\$ 12,128

**PLUMSTED TOWNSHIP SCHOOL DISTRICT**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2018**

	PRIVATE PURPOSE		
	UNEMPLOYMENT COMPENSATION TRUST	SCHOLARSHIP	TOTALS
Additions:			
Contributions:			
Plan Member	\$ 44,916	\$ -	\$ 44,916
Other	-	15,857	15,857
Total Contributions	44,916	15,857	60,773
Total Additions	44,916	15,857	60,773
Deductions:			
Payment of Claims	45,383	-	45,383
Scholarships Awarded	-	13,350	13,350
Total Deductions	45,383	13,350	58,733
Change in Net Position	(467)	2,507	2,040
Net Position - Beginning of Year	8,395	1,693	10,088
Net Position - End of Year	\$ 7,928	\$ 4,200	\$ 12,128

**PLUMSTED TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
STUDENT ACTIVITY AGENCY FUND  
JUNE 30, 2018**

	BALANCE JULY 1, 2017	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2018
Primary School	\$ 1,010	\$ 892	\$ 383	\$ 1,519
Elementary School	25,147	17,148	19,827	22,468
Middle School	17,282	41,042	33,237	25,087
High School	48,116	95,393	90,396	53,113
	<hr/>			
Total Assets	<u>\$ 91,555</u>	<u>\$ 154,475</u>	<u>\$ 143,843</u>	<u>\$ 102,187</u>

**PLUMSTED TOWNSHIP SCHOOL DISTRICT  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
JUNE 30, 2018**

	BALANCE JULY 1, 2017	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2018
<b>ASSETS</b>				
Cash & Cash Equivalents	\$ 52,032	\$ 17,439,358	\$ 17,469,858	\$ 21,532
	<u>\$ 52,032</u>	<u>\$ 17,439,358</u>	<u>\$ 17,469,858</u>	<u>\$ 21,532</u>
<b>LIABILITIES</b>				
Payroll Deductions and Withholdings	\$ 33,850	\$ 7,388,863	\$ 7,422,233	\$ 480
Due to Employees - Net Payroll	-	10,019,645	10,019,645	-
Due to Employees - Flex Spending	18,182	30,850	27,980	21,052
Total Liabilities	<u>\$ 52,032</u>	<u>\$ 17,439,358</u>	<u>\$ 17,469,858</u>	<u>\$ 21,532</u>

## I. Long-Term Debt

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**PLUMSTED TOWNSHIP SCHOOL DISTRICT  
GENERAL LONG-TERM DEBT ACCOUNT GROUP  
STATEMENT OF SERIAL BONDS  
JUNE 30, 2018**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL PAYMENTS		INTEREST RATE	AMOUNT OUTSTANDING JUNE 30, 2017	ADDITIONS	RETIRED	AMOUNT OUTSTANDING JUNE 30, 2018
			DATE	AMOUNT					
Bond Refunding (2002 Bonds)	09/16/10	\$ 6,410,000	07/15/18	\$ 380,000	4.00%				
			07/15/19	400,000	4.00%				
			07/15/20	420,000	4.00%				
			07/15/21	435,000	4.00%				
			07/15/22	455,000	3.13%				
			07/15/23	465,000	3.25%				
			07/15/24	480,000	4.00%				
			07/15/25	500,000	3.38%				
		07/15/26	520,000	4.00%					
		07/15/27	535,000	3.50%		\$ 4,960,000	\$ -	\$ 370,000	\$ 4,590,000
						<u>3,670,000</u>	<u>-</u>	<u>1,805,000</u>	<u>1,865,000</u>
Bond Refunding (2014 Bonds)	06/10/14	\$ 7,305,000	09/01/18	500,000	2.00%				
			09/01/18	1,365,000	3.00%				
						<u>\$ 8,630,000</u>	<u>\$ -</u>	<u>\$ 2,175,000</u>	<u>\$ 6,455,000</u>

**PLUMSTED TOWNSHIP SCHOOL DISTRICT  
LONG-TERM DEBT  
STATEMENT OF OBLIGATIONS UNDER CAPITAL LEASES  
JUNE 30, 2018**

SERIES	DATE OF LEASE	INTEREST RATE PAYABLE	BALANCE OUSTANDING JULY 1, 2017	ISSUED CURRENT YEAR	RETIRED CURRENT YEAR	BALANCE OUSTANDING JUNE 30, 2018
Roof Replacement	06/30/2014	2.05%	\$ 164,944	\$ -	\$ 81,635	\$ 83,309
Various Equipment	07/30/2015	1.76%	315,000	-	100,000	215,000
			\$ 479,944	\$ -	\$ 181,635	\$ 298,309



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

	JUNE 30, 2018				VARIANCE POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:					
Local Sources:					
Local Tax Levy	\$ 1,579,091	\$ -	\$ 1,579,091	\$ 1,579,091	\$ -
State Sources:					
Debt Service Aid Type II	851,665	-	851,665	851,665	-
<b>Total Revenues</b>	<b>2,430,756</b>	<b>-</b>	<b>2,430,756</b>	<b>2,430,756</b>	<b>-</b>
Expenditures:					
Regular Debt Service:					
Interest and Other Charges	255,757	-	255,757	255,756	1
Redemption of Principal	2,175,000	-	2,175,000	2,175,000	-
<b>Total Regular Debt Service</b>	<b>2,430,757</b>	<b>-</b>	<b>2,430,757</b>	<b>2,430,756</b>	<b>1</b>
<b>Total Expenditures</b>	<b>2,430,757</b>	<b>-</b>	<b>2,430,757</b>	<b>2,430,756</b>	<b>1</b>
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	(1)	-	(1)	-	(1)
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(1)	-	(1)	-	(1)
Fund Balance, July 1	1	-	1	1	-
<b>Fund Balance, June 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1</b>	<b>\$ (1)</b>

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**STATISTICAL SECTION (Unaudited)**

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Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance.

Note that the Exhibits are presented for the last ten fiscal years.

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**PLUMSTED TOWNSHIP SCHOOL DISTRICT  
NET POSITION BY COMPONENT  
LAST NINE FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

	FISCAL YEAR ENDING JUNE 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Government Activities:</b>										
Net Investment in Capital Assets	\$ 15,742,953	\$ 16,117,044	\$ 16,292,793	\$ 17,021,145	\$ 17,881,220	\$ 17,590,426	\$ 19,143,862	\$ 19,949,353	\$ 21,587,623	\$ 22,830,648
Restricted	3,237,500	2,279,757	2,413,374	2,699,596	2,589,289	1,688,483	2,281,700	2,909,217	2,489,427	1,717,333
Unrestricted	(1,737,518)	(137,154)	(316,947)	750,046	969,702	1,764,981	(3,791,599)	(4,791,522)	(5,901,842)	(6,691,684)
<b>Total Government Activities Net Position</b>	<b>\$ 17,242,935</b>	<b>\$ 18,259,647</b>	<b>\$ 18,389,220</b>	<b>\$ 20,470,787</b>	<b>\$ 21,440,211</b>	<b>\$ 21,043,890</b>	<b>\$ 17,633,963</b>	<b>\$ 18,067,048</b>	<b>\$ 18,175,208</b>	<b>\$ 17,856,297</b>
<b>Business-Type Activities:</b>										
Net Investment in Capital Assets	\$ 2,857	\$ 740	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,226	\$ 10,387
Unrestricted	78,024	79,845	99,233	97,700	73,986	73,557	43,582	69,256	33,587	18,107
<b>Total Business-Type Activities Net Position</b>	<b>\$ 80,881</b>	<b>\$ 80,585</b>	<b>\$ 99,233</b>	<b>\$ 97,700</b>	<b>\$ 73,986</b>	<b>\$ 73,557</b>	<b>\$ 43,582</b>	<b>\$ 69,256</b>	<b>\$ 40,813</b>	<b>\$ 28,494</b>
<b>Government-wide:</b>										
Net Investment in Capital Assets	\$ 15,745,810	\$ 16,117,044	\$ 16,292,793	\$ 17,021,145	\$ 17,881,220	\$ 17,590,426	\$ 19,143,862	\$ 19,949,353	\$ 21,594,849	\$ 22,841,035
Restricted	3,237,500	2,279,757	2,413,374	2,699,596	2,589,289	1,688,483	2,281,700	2,909,217	2,489,427	1,717,333
Unrestricted	(1,659,494)	(56,570)	(217,714)	847,746	1,043,688	1,838,538	(3,748,017)	(4,722,266)	(5,868,255)	(6,673,577)
<b>Total Net Position</b>	<b>\$ 17,323,816</b>	<b>\$ 18,340,231</b>	<b>\$ 18,488,453</b>	<b>\$ 20,568,487</b>	<b>\$ 21,514,197</b>	<b>\$ 21,117,447</b>	<b>\$ 17,677,545</b>	<b>\$ 18,136,304</b>	<b>\$ 18,216,021</b>	<b>\$ 17,884,791</b>

**PLUMSTED TOWNSHIP SCHOOL DISTRICT  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Expenses:</b>										
Governmental Activities										
Instruction:										
Regular	\$ 6,641,941	\$ 6,956,123	\$ 8,982,619	\$ 9,370,442	\$ 6,521,331	\$ 6,368,842	\$ 6,550,475	\$ 6,529,649	\$ 6,593,381	\$ 7,161,136
Special Education	2,387,242	2,507,777	4,064,433	4,117,633	3,090,988	3,048,332	3,150,910	3,238,644	3,403,458	3,501,507
Other Special Education	1,057,009	1,145,449	174,751	324,256	514,658	816,305	752,140	809,042	878,930	798,093
Other Instruction	-	-	833,931	847,081	664,130	719,124	813,288	818,864	910,248	885,239
Support Services										
Instruction	535,324	382,167	484,980	148,796	347,086	275,450	350,228	403,195	501,272	403,195
Attendance and Social Work	38,921	40,479	44,566	43,694	35,066	37,768	37,000	38,999	39,934	95,685
Health Services	253,057	266,760	280,090	291,417	282,747	299,213	317,288	307,958	305,172	304,809
Other Support Services	1,799,758	1,817,235	2,748,089	2,902,088	2,056,721	2,082,571	2,120,888	2,141,438	2,264,605	2,368,615
Educational Media Services	137,941	157,859	57,251	99,079	112,427	125,042	107,015	130,923	112,527	147,683
Instructional Staff Training	143,664	147,236	286,161	79,444	161,725	171,242	213,308	218,932	202,581	231,305
General Administration	731,259	742,555	827,947	964,878	491,168	506,042	529,169	561,081	455,600	471,806
School Administration	929,440	943,591	1,114,592	746,324	972,721	1,007,641	990,468	1,010,093	1,101,961	1,125,046
Central Services	340,157	307,346	519,170	538,356	429,552	435,842	459,107	466,013	414,892	368,802
Technology	90,804	94,313	17,442	45,967	31,080	48,459	34,645	31,966	45,733	58,461
Operations and Maintenance	3,713,650	3,485,709	3,428,403	3,514,375	1,962,243	2,038,677	2,167,789	2,598,568	2,278,737	2,249,730
Student Transportation	1,173,946	938,109	961,054	1,151,310	974,839	984,829	972,983	1,096,116	1,217,694	1,331,815
Special Schools	-	-	-	26,225	28,748	30,234	-	-	-	-
Unallocated Employee Benefits	4,437,233	5,245,406	-	-	6,458,946	6,063,627	8,860,215	9,995,729	4,352,571	14,175,896
On-Behalf TPAF Pension & FICA Contributions	-	-	-	-	-	-	-	-	-	-
Interest on Long-Term Debt and Other Charges	1,064,867	1,340,597	1,077,496	913,273	706,701	664,813	407,858	352,827	305,633	247,962
Unallocated Depreciation and Amortization	-	-	-	-	1,616,456	1,423,669	1,610,241	1,537,046	1,614,811	1,494,359
Total Governmental Activities Expenses	25,476,213	26,518,711	25,902,975	26,124,638	27,459,333	27,147,722	30,445,015	32,287,083	30,130,070	37,421,144
Business-Type Activities:										
Food Service	593,326	524,660	506,117	496,011	488,917	493,235	464,938	414,769	443,683	411,452
Community Education	53,467	51,533	34,787	39,799	43,378	43,392	38,002	49,711	24,384	21,158
Middle School Sports	-	-	14,577	-	-	-	-	-	-	-
N.E.E.D.	187,853	179,168	145,273	178,874	179,383	173,602	174,216	168,013	178,230	189,070
Parking	-	-	-	1,894	-	-	820	-	-	-
Warrior Day Camp	104,110	79,153	68,472	78,322	59,034	65,239	84,752	96,170	93,867	101,366
Total Business-Type Activities Expenses	938,756	834,514	769,226	794,900	770,712	775,468	762,728	728,663	740,164	723,046
Total Government-Wide Expenses	26,414,969	27,353,225	26,672,201	26,919,538	28,230,045	27,923,190	31,207,743	33,015,746	30,870,234	38,144,190
Program Revenues:										
Governmental Activities:										
Charges for Services	-	-	180,350	203,754	206,264	226,582	204,524	119,942	243,224	300,251
Operating Grants and Contributions	1,434,105	-	1,035,392	1,088,525	624,548	581,438	5,541,893	6,774,908	3,742,742	10,458,420
Total Governmental Activities Program Revenues	1,434,105	-	1,215,742	1,292,279	830,812	808,020	5,746,417	6,894,850	3,985,966	10,758,671



**PLUMSTED TOWNSHIP SCHOOL DISTRICT  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Business-Type Activities:</b>										
Charges for Services										
Food Service	425,018	366,140	376,713	357,520	314,118	282,090	232,414	194,743	196,644	213,282
Community Education	34,189	54,460	30,424	46,096	52,653	43,942	8,154	57,828	43,703	44,963
Reading Recovery	-	-	-	-	-	-	-	-	-	-
Middle School Sports	-	-	13,544	-	-	-	-	-	-	-
N.E.E.D.	211,450	195,454	171,769	148,517	149,617	162,853	170,656	151,758	177,936	194,851
Parking	-	-	2,810	2,400	2,645	2,610	780	-	-	-
Warrior Day Camp	106,496	76,768	56,158	83,470	61,126	80,967	88,601	100,250	88,209	70,678
Operating Grants and Contributions	148,430	141,397	136,457	140,290	156,687	187,519	213,127	161,800	196,130	164,860
<b>Total Business-Type Activities Program Revenues</b>	<b>925,583</b>	<b>834,219</b>	<b>787,875</b>	<b>778,293</b>	<b>736,846</b>	<b>759,981</b>	<b>713,732</b>	<b>666,379</b>	<b>702,622</b>	<b>688,634</b>
<b>Total Government-Wide Expenses</b>	<b>2,359,688</b>	<b>834,219</b>	<b>2,003,617</b>	<b>2,070,572</b>	<b>1,567,658</b>	<b>1,568,001</b>	<b>6,460,149</b>	<b>7,561,229</b>	<b>4,688,588</b>	<b>11,447,305</b>
<b>Net (Expense)/Revenue</b>	<b>(24,042,108)</b>	<b>(26,518,711)</b>	<b>(24,687,233)</b>	<b>(24,832,359)</b>	<b>(26,628,521)</b>	<b>(26,339,702)</b>	<b>(24,698,598)</b>	<b>(25,392,233)</b>	<b>(26,144,104)</b>	<b>(26,662,473)</b>
<b>Governmental Activities</b>										
Business-Type Activities:										
Property Taxes, Levied for General Purposes, Net	8,953,109	9,154,554	9,520,736	9,613,840	9,613,840	9,926,117	10,124,639	10,519,408	10,886,223	11,103,947
Property Taxes, Levied for Debt Service	1,448,106	1,467,778	1,555,037	1,409,148	1,529,044	1,613,840	1,633,246	1,599,249	1,534,474	1,579,091
Federal & State Aid Not Restricted	10,569,086	16,356,108	13,937,702	15,714,601	16,313,882	15,349,569	14,050,023	13,645,745	13,676,642	13,571,207
Federal & State Aid Restricted	1,605,098	-	-	-	-	-	-	-	-	-
Transfer	-	-	-	-	-	8,531	-	(73,503)	-	-
Miscellaneous Income	186,654	206,716	141,788	176,337	141,179	150,430	146,193	134,419	154,925	89,317
<b>Total Governmental Activities</b>	<b>22,762,053</b>	<b>27,185,156</b>	<b>25,155,263</b>	<b>26,913,926</b>	<b>27,597,945</b>	<b>27,048,487</b>	<b>25,954,101</b>	<b>25,825,318</b>	<b>26,252,264</b>	<b>26,343,562</b>
<b>Business-Type Activities:</b>										
Transfer	-	-	-	-	-	(8,531)	-	73,503	-	-
Miscellaneous Income	-	-	-	15,074	10,152	23,590	19,021	14,455	9,099	22,093
<b>Total Business-Type Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,074</b>	<b>10,152</b>	<b>15,059</b>	<b>19,021</b>	<b>87,958</b>	<b>9,099</b>	<b>22,093</b>
<b>Total Government-Wide Net Expense</b>	<b>22,762,053</b>	<b>27,185,156</b>	<b>25,155,263</b>	<b>26,929,000</b>	<b>27,608,097</b>	<b>27,063,546</b>	<b>25,973,122</b>	<b>25,913,276</b>	<b>26,261,363</b>	<b>26,365,655</b>
<b>Change in Net Position</b>	<b>(1,280,055)</b>	<b>666,445</b>	<b>468,030</b>	<b>2,081,567</b>	<b>969,424</b>	<b>708,785</b>	<b>1,255,503</b>	<b>433,085</b>	<b>108,160</b>	<b>(318,911)</b>
<b>Governmental Activities</b>	<b>(1,280,055)</b>	<b>666,445</b>	<b>468,030</b>	<b>2,081,567</b>	<b>969,424</b>	<b>708,785</b>	<b>1,255,503</b>	<b>433,085</b>	<b>108,160</b>	<b>(318,911)</b>
<b>Business-Type Activities:</b>	<b>(13,173)</b>	<b>(295)</b>	<b>18,649</b>	<b>(1,533)</b>	<b>(23,714)</b>	<b>(428)</b>	<b>(29,975)</b>	<b>25,674</b>	<b>(28,443)</b>	<b>(12,319)</b>
<b>Total Government-Wide</b>	<b>(1,293,228)</b>	<b>666,150</b>	<b>486,679</b>	<b>2,080,034</b>	<b>945,710</b>	<b>708,357</b>	<b>1,225,528</b>	<b>458,759</b>	<b>79,717</b>	<b>(331,230)</b>

**PLUMSTED TOWNSHIP SCHOOL DISTRICT  
FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>General Fund:</b>										
Reserved	\$ 2,373,641	\$ 139,276	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	(1,593,184)	1,380,817	-	-	-	-	-	-	-	-
Restricted	-	-	-	156,369	573,674	1,792,477	2,150,035	3,021,693	2,446,387	1,717,332
Assigned	-	-	1,764,128	1,915,086	1,817,870	1,438,629	1,531,641	286,910	738,300	109,933
Unassigned	-	-	-	842,225	1,258,347	433,322	(134,339)	-	(979,166)	(859,782)
<b>Total General Fund</b>	<b>780,457</b>	<b>1,520,093</b>	<b>1,764,128</b>	<b>2,913,680</b>	<b>3,649,891</b>	<b>3,664,428</b>	<b>3,547,337</b>	<b>3,308,603</b>	<b>2,205,521</b>	<b>967,483</b>
<b>All Other Governmental Funds:</b>										
Reserved	2,211,928	-	-	-	-	-	-	-	-	-
Unreserved, Reported In:										
Capital Projects Fund	609,155	558,229	-	-	-	-	-	-	-	-
Debt Service Fund	161	2	-	-	-	-	-	-	-	-
Restricted:										
Capital Projects Fund	-	-	206,935	163,630	182,673	447,899	(123,251)	(6,515)	43,039	-
Debt Service Fund	-	-	86,107	14,902	171	11,234	67,390	36,634	1	1
Committed:										
Capital Projects Fund	-	-	220,060	396,716	-	26,296	112,785	-	-	-
Assigned:										
Designated for Subsequent Year Expense	-	-	-	86,107	14,902	-	-	-	-	-
<b>Total All Other Governmental Funds</b>	<b>\$ 2,821,244</b>	<b>\$ 558,231</b>	<b>\$ 513,102</b>	<b>\$ 661,355</b>	<b>\$ 197,746</b>	<b>\$ 485,429</b>	<b>\$ 56,924</b>	<b>\$ 30,119</b>	<b>\$ 43,040</b>	<b>\$ 1</b>

**PLUMSTED TOWNSHIP SCHOOL DISTRICT  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Revenues:</b>										
Tax Levy	\$ 10,401,215	\$ 10,622,332	\$ 11,075,773	\$ 11,022,988	\$ 11,142,884	\$ 11,539,957	\$ 11,757,885	\$ 12,118,657	\$ 12,420,697	\$ 12,683,038
Jointures	76,488	-	-	-	206,264	226,582	204,524	119,942	243,224	300,251
Tuition Charges	-	51,237	180,350	203,754	-	-	-	-	-	-
Interest Earnings	60,689	21,932	18,782	398	-	-	-	-	-	-
Miscellaneous	49,477	133,547	113,392	175,940	141,180	139,367	206,019	168,338	175,569	110,779
State Sources	13,042,855	12,516,008	13,322,988	14,048,093	14,630,944	14,380,024	15,315,158	15,323,361	15,680,505	16,155,454
Federal Sources	565,434	3,840,100	1,650,106	2,755,032	2,307,486	1,550,983	1,628,278	1,672,844	1,718,235	1,697,589
<b>Total Revenues</b>	<b>24,196,158</b>	<b>27,185,156</b>	<b>26,361,391</b>	<b>28,206,205</b>	<b>28,428,758</b>	<b>27,836,913</b>	<b>29,111,864</b>	<b>29,403,142</b>	<b>30,238,230</b>	<b>30,947,111</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular	6,641,941	6,956,123	6,545,234	6,999,511	6,521,331	6,368,842	6,550,475	6,529,649	6,819,628	7,257,754
Special	2,387,242	2,507,777	2,492,765	2,577,070	3,090,988	3,048,332	3,150,910	3,238,644	3,403,458	3,501,507
Other Special	-	-	174,751	332,832	514,658	816,305	752,140	809,042	878,930	798,093
Other	1,057,009	1,145,449	652,768	623,794	664,130	719,124	813,288	818,864	910,248	885,239
<b>Support Services and Undistributed Costs:</b>										
Instruction	535,324	382,167	484,980	148,796	347,086	275,450	350,228	403,195	501,272	403,195
Attendance and Social Work Services	38,921	40,479	44,566	43,694	37,768	37,066	37,000	38,999	39,934	95,685
Health Services	253,057	266,760	280,090	291,417	282,747	299,213	317,288	307,958	305,172	304,809
Other Support Services	1,799,758	1,817,235	1,883,398	2,109,310	2,056,721	2,082,571	2,120,888	2,141,438	2,264,605	2,368,615
Educational Media Services	137,941	157,859	57,251	99,079	112,427	125,042	107,015	130,923	112,527	147,683
Instruction Staff Training	143,664	147,236	286,161	79,444	161,725	171,242	213,308	218,932	202,581	231,305
General Administrative Services	731,259	742,556	764,818	515,172	491,168	506,042	529,169	561,081	455,600	471,806
School Administrative Services	929,440	943,591	866,284	910,702	972,721	1,007,641	990,468	1,010,093	1,101,961	1,125,046
Central Services	340,157	307,346	392,912	430,004	429,552	435,842	459,107	466,013	414,892	368,802
Technology	90,804	94,313	15,338	44,162	31,080	48,459	34,645	58,461	45,733	58,461
Allowed Maintenance for School Facilities	118,823	157,000	119,502	173,725	234,640	185,917	248,193	218,274	178,917	126,198
Other Operations and Maintenance of Plant	2,174,021	2,017,362	1,828,140	1,853,907	1,653,884	1,852,760	1,919,596	1,921,801	2,099,820	2,083,769
Student Transportation Services	1,173,946	950,799	844,440	934,605	974,839	984,829	972,889	1,096,116	1,217,694	1,331,815
Unallocated Employee Benefits	3,025,491	3,774,207	5,645,954	4,070,436	6,315,132	6,015,785	6,268,696	6,478,899	3,857,577	4,117,375
On-Behalf Pension & FICA Contributions	-	-	-	-	-	-	-	-	-	-
Nonbudget Expenditures	1,434,105	1,496,690	-	1,874,506	-	-	-	-	-	-
Charter School	-	-	-	-	28,748	30,234	-	-	-	-
Capital Outlay	565,723	324,053	371,058	929,691	734,095	426,757	1,346,976	1,194,485	818,788	330,517
Debt Service:										
Principal	1,470,000	1,530,000	1,600,000	1,710,000	1,785,000	1,895,000	2,095,000	2,120,000	2,184,996	2,260,017
Interest and Other Charges	1,036,620	976,824	837,013	788,318	718,420	710,504	380,087	358,806	383,728	326,427
<b>Total Expenditures</b>	<b>26,085,246</b>	<b>26,735,826</b>	<b>26,187,423</b>	<b>27,568,400</b>	<b>28,156,158</b>	<b>28,043,659</b>	<b>29,657,460</b>	<b>30,095,178</b>	<b>31,328,391</b>	<b>32,228,188</b>
<b>Excess/(Deficiency) of Revenues</b>	<b>(1,889,088)</b>	<b>449,330</b>	<b>173,968</b>	<b>637,805</b>	<b>272,600</b>	<b>(206,746)</b>	<b>(545,596)</b>	<b>(692,036)</b>	<b>(1,090,161)</b>	<b>(1,281,077)</b>
<b>Over/(Under) Expenditures</b>										
Other Financing Sources/(Uses):										
Bond Issue Principal	-	-	9,614	-	-	-	-	-	-	-
Proceeds of Refunding Debt	-	-	6,551,663	-	-	7,689,665	-	-	-	-
Payments To Escrow Agent	-	-	(6,551,663)	-	-	(7,597,230)	-	-	-	-
Lease Purchase Agreement	-	-	-	660,000	-	-	-	-	-	-
Transfers In	936,179	-	72,000	410,304	-	337,754	-	-	-	-
Transfers Out	(936,179)	-	(72,000)	(410,304)	-	(329,223)	-	-	-	-
<b>Total Other Financing Sources/(Uses)</b>	<b>-</b>	<b>-</b>	<b>9,614</b>	<b>660,000</b>	<b>-</b>	<b>100,966</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ (1,889,088)</b>	<b>\$ 449,330</b>	<b>\$ 183,582</b>	<b>\$ 1,297,805</b>	<b>\$ 272,600</b>	<b>\$ (105,780)</b>	<b>\$ (545,596)</b>	<b>\$ (692,036)</b>	<b>\$ (1,090,161)</b>	<b>\$ (1,281,077)</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>9.82%</b>	<b>9.49%</b>	<b>9.44%</b>	<b>9.38%</b>	<b>9.13%</b>	<b>9.43%</b>	<b>8.74%</b>	<b>8.58%</b>	<b>8.42%</b>	<b>8.11%</b>

Source: District records  
Note: Noncapital expenditures are total expenditures less Capital Outlay.

PLUMSTED TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)

FISCAL YEAR ENDING JUNE 30,	INTEREST	TUITION	RENTAL FEES	MISCELLANEOUS	PAY TO PARTICIPATE FEES	ANNUAL TOTALS
2009	60,689	76,488	-	60,843	-	198,020
2010	21,932	51,237	-	124,377	-	197,545
2011	18,782	180,349	-	94,285	-	293,416
2012	398	203,754	-	134,470	-	338,622
2013	-	206,264	-	80,488	-	286,751
2014	13	226,582	10,919	80,189	35,225	352,928
2015	-	204,524	-	109,476	36,547	350,547
2016	-	119,942	-	95,604	38,815	254,361
2017	-	243,224	14,374	123,824	37,371	418,793
2018	-	300,251	17,647	56,430	36,702	411,030

Source: District records

### Revenue Capacity Information

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the School District's ability to generate revenues. Please refer to following exhibits for a historical view of these factors and how they relate to the School District's ability to generate revenues.

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**PLUMSTED TOWNSHIP SCHOOL DISTRICT  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

FISCAL YEAR ENDING JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENTS	TOTAL ASSESSED VALUE	LESS: TAX-EXEMPT PROPERTY	PUBLIC UTILITIES	NET VALUATION TAXABLE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE	TOTAL DIRECT SCHOOL TAX RATE
2009	\$30,510,700	\$ 922,504,200	\$ 52,132,200	\$ 2,550,600	\$ 63,189,400	\$ 9,030,500	\$ 3,884,600	\$ 1,083,802,200	\$ 293,299,200	\$ -	\$ 1,083,802,200	\$ (88,338,181)	0.977
2010	28,559,100	921,009,100	51,960,600	2,091,800	57,401,200	14,442,400	3,884,600	1,079,348,800	204,073,400	-	1,079,348,800	(76,302,957)	1.003
2011	26,472,800	915,523,100	52,092,800	2,057,500	57,246,700	14,072,900	3,884,600	1,071,350,400	205,584,100	-	1,071,965,400	(114,507,809)	1.006
2012	24,795,700	900,980,100	52,045,600	2,061,200	54,949,300	13,917,000	3,884,600	1,052,633,500	206,344,300	-	1,052,633,500	(157,823,704)	1.055
2013	17,279,100	669,291,000	38,214,400	2,057,100	42,871,500	10,961,000	2,963,200	783,637,300	201,050,600	-	783,637,300	36,671,916	1.469
2014	16,519,100	669,537,700	38,677,000	2,056,200	42,901,500	10,961,000	2,963,200	783,615,700	201,170,300	-	783,615,700	62,056,456	1.498
2015	15,888,600	667,254,600	40,195,000	2,068,300	42,792,500	10,961,000	2,963,200	782,123,200	202,804,300	-	783,861,029	47,739,748	1.546
2016	16,066,000	667,340,000	40,113,500	2,062,500	42,603,800	10,961,000	2,963,200	782,110,000	203,394,300	-	783,700,365	N/A	1.580
2017	16,023,800	670,606,600	39,012,700	2,010,500	42,786,300	10,961,000	2,963,200	784,364,100	203,417,700	-	784,364,100	70,460,357	1.617
2018	15,688,900	671,798,200	39,436,500	2,000,500	42,696,700	10,905,200	2,963,200	785,489,200	203,534,500	-	785,489,200	76,351,144	1.658

Source: tax.co.ocean.nj.us/tax rates/abstract ratables/assessed value  
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.  
R Reassessment (R) occurs when the County Board of Taxation requests Treasury to order a reassessment.

**PLUMSTED TOWNSHIP SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS  
(RATE PER \$100 OF ASSESSED VALUE)  
(UNAUDITED)**

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE				OVERLAPPING RATES				TOTAL DIRECT AND OVERLAPPING TAX RATE
	BASIC RATE (a)	GENERAL OBLIGATION DEBT SERVICE (b)	PLUMSTED TOWNSHIP SCHOOL DISTRICT		PLUMSTED TOWNSHIP	FIRE DISTRICT	OCEAN COUNTY		
2009	9,154,554	1,467,778	0.980	0.130	0.094	0.234	1.438		
2010	9,520,736	1,555,037	1.003	0.130	0.100	0.251	1.484		
2011	9,613,840	1,409,148	1.006	0.151	0.106	0.251	1.514		
2012	9,613,840	1,529,044	1.055	0.171	0.123	0.254	1.603		
2013	9,613,840	1,529,044	1.469	0.243	0.184	0.337	2.233		
2014	9,926,117	1,613,840	1.498	0.255	0.199	0.371	2.323		
2015	10,519,408	1,599,249	1.546	0.261	0.199	0.374	2.380		
2016	10,886,223	1,534,474	1.584	0.270	0.200	0.461	2.515		
2017	11,103,947	1,579,091	1.617	0.276	0.211	0.457	2.561		
2018	11,444,162	1,578,172	1.658	0.280	0.212	0.452	2.602		

Source: Municipal Tax Assessor

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

- a The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation taxable.
- b Rates for debt service are based on each year's requirements.



**PLUMSTED TOWNSHIP SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND TEN YEARS AGO  
(UNAUDITED)**

	2018			2009		
	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value	Taxable Assessed Value	Rank (Optional)	% of Total District Net Assessed Value
Taxpayer #1	\$ 4,662,200	1	0.59%	\$ 5,411,900	1	0.50%
Taxpayer #2	4,165,900	2	0.53%	3,589,700	2	0.33%
Taxpayer #3	2,866,100	3	0.36%	2,810,400	3	0.26%
Taxpayer #4	2,740,000	4	0.35%	2,246,400	4	0.21%
Taxpayer #5	2,085,500	5	0.27%	2,214,000	5	0.20%
Taxpayer #6	2,063,300	6	0.26%	2,159,500	6	0.20%
Taxpayer #7	1,878,200	7	0.24%	2,114,300	7	0.19%
Taxpayer #8	1,623,700	8	0.21%	1,716,400	8	0.16%
Taxpayer #9	1,328,800	9	0.17%	1,694,700	9	0.16%
Taxpayer #10	1,259,200	10	0.16%	1,427,600	10	0.13%
<b>Total</b>	<b>\$ 24,672,900</b>		<b>3.15%</b>	<b>\$ 25,384,900</b>		<b>2.34%</b>

Source: Municipal Tax Assessor

**PLUMSTED TOWNSHIP SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY (a) AMOUNT	PERCENTAGE OF LEVY	COLLECTIONS IN SUBSEQUENT YEARS
2009	\$ 10,401,215	\$ 10,401,215	100.00%	-
2010	10,622,332	10,622,332	100.00%	-
2011	11,075,773	10,859,773	98.05%	216,000
2012	11,022,988	10,806,988	98.04%	216,000
2013	11,142,884	10,710,884	96.12%	432,000
2014	11,539,957	11,107,957	96.26%	432,000
2015	11,757,885	11,325,885	96.33%	432,000
2016	12,118,657	11,686,657	96.44%	432,000
2017	12,420,697	12,251,038	98.63%	432,000
2018	12,683,038	12,251,038	96.59%	432,000

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

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

### Debt Capacity Information

Debt capacity information is intended to assist users in understanding and assessing the School District's debt burden and its ability to issue additional debt. Please refer to the following exhibits for a historical view of the School District's outstanding debt and its debt capacity.

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

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES				BOND ANTICIPATION NOTES (BANs)	TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME (a)	PER CAPITA
	GENERAL OBLIGATION BONDS (b)	CERTIFICATES OF PARTICIPATION	CAPITAL LEASES					
2009	23,161,000	-	-	-	23,161,000	7.0%	2,810	
2010	21,631,000	-	-	-	21,631,000	6.3%	2,609	
2011	20,415,000	-	-	-	20,415,000	6.1%	2,423	
2012	17,660,000	-	-	-	17,660,000	5.2%	2,094	
2013	16,920,000	-	514,785	-	17,434,785	5.0%	2,072	
2014	14,950,000	-	794,709	-	15,744,709	4.4%	1,864	
2015	12,855,000	-	583,463	-	13,438,463	3.7%	1,579	
2016	10,735,000	-	786,187	-	11,521,187	3.0%	1,353	
2017	8,630,000	-	479,944	-	9,109,944	2.3%	1,068	
2018	6,455,000	-	298,309	-	6,753,309	N/A	791	

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

- a See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- b Includes Early Retirement Incentive Plan ("ERIP") refunding and State Loans

**PLUMSTED TOWNSHIP SCHOOL DISTRICT  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

FISCAL YEAR ENDED JUNE 30	GENERAL BONDED DEBT OUTSTANDING			PERCENTAGE OF ACTUAL TAXABLE VALUE (a) OF PROPERTY	PER CAPITA (b)
	GENERAL OBLIGATION BONDS (d)	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING		
2009	\$ 23,161,000	\$ -	\$ 23,161,000	2.14%	2,810
2010	21,631,000	-	21,631,000	2.00%	2,609
2011	20,415,000	-	20,415,000	1.90%	2,423
2012	17,660,000	-	18,705,000	1.68%	2,218
2013	R 16,920,000	-	16,920,000	2.16%	R 2,011
2014	14,950,000	-	14,950,000	1.91%	1,770
2015	12,855,000	-	12,855,000	1.64%	1,510
2016	10,735,000	-	10,735,000	1.37%	1,261
2017	8,630,000	-	8,630,000	1.10%	1,012
2018	6,455,000	-	6,455,000	0.82%	756

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

- a See Exhibit NJ J-6 for property tax data.
- b Population data can be found in Exhibit NJ J-14.
- d Includes State Loans
- R Revaluation
- N/A At the time of CAFR Completion, this data was not available

**PLUMSTED TOWNSHIP SCHOOL DISTRICT  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2018  
(UNAUDITED)**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE (a)	ESTIMATED SHARE OF OVERLAPPING DEBT
Debt Repaid with Property Taxes:			
Plumsted Township (1)	\$ 27,672,702	100.00%	\$ 27,672,702
Ocean County General Obligation Debt (2)	468,706,376	0.88%	4,120,462
Subtotal, Overlapping Debt			31,793,165
Plumsted Township School District			6,455,000
Total Direct and Overlapping Debt			\$ 38,248,165

Sources:

- (1) Plumsted Township Municipality's Chief Financial Officer and Annual Debt Statement - December 31, 2017
- (2) Ocean County Treasurer's Office. The County Debt was apportioned to Plumsted Township Municipality by dividing the Municipality's 2017 equalized value by the total 2017 equalized value for Ocean County, which results in an apportionment rate of .0090 \*

\* The source for this computation was the 2015 Table of Equalized Value, which is supplied by the New Jersey Division of Taxation.

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 Plumsted Township. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

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

**PLUMSTED TOWNSHIP SCHOOL DISTRICT  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt Limit	\$ 39,566,993	\$ 39,465,439	\$ 38,373,164	\$ 36,618,916	\$ 35,046,076	\$ 33,990,534	\$ 33,385,084	\$ 33,769,267	\$ 33,769,267	\$ 34,250,290
Total Net Debt Applicable To Limit	23,161,000	21,631,000	20,415,000	18,705,000	16,920,000	14,950,000	12,855,000	10,735,000	6,455,000	6,455,000
Legal Debt Margin	\$ 16,405,993	\$ 17,834,439	\$ 17,958,164	\$ 17,913,916	\$ 18,126,076	\$ 19,040,534	\$ 20,530,084	\$ 23,034,267	\$ 27,314,267	\$ 27,795,290
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	58.54%	54.81%	53.20%	51.08%	48.28%	43.98%	38.51%	31.79%	19.12%	18.85%

Legal Debt Margin Calculation for Fiscal Year 2018

	Equalized Valuation Basis
	2017
	2016
	2015
	(A)
Average Equalized Valuation of Taxable Property	(A/3)
Debt Limit (4.0% of Average Equalization Value)	(B)
Total Net Debt Applicable To Limit	(C)
Legal Debt Margin	(B-C)

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

a Limit set by N.J.S.A. 18A:24-19 for a K through 12 District; other percentage limits would be applicable for other District types.



### Demographic and Economic Information

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within which the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

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**PLUMSTED TOWNSHIP SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

YEAR	POPULATION (a)	PERSONAL INCOME (b)	PER CAPITA PERSONAL INCOME (c)	UNEMPLOYMENT RATE (d)
2009	8,242	330,026,164	40,042	6.40%
2010	8,292	342,700,068	41,329	9.20%
2011	8,426	334,899,796	39,746	9.40%
2012	8,435	336,556,500	39,900	10.10%
2013	8,415	348,885,900	41,460	8.90%
2014	8,446	358,946,554	42,499	7.70%
2015	8,511	362,338,803	42,573	N/A
2016	8,513	377,815,453	44,381	5.10%
2017	8,530	393,309,770	46,109	4.40%
2018	8,543	N/A	47,413	5.10%

## Source:

- a Population information provided by NJ DOE
  - b Personal Income provided by the NJ DOE, state school aid notice, equalization aid
  - c Per Capita Personal Income computed using Census Bureau midyear population estimates by county 2009-2018
  - d Unemployment data provided by the NJ Department of Labor and Workforce Development.
- N/A At the time of CAFR Completion, this data was not available

**PLUMSTED TOWNSHIP SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS  
FOR 2018 AND NINE YEARS AGO  
(UNAUDITED)**

Employer	2018			2009		
	Employees	Rank (Optional)	Percentage of Total Municipal Employment	Employees	Rank (Optional)	Percentage of Total Municipal Employment
Employer #1	N/A	1	N/A	N/A	1	N/A
Employer #2	N/A	2	N/A	N/A	2	N/A
Employer #3	N/A	3	N/A	N/A	3	N/A
Employer #4	N/A	4	N/A	N/A	4	N/A
Employer #5	N/A	5	N/A	N/A	5	N/A
Employer #6	N/A	6	N/A	N/A	6	N/A
Employer #7	N/A	7	N/A	N/A	7	N/A
Employer #8	N/A	8	N/A	N/A	8	N/A
Employer #9	N/A	9	N/A	N/A	9	N/A
Employer #10	N/A	10	N/A	N/A	10	N/A

Source: Local businesses supplied the information for this schedule.  
Total township employment could not be verified

N/A At the time of CAFR Completion, this data was not available

### Operating Information

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial statement information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operations.

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**PLUMSTED TOWNSHIP SCHOOL DISTRICT  
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
 CURRENT YEAR AND FIVE YEARS AGO  
 (UNAUDITED)**

Function/Program	<u>2013</u>	<u>2018</u>
<b>Instruction:</b>		
Regular	99.60	89.34
Special Education	57.00	56.65
Basic Skills	6.50	11.25
Bilingual	2.50	1.67
Athletics	2.00	2.50
<b>Support Services:</b>		
Attendance & Social Work Services	1.00	1.00
Health Services	4.00	4.00
Speech, OT, PT & Related Services	7.10	6.10
Extraordinary Services (1:1 Services)	6.00	7.00
Guidance Services	8.00	8.00
Child Study Team	10.00	9.00
Improvement of Instruction	1.00	2.20
Educational Media Services	3.00	2.85
Instruction Staff Training Services	1.00	1.00
General Administration	3.00	3.34
School Administration	12.00	12.25
Central Services	6.00	4.00
Information Technology	0.10	0.10
Operations & Maintenance of Plant	8.50	8.50
Student Transportation Services	<u>6.00</u>	<u>6.50</u>
<b>Total</b>	<u><u>244.30</u></u>	<u><u>237.25</u></u>

Source: District Personnel Records

**PLUMSTED TOWNSHIP SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO			AVERAGE DAILY ENROLLMENT (ADE)(c)	AVERAGE DAILY ATTENDANCE (ADA)(c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						PRIMARY	ELEMENTARY	MIDDLE SCHOOL				
2009	1,832	26,414,969	13,549	-2.27%	171	6	10	11	1,815	1,725	-1.50%	95.04%
2010	1,797	27,014,769	14,419	6.42%	170	6	9	11	1,728	1,681	-4.79%	97.28%
2011	1,740	26,672,202	15,033	4.26%	168	4	9	10	1,689	1,630	-2.26%	96.51%
2012	1,684	24,373,584	15,329	1.97%	167	7	10	10	1,616	1,561	-4.32%	96.60%
2013	1,650	24,918,642	14,474	-5.58%	168	7	9	8	1,598	1,535	-1.11%	96.06%
2014	1,543	25,011,398	15,102	4.34%	168	6	10	11	1,518	1,456	-5.01%	95.92%
2015	1,473	25,835,397	17,539	21.18%	169	10	11	12	1,488	1,401	-1.98%	94.15%
2016	1,382	26,421,887	19,119	9.00%	172	7	9	10	1,430	1,349	-3.90%	94.34%
2017	1,375	27,940,879	20,321	6.29%	166	N/A	N/A	N/A	1,376	1,303	-3.78%	94.69%
2018	1,335	29,311,227	21,956	8.05%	161	N/A	N/A	N/A	1,346	1,279	-2.18%	95.02%

Source: District records

Note: Enrollment based on annual October District count.

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

N/A At the time of CAFR Completion, this data was not available



**PLUMSTED TOWNSHIP SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST NINE FISCAL YEARS  
(UNAUDITED)**

DISTRICT/BUILDINGS	2010	2011	2012	2013	2014	2015	2016	2017	2018
New Egypt Primary School									
Square Feet	45,600	45,600	45,600	45,600	45,600	45,600	45,600	45,600	45,600
Capacity (Students)	325	325	325	325	325	325	325	325	325
Enrollment	206	172	160	208	205	192	183	195	196
Dr Gerald H. Woehr Elementary School									
Square Feet	80,680	80,680	80,680	80,680	80,680	80,680	80,680	80,680	80,680
Capacity (Students)	582	582	582	582	582	582	582	582	582
Enrollment	605	572	534	474	423	396	381	386	406
New Egypt Middle School									
Square Feet	77,600	77,600	77,600	77,600	77,600	77,600	77,600	77,600	77,600
Capacity (Students)	461	461	461	461	461	461	461	461	461
Enrollment	434	422	457	441	412	403	343	314	290
New Egypt High School									
Square Feet	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000	105,000
Capacity (Students)	537	537	537	537	537	537	537	537	537
Enrollment	552	574	533	527	503	482	499	480	444
Field House									
Square Feet	3,584	3,584	3,584	3,584	3,584	3,584	3,584	3,584	3,584
New Egypt High School Barn									
Square Feet	1,863	1,863	1,863	1,863	1,863	1,863	1,863	1,863	1,863
Dr. Gerald H. Woehr Elementary School Barn									
Square Feet	2,792	2,792	2,792	2,792	2,792	2,792	2,792	2,792	2,792
Concession Stand									
Square Feet	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Press Box									
Square Feet	144	144	144	144	144	144	144	144	144
Sewer Plant									
Square Feet	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Number of Schools at June 30, 2018									
Primary = 1									
Elementary = 1									
Middle = 1									
High School = 1									
Other = 6									

Source: District Facilities Office

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

Enrollment is based on the annual October District count ASSA report.

**PLUMSTED TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF REQUIRED MAINTENANCE  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

	PRIMARY SCHOOL	ELEMENTARY SCHOOL	MIDDLE SCHOOL	HIGH SCHOOL	ELEMENTARY SCHOOL BARN	HIGH SCHOOL BARN	CONCESSION STAND	FIELD HOUSE	PRESS BOX	SEWER PLANT	TOTAL
2009	17,980	49,440	35,590	39,605	-	-	300	1,800	100	29,320	174,135
2010	18,879	51,912	37,370	41,585	1,000	750	315	1,890	105	30,786	184,592
2011	10,961	31,483	23,347	37,815	-	-	203	83	-	33,054	136,946
2012	15,149	38,740	35,935	48,558	99	-	-	-	-	35,245	173,726
2013	36,336	43,849	61,786	51,383	-	1,734	4,711	-	-	31,143	230,942
2014	20,988	10,761	53,267	66,528	-	6,210	2,400	1,400	-	24,363	185,917
2015	36,256	34,551	62,267	85,016	-	957	2,218	508	-	26,421	248,194
2016	31,568	46,069	47,130	55,294	-	2,178	6,743	976	-	28,047	218,005
2017	24,286	37,314	42,988	51,276	-	-	-	1,750	-	21,303	178,917
2018	17,149	30,342	29,184	39,488	-	701	376	1,348	54	7,556	126,198
<b>Total School Facilities</b>	<b>\$ 229,552</b>	<b>\$ 374,461</b>	<b>\$ 428,864</b>	<b>\$ 516,548</b>	<b>\$ 1,099</b>	<b>\$ 12,530</b>	<b>\$ 17,266</b>	<b>\$ 9,755</b>	<b>\$ 259</b>	<b>\$ 267,238</b>	<b>\$ 1,857,572</b>

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

Source: District records

**PLUMSTED TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF INSURANCE**  
**JUNE 30, 2018**  
**(UNAUDITED)**

	Coverage	Deductible
School Commercial Package Policy-Selective Way Insurance Co.		
Property-blanket building and contents	72,698,873	
boiler and machinery policy	Included in Property Limit	
Commercial general liability	2,000,000	
Commercial inland marine coverage	318,425	1,000
Electronic Information Systems Equipment and Data	1,481,700	1,000
Virus or Harmful Code	150,000	
Pipeline Distribution System	100,000	1,000
Equipment	15,000	500
Business automobile	1,000,000	
Workers compensation and employer's liability		
NJ School Board Association.	Statutory	
Temporary Disability - NJ School Board Association	Full Salary less 7 day wait WC Benefits Period	
School Board Legal Liability	1,000,000	2,500
Selective Insurance Co.		
Umbrella Liability Policy	10,000,000	
Selective Way Insurance Co.		
Student Accident - Monumental Life Insurance Company	5,000,000	25,000
Commercial Crime Coverage		
Selective Insurance Company of America	500,000	5,000
Surety Bonds Selective Insurance Company of America:		
Treasurer	230,000	
Business Administrator/Board Secretary	140,000	

Source: District Records

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**SINGLE AUDIT SECTION**

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EXHIBIT K-1

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

Honorable President and Members  
of the Board of Education  
Plumsted Township School District  
County of Ocean  
Plumsted, New Jersey 08533

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Plumsted Township School District, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Plumsted Township School District's basic financial statements, and have issued our report thereon dated February 22, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Plumsted 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 School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Plumsted Township School District's internal control.

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

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

deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Plumsted 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 School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert W. Allison  
Certified Public Accountant  
Public School Accountant, No. 897

Freehold, New Jersey  
February 22, 2019



EXHIBIT K-2

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

Honorable President and Members  
of the Board of Education  
Plumsted School District  
County of Ocean  
Plumsted, New Jersey 08533

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

We have audited the Plumsted Township School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2018. The Plumsted 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 Plumsted Township School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards, the Uniform Guidance and New Jersey OMB's Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of

compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

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

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

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

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

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Robert W. Allison  
Certified Public Accountant  
Public School Accountant, No. 897

Freehold, New Jersey  
February 22, 2019

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

FEDERAL GRANTOR/PASS THROUGH GRANTOR/ PROGRAM TITLE OR CLUSTER	FEDERAL CFDA NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	PASS THROUGH ENTITY IDENTIFYING NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE 6/30/2017	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	BALANCE, JUNE 30, 2018 (ACCOUNTS RECEIVABLE)	UNEARNED REVENUE
	93.778	1705N15MAP	100-054-7540-211	\$ 42,197	7/1/17-6/30/18	\$ -	\$ 42,197	\$ (42,197)	\$ -	\$ -	\$ -
<b>U.S. Department of Health and Human Services</b>											
Passed Through New Jersey Department of Human Services: Medical Assistance Program (SEMI)											
<b>Total U.S. Department of Health and Human Services</b>							42,197	(42,197)			
<b>U.S. Department of Agriculture</b>											
Passed Through New Jersey Department of Agriculture: Child Nutrition Cluster:											
School Breakfast Program	10.553	181NJ304N1099	100-010-3350-028	22,703	7/1/17-6/30/18	-	18,461	(22,703)	-	(4,242)	-
School Breakfast Program	10.553	171NJ304N1099	100-010-3350-028	29,192	7/1/16-6/30/17	(1,925)	1,925	-	-	-	-
Subtotal						(1,925)	20,386	(22,703)	-	(4,242)	-
National School Lunch Program	10.555	181NJ304N1099	100-010-3350-026	109,575	7/1/17-6/30/18	-	87,203	(109,575)	-	(22,372)	-
National School Lunch Program	10.555	171NJ304N1099	100-010-3350-026	131,200	7/1/16-6/30/17	(6,719)	6,719	-	-	-	-
Food Distribution Program (Noncash Assistance)	10.555	181NJ304N1099	Unavailable	28,996	7/1/17-6/30/18	-	28,996	(26,827)	-	-	2,169
Food Distribution Program (Noncash Assistance)	10.555	171NJ304N1099	Unavailable	20,711	7/1/16-6/30/17	2,049	-	(2,049)	-	-	-
Subtotal						(4,670)	122,918	(138,451)	-	(22,372)	2,169
Total Child Nutrition Cluster						(6,595)	143,304	(161,154)	-	(26,614)	2,169
<b>Total U.S. Department of Agriculture</b>						(6,595)	143,304	(161,154)	-	(26,614)	2,169
<b>U.S. Department of Education</b>											
Passed Through New Jersey Department of Education: I.D.E.A. Part B (Special Education Cluster)											
Basic	84.027	H027A170100	100-034-5065-016	301,065	7/1/17-6/30/18	-	286,459	(301,065)	-	(14,606)	-
Basic	84.027	H027A160100	100-034-5065-016	300,813	7/1/16-6/30/17	(58,400)	58,400	-	-	-	-
Subtotal						(58,400)	344,859	(301,065)	-	(14,606)	-
Preschool	84.173	H173A170114	100-034-5065-020	25,984	7/1/17-6/30/18	-	13,808	(25,772)	-	(11,964)	-
Preschool	84.173	H173A160114	100-034-5065-020	21,084	7/1/16-6/30/17	(6,264)	6,264	-	-	-	-
Subtotal						(6,264)	20,072	(25,772)	-	(11,964)	-
Total Special Education Cluster						(64,664)	364,931	(326,837)	-	(26,570)	-
Title I - Part A	84.010	S010A170030	100-034-5064-194	257,877	7/1/17-6/30/18	-	203,741	(224,378)	-	(20,637)	-
Title I - Part A	84.010	S010A160030	100-034-5064-194	237,656	7/1/16-6/30/17	(71,492)	71,492	-	-	-	-
Subtotal						(71,492)	275,233	(224,378)	-	(20,637)	-
Title III, English Language Acquisition	84.365	S365A170030	100-034-5064-187	34,814	7/1/17-6/30/18	-	22,485	(28,283)	-	(5,798)	-
Title III, English Language Acquisition	84.365	S365A160030	100-034-5064-187	38,419	7/1/16-6/30/17	(11,025)	11,025	-	-	-	-
Subtotal						(11,025)	33,510	(28,283)	-	(5,798)	-
Title II - Part A, Supporting Effective Instruction	84.367	S367A170029	100-034-5063-290	49,814	7/1/17-6/30/18	-	39,581	(45,108)	-	(5,527)	-
Title II - Part A, Supporting Effective Instruction	84.367	S367A160029	100-034-5063-290	19,827	7/1/16-6/30/17	(6,500)	6,500	-	-	-	-
Subtotal						(6,500)	46,081	(45,108)	-	(5,527)	-
Direct Award: Impact Aid	84.041	Unavailable	N/A - Direct	1,007,626	7/1/17-6/30/18	-	1,007,626	(1,007,626)	-	-	-
<b>Total U.S. Department of Education</b>						(153,681)	1,727,381	(1,632,232)	-	(58,532)	-
<b>Total Expenditures of Federal Awards</b>						\$ (160,276)	\$ 1,912,882	\$ (1,835,583)	\$ -	\$ (85,146)	\$ 2,169

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

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

STATE GRANTOR/PROGRAM/TITLE OR CLUSTER	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2017	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	BALANCE JUNE 30, 2018 ACCOUNTS RECEIVABLE	MEMO	
									BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
<b><u>New Jersey Department of Education:</u></b>										
General Fund:										
State Aid Public:										
School Choice Aid	495-034-5120-068	\$ 246,468	7/1/17-6/30/18	-	\$ 246,468	\$ (246,468)	-	\$ -	\$ 24,021	\$ 246,468
Equalization Aid	495-034-5120-078	10,042,670	7/1/17-6/30/18	-	10,042,670	(10,042,670)	-	-	978,750	10,042,670
Special Education Categorical Aid	495-034-5120-089	975,623	7/1/17-6/30/18	-	975,623	(975,623)	-	-	95,083	975,623
Security Aid	495-034-5120-084	125,293	7/1/17-6/30/18	-	125,293	(125,293)	-	-	12,211	125,293
Adjustment Aid	495-034-5120-085	7,144	7/1/17-6/30/18	-	7,144	(7,144)	-	-	696	7,144
Per Pupil Growth Aid	495-034-5120-097	14,395	7/1/17-6/30/18	-	14,395	(14,395)	-	-	1,403	14,395
PARCC Readiness	495-034-5120-098	14,395	7/1/17-6/30/18	-	14,395	(14,395)	-	-	1,403	14,395
Professional Learning Community Aid	495-034-5120-101	13,080	7/1/17-6/30/18	-	13,080	(13,080)	-	-	1,275	13,080
Total State Aid Public				-	11,439,068	(11,439,068)	-	-	1,114,841	11,439,068
Transportation Aid										
Additional Nonpublic School Transportation Aid	495-034-5120-014	130,266	7/1/17-6/30/18	-	130,266	(130,266)	-	-	12,696	130,266
Additional Nonpublic School Transportation Aid	495-034-5120-014	6,090	7/1/17-6/30/18	-	-	(6,090)	-	(6,090)	-	6,090
Extraordinary Aid	495-034-5120-044	109,741	7/1/17-6/30/18	(4,002)	4,002	-	-	-	-	4,002
Extraordinary Aid	495-034-5120-044	96,343	7/1/17-6/30/18	(96,343)	-	(109,741)	-	(109,741)	-	109,741
Lead Testing	495-034-5120-104	3,465	7/1/17-6/30/18	-	3,465	(3,465)	-	-	-	96,343
Reimbursed TPAF Social Security Contributions	100-034-5094-003	898,880	7/1/17-6/30/18	-	854,973	(898,880)	-	(43,907)	-	3,465
Reimbursed TPAF Social Security Contributions	100-034-5094-003	875,802	7/1/17-6/30/18	(42,900)	42,900	-	-	-	-	898,880
TPAF - Post Retirement										875,802
Medical (Noncash Assistance)	495-034-5094-001	1,072,520	7/1/17-6/30/18	-	1,072,520	(1,072,520)	-	-	-	1,072,520
TPAF - Pension										
Contributions (Noncash Assistance)	495-034-5094-002	1,660,560	7/1/17-6/30/18	-	1,660,560	(1,660,560)	-	-	-	1,660,560
TPAF - Long-Term Disability										
Insurance (Noncash Assistance)	495-034-5094-004	2,110	7/1/17-6/30/18	-	2,110	(2,110)	-	-	-	2,110
Total General Fund				(143,245)	15,306,207	(15,322,700)	-	(159,738)	1,127,537	16,298,847
Debt Service Fund:										
School Construction Debt Service Aid	495-034-5120-075	851,665	7/1/17-6/30/18	-	851,665	(851,665)	-	-	-	851,665
Total Debt Service Fund				-	851,665	(851,665)	-	-	-	851,665
<b><u>New Jersey Department of Agriculture:</u></b>										
Enterprise Fund:										
National School Lunch Program	100-010-3350-023	3,706	7/1/17-6/30/18	-	2,940	(3,706)	-	(766)	-	3,706
National School Lunch Program	100-010-3350-023	3,688	7/1/17-6/30/18	(193)	193	-	-	-	-	3,688
Total Enterprise Fund				(193)	3,133	(3,706)	-	(766)	-	7,394
<b>Total Expenditures of State Financial Assistance</b>				<b>\$(143,438)</b>	<b>\$ 16,161,005</b>	<b>\$(16,178,071)</b>	<b>\$ -</b>	<b>\$(160,504)</b>	<b>\$ 1,127,537</b>	<b>\$ 17,505,854</b>
State Financial Assistance Programs not subject to Calculation for Major Program Determination:										
TPAF - Post Retirement										
Medical (Noncash Assistance)	495-034-5094-001	\$ 1,072,520	7/1/17-6/30/18			\$ 1,072,520				
TPAF - Pension										
Contributions (Noncash Assistance)	495-034-5094-002	1,660,560	7/1/17-6/30/18			1,660,560				
TPAF - Long-Term Disability										
Insurance (Noncash Assistance)	495-034-5094-004	2,110	7/1/17-6/30/18			2,110				
<b>Total State Financial Assistance subject to Calculation for Major Program Determination</b>						<b>\$ (13,442,881)</b>				

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

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

**Note 1. Basis of Presentation**

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

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

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

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

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

**Note 3. Relationship to Basic Financial Statements**

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

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

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(18,911) for the general fund and \$23,160 for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 1,049,823	\$ 15,303,789	\$ 16,353,612
Special Revenue Fund	647,766	-	647,766
Debt Service Fund	-	851,665	851,665
Food Service Fund	161,154	3,706	164,860
	<hr/>	<hr/>	<hr/>
Total Awards & Financial Assistance	<u>\$ 1,858,743</u>	<u>\$ 16,159,160</u>	<u>\$ 18,017,903</u>

\*Expenditures on the SESFA for New Jersey School Development Authority grants are actual cash receipts received during the current fiscal year for expenditures occurring in the prior fiscal year. This is consistent with how the financial statements have been prepared in prior years.

**Note 4. Relationship to Federal and State Financial Reports**

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

**Note 5. Federal and State Loans Outstanding**

The Plumsted Township School District had no loan balances outstanding at June 30, 2018.



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

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

**Financial Statements**

Type of auditor's report issued Unmodified

Internal control over financial reporting:

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

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

Noncompliance material to financial statements noted?        yes   X   no

**Federal Awards**

Internal control over major programs:

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

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

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

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

Identification of major programs:

<b><u>CFDA Number(s)</u></b>	<b><u>FAIN Number(s)</u></b>	<b><u>Name of Federal Program or Cluster</u></b>
84.041	S041B143114	Impact Aid

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

Auditee qualified as low-risk auditee?   X   yes        no

**PLUMSTED 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**

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

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

Internal control over major programs:

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

    2) Significant deficiency(ies) identified? \_\_\_\_\_ yes \_\_\_\_\_ X no

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

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

Identification of major programs:

<b><u>State Grant/Project Number(s)</u></b>	<b><u>Name of State Program</u></b>
_____	State Aid Public: _____
_____ 495-034-5120-068 _____	_____ School Choice Aid _____
_____ 495-034-5120-078 _____	_____ Equalization Aid _____
_____ 495-034-5120-089 _____	_____ Special Education Aid _____
_____ 495-034-5120-084 _____	_____ Security Aid _____
_____ 495-034-5120-085 _____	_____ Additional Adjustment Aid _____
_____ 495-034-5120-097 _____	_____ Per Pupil Growth Aid _____
_____ 495-034-5120-098 _____	_____ PARCC Readiness _____
_____ 495-034-5120-101 _____	_____ Professional Learning Community Aid _____

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

**Section II – Financial Statement Findings**

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

None.

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

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

**FEDERAL AWARDS**

None.

**STATE FINANCIAL ASSISTANCE**

None

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

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

Financial Statement Findings

No Prior Year Findings.

Federal Awards

No Prior Year Findings.

State Financial Assistance

No Prior Year Findings.