

**SUSSEX-WANTAGE REGIONAL  
SCHOOL DISTRICT**

**Sussex-Wantage Regional School District  
Sussex, New Jersey**

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

**Comprehensive Annual  
Financial Report**

**of the**

**Sussex-Wantage Regional School District  
Board of Education**

**Sussex, New Jersey**

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

**Prepared by**

**Sussex-Wantage Regional School District  
Board Office**

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INTRODUCTORY SECTION

BOARD OF EDUCATION  
**SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT**

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BRENDA VANWARNER  
ADMINISTRATIVE ASSISTANT

NANCY SISTO  
ADMINISTRATIVE ASSISTANT

January 18, 2019

The Honorable President and Members of  
the Board of Education  
Sussex-Wantage Regional School District  
County of Sussex  
Sussex, New Jersey

Dear Honorable President and Board Members:

The comprehensive annual financial report of the Sussex-Wantage Regional 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 Sussex-Wantage Regional 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 the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Independent Auditors' Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected economic and demographic information, financial trends and the fiscal capacity of the District, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' report on the internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, is included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: The Sussex-Wantage Regional School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) Codification Section 2100. All funds of the District are included in this report. The Sussex-Wantage Regional Board of Education and its schools constitute the District's reporting entity.

The Honorable President and Members of  
the Board of Education  
Sussex-Wantage Regional School District  
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The District provides a full range of educational services appropriate to grade levels Pre-K through 8. These include regular, vocational, as well as special education for handicapped youngsters. The District completed the 2017-2018 fiscal year with an average daily enrollment of 1,020 students, a decrease of 39 students from the previous year's enrollment.

(2) ECONOMIC CONDITION AND OUTLOOK: The economic condition of the municipalities comprising the District continues to be influenced by the slow population growth. There was a net decline in ratables in Wantage Township and Sussex Borough this past year. The percentage of commercial ratables to the total ratables is considerably less than in most areas in the State of New Jersey. There is no prospect of change neither in this fact, nor in the DE rating of the District.

(3) MAJOR INITIATIVES: The total amount of State Aid for the 2017-2018 school year decreased (\$148,027) from the level of the 2016-2017 funding. Despite this, the District was able to maintain class sizes across all grade levels.

The District continued to provide a continuum of in-house services to students with special needs, continued a pull-out Basic Skills program, a Gifted and Talented program, and maintained small class sizes throughout the District. The District continued to incorporate the teaming model at the Middle School in all three grades and the STEAM cycle continues to evolve into all areas of Science, Math, Engineering, Arts and Technology. New classes in STEAM are being formulated to keep pace with the changing technologies and student interests. This year, the District adopted a unified K-8 math series called Big Ideas Math to coordinate and align math instruction from Kindergarten through Eighth Grade. The District continued its use of digital formative assessments in Math and Language Arts through the NWEA Measures of Academic Progress (MAPs) Assessment in grades K-8. Students are tested three times per year and teachers use the data collected to design and implement targeted instruction according to the standards. Students in grades 3-8 are fully immersed in a 1:1 Google Chromebook environment. This program is in its fourth year. The District continued to offer Spanish to all students in grades K-8. Professional development in the District focused on Reading-Writing Workshop, mathematics instructional strategies and benchmarks, Dyslexia, and Google Apps for Education to continue to create a blended learning environment for our students. Training was offered through a combination of job-embedded workshops with experienced consultants, off-site workshops, and on-site training during professional days provided by our own knowledgeable staff. In-house training was also continued in Crisis Prevention Institute (CPI) to help create a safe, humanistic learning environment for at-risk students. Parent academy workshops were offered throughout the year to help parents' understanding of student assessment, social-emotional learning, educational technology, and assessments. These meetings were coordinated with our Parent Teacher Organization and occurred in conjunction with their meetings. Also, as continued courtesy, the Sussex Middle School conducted cognitive concussion testing.

4) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles (GAAP), as promulgated by the GASB. The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements", Note 1.



5) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP.

The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control system, including that portion related to major federal and state award programs, as well as to determine that the District has complied with applicable laws, regulations, contracts and grants.

6) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by a vote of the Board of Education. 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 canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as restrictions, commitments and/or assignments of fund balance at June 30, 2018.

7) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

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

The Board is a member of the School Alliance Insurance Fund ("SAIF"). The SAIF is a risk-sharing public entity risk management fund that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage to their members. The School Alliance Insurance Fund oversees risk management for the District. A schedule of insurance coverage is found on Exhibit J-20.


The Honorable President and Members of  
the Board of Education  
Sussex-Wantage Regional School District  
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January 18, 2019

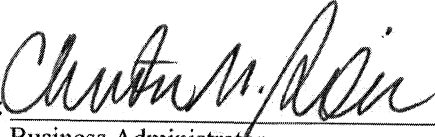
9) OTHER INFORMATION: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey’s OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

The auditors’ report on the basic financial statements and specific required supplementary information are included in the financial section of this report. The auditors’ reports related specifically to the single audit and *Government Auditing Standards* are included in the single audit section of this report.

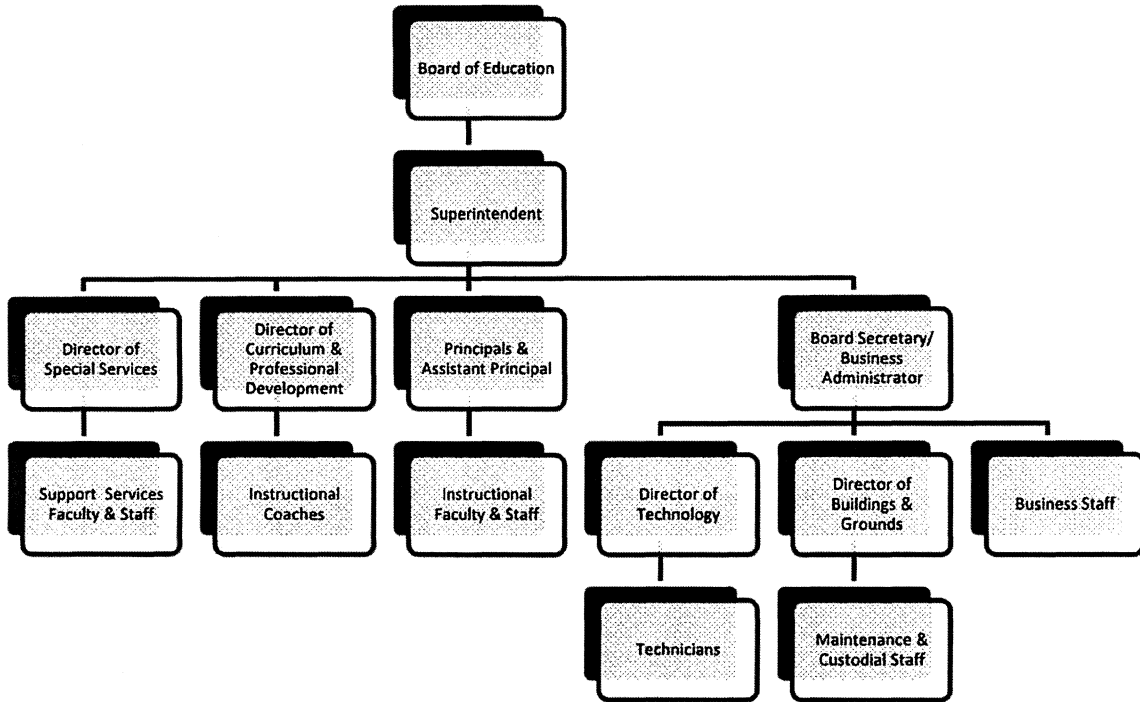
10) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Sussex-Wantage Regional School District Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of the financial and accounting staff.

Respectfully submitted,

Signed:   
Title: Superintendent

Signed:   
Title: Business Administrator

**SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT**  
**Organizational Chart**  
**(Unit Control)**



**SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
 ROSTER OF OFFICIALS  
 JUNE 30, 2018**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Robert Heiden, President	2020
Susan Langan, Vice President	2018
Kenneth Nuss	2020
Nicholas D'Agostino	2020
Coleen Ranzan	2019
Susan Fields	2019
Ryan Coyle	2018
Amber Simons	2018
Georgeanna Stoll	2019

<u>Other Officers</u>	<u>Title</u>
Robert Mooney	Interim Superintendent (to June 30, 2018)
Michael Gall	Superintendent (from July 1, 2018)
Christina Riker	Business Administrator/Board Secretary
Grant W. Rome, Treasurer	Treasurer

# **SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT**

Consultants and Advisors

## **Audit Firm**

Nisivoccia LLP, CPAs  
Mount Arlington Corporate Center  
200 Valley Road Suite 300  
Mount Arlington, NJ 07856-1320  
and  
Lawrence Business Park  
11 Lawrence Road  
Newton, NJ 07860

## **Attorney**

Cleary, Giacobbe, Alfieri, Jacobs, LLC  
7 James Street  
Florham Park, NJ 07932

## **Official Depository**

Lakeland Bancorp Inc.  
250 Oak Ridge Road  
Oak Ridge, NJ 07438-8906

## **Architect**

Parette Somjen Architects, LLC  
439 Route 46 East  
Rockaway, NJ 07866

FINANCIAL SECTION

## Independent Auditors' Report

The Honorable President and Members  
of the Board of Education  
Sussex-Wantage Regional School District  
County of Sussex, New Jersey

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of Sussex-Wantage Regional School District (the "District") in the County of Sussex, as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the 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.

### ***Auditors' 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 *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 Board of Education of the Sussex-Wantage Regional School District, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

As discussed in Note 16 to the basic financial statements, the District implemented Governmental Accounting Standards Board (“GASB”) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, during the fiscal year ended June 30, 2018. Our opinions are 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, which follows this report, the pension and post-employment benefit schedules in Exhibits L-1 through L-5 and the related notes, and the budgetary comparison information in Exhibits C-1 through C-3 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 District’s basic financial statements. The accompanying supplementary information such as the combining and individual non-major fund financial statements and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey’s OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and the other information, such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.



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

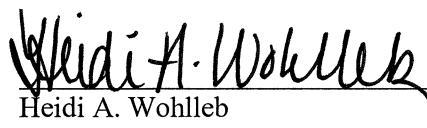
The accompanying other information such as the introductory and statistical sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 18, 2019 on our consideration of the 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 District's internal control over financial reporting and compliance.

January 18, 2019  
Mount Arlington, New Jersey

NISIVOCCIA LLP

  
Heidi A. Wohlleb  
Licensed Public School Accountant #2140  
Certified Public Accountant

**REQUIRED SUPPLEMENTARY INFORMATION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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

This section of the Sussex-Wantage Regional School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2018. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

**Overview of the Financial Statements**

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

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

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

**Figure A-1  
Organization of the School District's Financial Report**

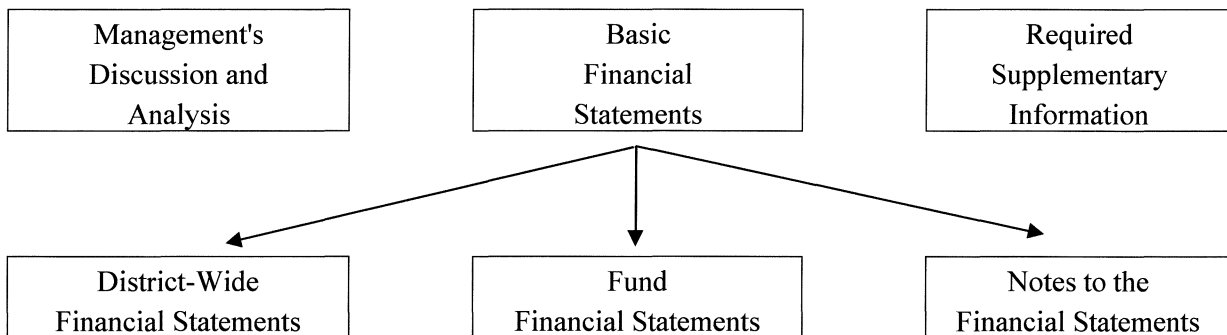


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents of each of the statements.

**Figure A-2**

***Major Features of the District-Wide and Fund Financial Statements***

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services and the Care Program	Instances in which the District administers resources on behalf of someone else, such as student activities monies.
Required Financial Statements	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenue, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of revenue, expenses, and changes in net position</li> <li>• Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net position</li> <li>• Statement of changes in fiduciary net position</li> </ul>
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

## ***District-wide Statements***

The District-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, deferred inflows and outflows and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two District-wide statements report the District's *net position* and how they have changed. Net position – the difference between the District's assets, deferred inflows and outflows and liabilities – is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the District-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes, tuition and state formula aid finance most of these activities.
- *Business-type activities*: The District charges fees to help it cover the costs of certain services it provides. The District's food service and Care Program are included here.

## ***Fund Financial Statements***

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenue (such as federal grants).

The District has three kinds of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on {1} how cash and other financial assets that can readily be converted to cash flow in and out, and {2} the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. *Internal service funds* (the other kind of proprietary fund) report activities that provide supplies and services for other programs and activities. The District currently does not maintain any internal service funds.
- *Fiduciary funds*: The District is the trustee, or *fiduciary*, for assets that belong to others, such as scholarship funds and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations.

**Notes to the Basic Financial Statements:**

Provide additional information essential to a full understanding of the District-wide and fund financial statements.

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

*Net Position.* The District’s combined net position increased by \$645,305. Net position from governmental activities increased by \$674,019 and net position from business-type activities decreased by \$28,714. Net investment in capital assets increased by \$93,952, restricted net position increased by \$558,571, and unrestricted net position decreased by \$7,218.

**Figure A-3**

**Condensed Statement of Net Position**

	Governmental Activities		Business-Type Activities		Total School District		Percentage
	2017/2018	2016/2017	2017/2018	2016/2017	2017/2018	2016/2017	Change 2017/2018
<b>Assets:</b>							
Current and							
Other Assets	\$ 5,604,043	\$ 4,843,314	\$ 335,396	\$ 356,300	\$ 5,939,439	\$ 5,199,614	
Capital Assets, Net	5,981,976	5,881,645	26,975	33,354	6,008,951	5,914,999	
Total Assets	11,586,019	10,724,959	362,371	389,654	11,948,390	11,114,613	7.50%
Deferred Outflows of Resources	2,212,040	3,011,472			2,212,040	3,011,472	-26.55%
<b>Liabilities:</b>							
Other Liabilities	732,543	765,614	21,004	19,573	753,547	785,187	
Long-Term Liabilities	8,274,503	10,326,206			8,274,503	10,326,206	
Total Liabilities	9,007,046	11,091,820	21,004	19,573	9,028,050	11,111,393	-18.75%
Deferred Inflows of Resources	1,720,310	257,343			1,720,310	257,343	568.49%
<b>Net Position:</b>							
Investment in							
Capital Assets	5,981,976	5,881,645	26,975	33,354	6,008,951	5,914,999	
Restricted	4,670,087	4,111,516			4,670,087	4,111,516	
Unrestricted/(Deficit)	(7,581,360)	(7,596,477)	314,392	336,727	(7,266,968)	(7,259,750)	
Total Net Position	\$ 3,070,703	\$ 2,396,684	\$ 341,367	\$ 370,081	\$ 3,412,070	\$ 2,766,765	23.32%

*Changes in Net Position.* The District’s combined net position was \$3,412,070 on June 30, 2018, an increase of \$645,305 or 23.32% more than it was the year before (See Figure A-3). Net Investment in Capital Assets increased by \$93,952 due to the \$602,982 of current year capital assets additions offset by the \$509,030 of depreciation expense. Restricted net position increased by \$558,571 due to the \$1,000,000 Board transfer to Capital Reserve and the \$128,277 unexpended balance of the budgeted withdrawal from capital reserve, as well as the increase in excess surplus of \$455,023, offset by the budgeted withdrawal from Capital Reserve of \$1,024,729. The unrestricted net position decreased by \$7,218 due primarily to the net increase in pension related deferred inflows and outflows and the increase in compensated absences, offset by the decrease in net pension liability, the net increase in year-end encumbrances and the increase in unexpended budget appropriations.

Figure A-4

Changes in Net Position from Operating Results

	Governmental Activities 2017/2018	Business- Type Activities 2017/2018	Governmental Activities 2016/2017	Business- Type Activities 2016/2017	Total School District 2017/2018	Total School District 2016/2017	Percentage Change 2017/2018
Revenue:							
Program Revenue:							
Charges for Services	\$ 154,008	\$ 295,421	\$ 212,822	\$ 316,180	\$ 449,429	\$ 529,002	
Operating Grants and Contributions	11,274,867	173,179	9,780,109	181,142	11,448,046	9,961,251	
General Revenue:							
Property Taxes	15,130,100		15,546,520		15,130,100	15,546,520	
Unrestricted State and Federal Aid	6,164,414		6,296,006		6,164,414	6,296,006	
Other	208,984	295	74,767	282	209,279	75,049	
Total Revenue	<u>32,932,373</u>	<u>468,895</u>	<u>31,910,224</u>	<u>497,604</u>	<u>33,401,268</u>	<u>32,407,828</u>	3.07%
Expenses:							
Instruction	18,840,033		18,384,184		18,840,033	18,384,184	
Pupil and Instruction Services	5,422,700		5,220,773		5,422,700	5,220,773	
Administrative and Business	2,787,838		2,616,016		2,787,838	2,616,016	
Maintenance and Operations	2,338,916		2,202,076		2,338,916	2,202,076	
Transportation	1,843,522		2,003,454		1,843,522	2,003,454	
Capital Outlay	48,174		1,273		48,174		
Other	977,171	497,609	1,113,089	514,396	1,474,780	1,627,485	
Total Expenses	<u>32,258,354</u>	<u>497,609</u>	<u>31,540,865</u>	<u>514,396</u>	<u>32,755,963</u>	<u>32,053,988</u>	2.19%
Increase in Net Position	<u>\$ 674,019</u>	<u>\$ (28,714)</u>	<u>\$ 369,359</u>	<u>\$ (16,792)</u>	<u>\$ 645,305</u>	<u>\$ 353,840</u>	82.37%

**Governmental Activities**

The financial position of the District improved significantly. However, maintaining existing programs for regular pupil enrollment and the provision of special programs and services for disabled pupils place great demands on the District's resources.

Careful management of expenses remains essential for the District to sustain its financial health.

It is crucial that the District examine its expenses carefully. Staff, parental and student demands for salary increases, new activities and programs must be evaluated thoroughly.

Figure A-5 presents the cost of six major District activities: instruction, pupil and instructional services, administration and business, maintenance and operations, transportation, and other. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs).

The net cost shows the financial burden placed on the District's taxpayers by each of the following functions:

**Figure A-5**

	<b>Net Cost of Governmental Activities</b>			
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	<u>2017/2018</u>	<u>2017/2018</u>	<u>2016/2017</u>	<u>2016/2017</u>
Instruction	\$ 18,840,033	\$ 11,453,822	\$ 18,384,184	\$11,604,714
Pupil and Instruction Services	5,422,700	3,459,003	5,220,773	3,849,313
Administrative and Business	2,787,838	2,136,118	2,616,016	2,083,685
Maintenance and Operations	2,338,916	2,013,107	2,202,076	1,962,903
Transportation	1,843,522	742,084	2,003,454	932,957
Capital Outlay	48,174	48,174	1,273	1,273
Other	977,171	977,171	1,113,089	1,113,089
	<u>\$ 32,258,354</u>	<u>\$ 20,829,479</u>	<u>\$ 31,540,865</u>	<u>\$ 21,547,934</u>

**Business-Type Activities**

The District’s business-type activities decreased by \$28,714. The decrease is due primarily to the decrease in Food Service Fund daily sales and the decrease in subsidy reimbursements, offset by the decrease in operating expenses in the Food Service Fund. Additionally, there was an operating loss in the Care Program due primarily to a decrease in child care fees and an increase of operating expenses.

**Financial Analysis of the District’s Funds**

The District’s financial position improved significantly primarily due to unexpended budget appropriations in the General Fund offset by fund balance utilized to support the budget. As the number of low-income students rises, so do the expenditures related to meeting their additional needs. Difficult economic times have had a direct impact upon the District’s revenue sources.

All of these factors are likely to continue for the next several years. To maintain a stable financial position, the District must continue to practice sound fiscal management.

**General Fund Budgetary Highlights**

Over the course of the year, the District revised the annual operating budget several times. The budget was amended for transfers to prevent over-expenditures of specific line item accounts.



## Capital Asset and Long-Term Liabilities

Figure A-6

	Capital Assets (Net of Depreciation)						Percentage Change 2017/2018
	Government Activities		Business-Type Activities		Total School District		
	2017/2018	2016/2017	2017/2018	2016/2017	2017/2018	2016/2017	
Construction in Progress		\$ 224,865				\$ 224,865	
Buildings and Building Improvements	\$ 5,027,717	4,631,226			\$ 5,027,717	4,631,226	
Site Improvements	641,353	672,004			641,353	672,004	
Machinery and Equipment	312,906	353,550	\$ 26,975	\$ 33,354	339,881	386,904	
Total Capital Assets (Net of Depreciation)	\$ 5,981,976	\$ 5,881,645	\$ 26,975	\$ 33,354	\$ 6,008,951	\$ 5,914,999	1.59%

During the current fiscal year, the District had capital additions of \$602,982 and depreciated \$509,030 of its capital assets.

### Long-term Liabilities

At year-end, the District had \$8,274,503 in long-term liabilities outstanding – a decrease of \$2,051,703 from last year – as shown in Figure A-7. (More detailed information about the District’s long-term liabilities is presented in Note 7 to the financial statements.)

Figure A-7

	Outstanding Long-Term Liabilities		
	Total School District		Percentage Change
	2017/2018	2016/2017	
Net Pension Liability	\$ 7,658,786	\$ 9,720,070	
Compensated Absences Payable	615,717	606,136	
Total Long-Term Liabilities	\$ 8,274,503	\$ 10,326,206	-19.87%

The District’s long-term liabilities decreased \$2,051,703 or 19.87%.

### Factors Bearing on the District’s Future

The Sussex-Wantage Regional School District remains financially stable even with continued uncertainty in State funding. The District has maintained programs and class size despite this uncertainty.

The District will continue to look at ways to contain and cut costs in order to keep the School District solvent.

### Contacting the District’s Financial Management

This financial report is designed to provide the District’s citizens, taxpayers, customers and creditors with a general overview of the School District’s finances and to reflect the School District’s accountability for the money it receives. Questions about this report or additional financial information needs should be directed to Christina Riker, School Business Administrator, Sussex-Wantage Regional Board of Education, 27 Bank Street, Sussex, New Jersey.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2018

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 3,071,362	\$ 309,251	\$ 3,380,613
Interfund Receivable	43,203		43,203
Internal Balances	9,513	(9,513)	
Receivables from State Government	56,583	312	56,895
Receivables from Federal Government	246,158	12,850	259,008
Receivables from Other Governments	48,947		48,947
Other Accounts Receivable		5,509	5,509
Inventories		16,987	16,987
Restricted Assets:			
Capital Reserve Account - Cash and Cash Equivalents	2,128,277		2,128,277
Capital Assets, Net:			
Depreciable Site Improvements, Buildings and Building Improvements and Machinery and Equipment	5,981,976	26,975	6,008,951
Total Assets	<u>11,586,019</u>	<u>362,371</u>	<u>11,948,390</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred Outflows Related to Pensions	2,212,040		2,212,040
Total Deferred Outflows of Resources	<u>2,212,040</u>		<u>2,212,040</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	547,995	7,735	555,730
Interfund Payable	77,000		77,000
Payable to State Government	44,390		44,390
Payable to Federal Government	550		550
Unearned Revenue	62,608	13,269	75,877
Noncurrent Liabilities:			
Due Within One Year	49,760		49,760
Due Beyond One Year	8,224,743		8,224,743
Total Liabilities	<u>9,007,046</u>	<u>21,004</u>	<u>9,028,050</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred Inflows Related to Pensions	1,720,310		1,720,310
Total Deferred Inflows of Resources	<u>1,720,310</u>		<u>1,720,310</u>
<b>NET POSITION</b>			
Investment in Capital Assets	5,981,976	26,975	6,008,951
Restricted for:			
Capital Reserve	2,128,277		2,128,277
Excess Surplus	2,541,810		2,541,810
Unrestricted/(Deficit)	<u>(7,581,360)</u>	<u>314,392</u>	<u>(7,266,968)</u>
Total Net Position	<u>\$ 3,070,703</u>	<u>\$ 341,367</u>	<u>\$ 3,412,070</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT

SUSSEX-WANTAGE REGIONAL 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 and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental Activities:</b>						
<b>Instruction:</b>						
Regular	\$ 11,078,743	\$ 77,523	\$ 3,787,562	\$ (7,291,181)		\$ (7,291,181)
Special Education	6,754,881		3,185,183	(3,492,175)		(3,492,175)
Other Special Instruction	655,672		190,020	(465,652)		(465,652)
School Sponsored	350,737		145,923	(204,814)		(204,814)
<b>Support Services:</b>						
Tuition	419,181		275,979	(143,202)		(143,202)
Student and Instruction Related Services	5,003,519		1,687,718	(3,315,801)		(3,315,801)
General Administrative Services	663,506		85,654	(577,852)		(577,852)
School Administrative Services	1,354,059		405,802	(948,257)		(948,257)
Central Services	528,495		121,433	(407,062)		(407,062)
Administrative Information Technology	241,778		38,831	(202,947)		(202,947)
Plant Operations and Maintenance	2,338,916		325,809	(2,013,107)		(2,013,107)
Pupil Transportation	1,843,522	76,485	1,024,953	(742,084)		(742,084)
Unallocated Depreciation	406,714			(406,714)		(406,714)
Transfer of Funds to Charter School	570,457			(570,457)		(570,457)
Capital Outlay	48,174			(48,174)		(48,174)
<b>Total Governmental Activities</b>	<b>32,258,354</b>	<b>154,008</b>	<b>11,274,867</b>	<b>(20,829,479)</b>		<b>(20,829,479)</b>
<b>Business-Type Activities:</b>						
Food Service	323,024	153,065	173,179		\$ 3,220	3,220
Care Program	174,585	142,356			(32,229)	(32,229)
<b>Total Business-Type Activities</b>	<b>497,609</b>	<b>295,421</b>	<b>173,179</b>		<b>(29,009)</b>	<b>(29,009)</b>
<b>Total Primary Government</b>	<b>\$ 32,755,963</b>	<b>\$ 449,429</b>	<b>\$ 11,448,046</b>	<b>(20,829,479)</b>	<b>(29,009)</b>	<b>(20,858,488)</b>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenue:			
Property Taxes, Levied for General Purposes	\$ 15,130,100		\$ 15,130,100
Federal and State Aid not Restricted	6,164,414		6,164,414
Interest Earnings		\$ 295	295
Miscellaneous Income	208,984		208,984
Total General Revenues	21,503,498	295	21,503,793
Change in Net Position	674,019	(28,714)	645,305
Net Position - Beginning	2,396,684	370,081	2,766,765
Net Position - Ending	\$ 3,070,703	\$ 341,367	\$ 3,412,070

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

FUND FINANCIAL STATEMENTS

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2018

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 3,043,725		\$ 27,637	\$ 3,071,362
Interfund Receivable	167,597			167,597
Receivables From State Government	56,583			56,583
Receivables From Federal Government		\$ 246,158		246,158
Receivables From Other Governments	48,947			48,947
Restricted Cash and Cash Equivalents	<u>2,128,277</u>			<u>2,128,277</u>
Total Assets	<u>\$ 5,445,129</u>	<u>\$ 246,158</u>	<u>\$ 27,637</u>	<u>\$ 5,718,924</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts Payable	\$ 203,488	\$ 31,269		\$ 234,757
Interfund Payable	77,000	114,881		191,881
Payable to State Government		44,390		44,390
Payable to Federal Government		550		550
Unearned Revenue	<u>7,540</u>	<u>55,068</u>		<u>62,608</u>
Total Liabilities	<u>288,028</u>	<u>246,158</u>		<u>534,186</u>
Fund Balances:				
Restricted:				
Excess Surplus - Restricted for 2019-2020	1,462,494			1,462,494
Excess Surplus - Restricted for 2018-2019	1,079,316			1,079,316
Capital Reserve Account	2,128,277			2,128,277
Committed			\$ 27,637	27,637
Assigned:				
Other Purposes	<u>487,014</u>			<u>487,014</u>
Total Fund Balances	<u>5,157,101</u>		<u>27,637</u>	<u>5,184,738</u>
Total Liabilities and Fund Balances	<u>\$ 5,445,129</u>	<u>\$ 246,158</u>	<u>\$ 27,637</u>	<u>\$ 5,718,924</u>

Amounts Reported for *Governmental Activities* in the Statement of Net Position (A-1) are Different Because:

Fund Balances at June 30, 2018	\$ 5,184,738
Capital Assets Used in Governmental Activities are not Financial Resources and Therefore are not Reported in the Funds.	5,981,976
Long-Term Liabilities, are not Due and Payable in the Current Period and Therefore are not Reported as Liabilities in the Funds.	(615,717)



SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2018

	<u>Total Governmental Funds</u>
Amounts Reported for <i>Governmental Activities</i> in the Statement of Net Position (A-1) are Different Because:	
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	\$ (7,658,786)
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds:	
Deferred Outflows	1,898,802
Deferred Inflows	<u>(1,720,310)</u>
Net Position of Governmental Activities	<u>\$ 3,070,703</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL  
STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
REVENUES:				
Local Sources:				
Local Tax Levy	\$ 15,130,100			\$ 15,130,100
Tuition	77,523			77,523
Transportation Fees	76,485			76,485
Miscellaneous	208,984			208,984
Total - Local Sources	15,493,092			15,493,092
State Sources	10,908,694	\$ 44,550		10,953,244
Federal Sources	70,423	743,166		813,589
Total Revenues	26,472,209	787,716		27,259,925
EXPENDITURES:				
Current:				
Regular Instruction	5,517,551	117,108		5,634,659
Special Education Instruction	3,256,552	96,031		3,352,583
Other Special Instruction	405,364			405,364
School-Sponsored	101,339			101,339
Support Services and Undistributed Costs:				
Tuition	143,202	275,979		419,181
Student and Other Instruction Related Services	2,515,989	294,828		2,810,817
General Administrative Services	499,121			499,121
School Administrative Services	720,636			720,636
Central Services	306,035			306,035
Administrative Information Technology	170,715			170,715
Plant Operations and Maintenance	1,707,667			1,707,667
Student Transportation	1,454,008	3,770		1,457,778
Unallocated Benefits	7,662,161			7,662,161
Capital Outlay	651,156			651,156
Transfer of Funds to Charter School	570,457			570,457
Total Expenditures	25,681,953	787,716		26,469,669
Excess of Revenue Over Expenditures	790,256			790,256
Fund Balance - July 1	4,366,845		\$ 27,637	4,394,482
Fund Balance - June 30	\$ 5,157,101	\$ -0-	\$ 27,637	\$ 5,184,738

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ 790,256

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 differ from depreciation in the period.

Depreciation Expense	\$ (502,651)	
Capital Outlays	<u>602,982</u>	
		100,331

The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:

Change in Net Pension Liability	2,061,284
Change in Deferred Outflows	(805,304)
Change in Deferred Inflows	(1,462,967)

In the statement of activities, certain operating expenses, e.g., compensated absences 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 (+).

(9,581)

Change in net position of governmental activities (A-2)

\$ 674,019

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2018

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Major Fund</u>	<u>Non-Major</u>	<u>Total</u>
	<u>Food Service</u>	<u>Fund</u>	
<b>ASSETS:</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 124,327	\$ 184,924	\$ 309,251
Intergovernmental Accounts Receivable:			
State	312		312
Federal	12,850		12,850
Other Accounts Receivable	5,509		5,509
Inventories	16,987		16,987
Total Current Assets	<u>159,985</u>	<u>184,924</u>	<u>344,909</u>
Non-Current Assets:			
Capital Assets	205,393		205,393
Accumulated depreciation	(178,418)		(178,418)
Total Non-Current Assets	<u>26,975</u>		<u>26,975</u>
Total Assets	<u>186,960</u>	<u>184,924</u>	<u>371,884</u>
<b>LIABILITIES:</b>			
Current Liabilities:			
Accounts Payable - Vendors	500		500
Accounts Payable - Other		7,235	7,235
Interfund Payable	1,371	8,142	9,513
Unearned Revenue - Donated Commodities	5,342		5,342
Unearned Revenue - Prepaid Sales	2,276	5,651	7,927
Total Current Liabilities	<u>9,489</u>	<u>21,028</u>	<u>30,517</u>
<b>NET POSITION:</b>			
Investment in Capital Assets	26,975		26,975
Unrestricted	150,496	163,896	314,392
Total Net Position	<u>\$ 177,471</u>	<u>\$ 163,896</u>	<u>\$ 341,367</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Business-Type Activities - Enterprise Funds		
	Major Fund Food Service	Non-Major Fund	Total
Operating Revenue:			
Local Sources:			
Daily Sales - Reimbursable Programs	\$ 118,814		\$ 118,814
Daily Sales - Non Reimbursable Programs	34,251		34,251
Child Care Fees		\$ 142,356	142,356
Total Operating Revenue	153,065	142,356	295,421
Operating Expenses:			
Cost of Goods Sold - Reimbursable Programs	112,774		112,774
Cost of Goods Sold - Non-Reimbursable Programs	32,510		32,510
Salaries	112,512	163,482	275,994
Employee Benefits and Payroll Taxes	25,993		25,993
Purchased Services	13,715	9,587	23,302
Supplies and Materials	19,141	682	19,823
Depreciation	6,379		6,379
Other		834	834
Total Operating Expenses	323,024	174,585	497,609
Operating Loss	(169,959)	(32,229)	(202,188)
Non-Operating Revenue:			
State Sources:			
State School Lunch Program	3,505		3,505
Federal Sources:			
National School Lunch Program	120,828		120,828
School Breakfast Program	23,719		23,719
Food Distribution Program	25,127		25,127
Local Sources:			
Interest Revenue	295		295
Total Non-Operating Revenue	173,474		173,474
Change in Net Position	3,515	(32,229)	(28,714)
Net Position - Beginning of Year	173,956	196,125	370,081
Net Position - End of Year	\$ 177,471	\$ 163,896	\$ 341,367

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Major Fund</u>	<u>Non-Major</u>	<u>Total</u>
	<u>Food Service</u>	<u>Fund</u>	
Cash Flows for Operating Activities:			
Receipts from Customers	\$ 153,175	\$ 140,860	\$ 294,035
Payments for Salaries, Payroll Taxes and Benefits	(138,505)	(156,247)	(294,752)
Payments to Suppliers	(157,346)	(11,103)	(168,449)
Net Cash Used for Operating Activities	(142,676)	(26,490)	(169,166)
Cash Flows for Noncapital Financing Activities:			
Federal and State Sources Received in Food Service Fund	127,639		127,639
Net Cash Provided by Noncapital Financing Activities	127,639		127,639
Cash Flows from Investing Activities:			
Interest on Investments	295		295
Net Cash Provided by Investing Activities	295		295
Net (Decrease) in Cash and Cash Equivalents	(14,742)	(26,490)	(41,232)
Cash and Cash Equivalents, July 1	139,069	211,414	350,483
Cash and Cash Equivalents, June 30	<u>\$ 124,327</u>	<u>\$ 184,924</u>	<u>\$ 309,251</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities			
Operating Loss	\$ (169,959)	\$ (32,229)	\$ (202,188)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:			
Depreciation	6,379		6,379
Food Distribution Program	25,127		25,127
Changes in Assets and Liabilities:			
(Increase) in Inventory	(8,184)		(8,184)
(Increase) in Other Accounts Receivable	(2,232)		(2,232)
Increase/(Decrease) in Accounts Payable	(124)	7,235	7,111
Increase in Unearned Revenue - Donated Commodities	1,217		1,217
Increase/(Decrease) in Unearned Revenue - Prepaid Sales	110	(7,007)	(6,897)
Increase in Interfund Payable	4,990	5,511	10,501
Net Cash Used for Operating Activities	<u>\$ (142,676)</u>	<u>\$ (26,490)</u>	<u>\$ (169,166)</u>

Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$26,344 and utilized commodities valued at \$25,127 for the fiscal year ended June 30, 2018.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2018

	<u>Agency</u>	<u>Unemployment Compensation Trust</u>
<u>ASSETS:</u>		
Cash and Cash Equivalents	\$ 877,274	\$ 491,867
Interfund Receivable - General Fund		77,000
Total Assets	<u>877,274</u>	<u>568,867</u>
<u>LIABILITIES:</u>		
Payroll Deductions and Withholdings	126,765	
Interfund Payable - General Fund	43,203	
Accrued Salaries and Wages	602,032	
Due to Student Groups	105,274	
Total Liabilities	<u>877,274</u>	
<u>NET POSITION:</u>		
Held in Trust for Unemployment Claims		<u>568,867</u>
Total Net Position	<u>\$ -0-</u>	<u>\$ 568,867</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Unemployment Compensation Trust</u>
ADDITIONS:	
Contributions:	
Employer Contributions	\$ 100,000
Employee Contributions	61,652
Total Contributions	<u>161,652</u>
Investment Earnings:	
Interest	782
Net Investment Earnings	<u>782</u>
Total Additions	<u>162,434</u>
DEDUCTIONS:	
Quarterly Contribution Reports/Unemployment Claims	<u>58,575</u>
Total Deductions	<u>58,575</u>
Change in Net Position	103,859
Net Position - Beginning of the Year	<u>465,008</u>
Net Position - End of the Year	<u>\$ 568,867</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE  
AN INTEGRAL PART OF THIS STATEMENT



SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (the "Board") of the Sussex-Wantage Regional School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

A. Reporting Entity

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3) The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria

B. Basis of Presentation:

District-Wide Financial Statements:

The statement of net position and the statement of activities present financial information about the District's governmental and business-type activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenue and other nonexchange transactions. Business-type activities are financed in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation (Cont'd)

program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements:

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

The District reports the following governmental funds:

General Fund: The General Fund is the general operating fund of the District and is used to account for and report all expendable financial resources not accounted for and reported in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay subfund.

As required by NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states 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 revenue. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current expenses by board resolution.

Special Revenue Fund: The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus, the Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted or committed to expenditures for specified purposes.

Capital Projects Fund: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation (Cont'd)

election or at a special election, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

Debt Service Fund: The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

The District reports the following proprietary fund:

Enterprise Funds: The Enterprise Funds account for all revenue and expenses pertaining to the Board's cafeteria operations and its Care Program. These two Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Additionally, the District reports the following fund type:

Fiduciary Funds: The Fiduciary Funds are used to account for assets held by the District on behalf of others and includes the Student Activities Fund, Payroll Agency Fund and the Unemployment Compensation Trust Fund.

C. Measurement Focus and Basis of Accounting

The District-wide financial statements and the proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Measurement Focus and Basis of Accounting (Cont'd)

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

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for fiscal year ending June 30, 2018 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the 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 revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The general fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control (Cont'd)

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenue and Expenditures:

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 26,461,202	\$ 817,491
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, Whereas the GAAP Basis Does Not:		
Prior Year Encumbrances		2,500
Current Year Encumbrances		(32,275)
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	773,719	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(762,712)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 26,472,209	\$ 787,716
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 25,681,953	\$ 817,491
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes:		
Prior Year Encumbrances		2,500
Current Year Encumbrances		(32,275)
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 25,681,953	\$ 787,716

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

E. Cash and Cash Equivalents and Investments

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

The District generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

New Jersey school districts are limited as to the type of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

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 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 of at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Government Units. If a public depository fails, the collateral it has pledged, plus the collateral of all the other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

F. Interfund Transactions:

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues. 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 the enterprise funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the statement of net position, except for amounts due between governmental and business-type activities, which are presented as internal balances.

G. Allowance for Uncollectible Accounts:

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

H. 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 restricted, committed and/or 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 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.

I. Short-term Interfund Receivables/Payables:

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

J. Inventories and Prepaid Expenses:

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

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

K. Capital Assets:

During the year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at acquisition value. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment.

The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the District-wide statements and proprietary funds are as follows:

	Estimated Useful Life
Buildings and Building Improvements	40 years
Site Improvements	20 years
Machinery and Equipment	10 to 12 years

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

K. Capital Assets: (Cont'd)

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

L. Long Term Liabilities:

In the district-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or enterprise funds. Bond premiums and discounts are amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, the face amount of debt issued is reported as other financing sources.

Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

M. Accrued Salaries and Wages

Certain District employees, who provide services to the District over the ten-month academic year, have the option to have their salaries evenly disbursed during the entire twelve month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2018, the amount earned by these employees but not disbursed was \$602,032.

N. Compensated Absences

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by GASB. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

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

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

O. Unearned Revenue

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

P. Fund Balance Appropriated:

General Fund: Of the \$5,157,101 General Fund fund balance at June 30, 2018, \$2,128,277 is restricted in a capital reserve; \$1,079,316 is restricted as prior year excess surplus which has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2019; \$1,462,494 is restricted as current year excess surplus and will be appropriated and included as anticipated revenue for the fiscal year ended June 30, 2020; and \$487,014 is assigned for year-end



SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

P. Fund Balance Appropriated: (Cont'd)

encumbrances which is \$264,628 less than the actual year-end encumbrances, on a GAAP Basis, due to the final two state aid payments, which are not recognized until the fiscal year ended June 30, 2019. Additionally, there is \$31,076 of assigned fund balance which has been appropriated and included as anticipated revenue for the fiscal year end June 30, 2019 and \$467,008 of unassigned fund balance which are not reported on a GAAP basis due to the final two state aid payments.

Capital Projects Fund: The entire \$27,637 fund balance at June 30, 2018 is committed for other purposes.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, c.73 (S1701), the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District had excess surplus as noted on the prior page.

The following General Fund fund balances are less on a GAAP basis than budgetary basis as of June 30, 2018 as reported in the fund statements (modified accrual basis): unassigned fund balance - \$467,008, assigned fund balance for subsequent year's expenditures - \$31,076 and assigned for year-end encumbrances - \$264,628. P.L. 2003, C.97 provides that in the event state school aid payments are not made until the following school budget year, districts must record these state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize these last two state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments noted above.

Q. Net Position:

Net Position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows of resources at June 30, 2018 related to pensions.

The District had deferred inflows of resources at June 30, 2018 related to pensions.

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

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings that are attributable to the acquisition,

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Q. Net Position: (Cont'd)

construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

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

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

R. Deficit Net Position

There is a deficit in unrestricted governmental activities net position of \$7,581,360 which is primarily a result of compensated absences payable, net pension liability and the related deferred inflows and outflows. This deficit does not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

S. Fund Balance Restrictions, Commitments and Assignments:

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's highest level of decision-making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts has been restricted, committed or assigned.

Fund balance restrictions have been established for excess surplus and a capital reserve in the General Fund.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has committed resources at June 30, 2018 in the Capital Projects Fund.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources in the General Fund at June 30, 2018 for year-end

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

S. Fund Balance Restrictions, Commitments and Assignments: (Cont'd)

encumbrances on a GAAP and budgetary basis and for amounts designated for subsequent year's expenditures on a budgetary basis.

T. Revenue - Exchange and Nonexchange Transactions:

Revenue, resulting from exchange transactions in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of fiscal year end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes, interest and tuition.

U. Operating Revenue and Expenses:

Operating revenue are those revenues that are generated directly from the primary activity of the Enterprise Fund. For the School District, these revenues are sales for food service and Care Program fees. Operating expenses are necessary costs incurred to provide the services that are the primary activities of the Enterprise Funds.

V. Management Estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

W. 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 fiduciary net position of the State of New Jersey Public Employees' Retirement System (PERS) and the State of New Jersey Teachers' Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's net position have been determined on the same basis as they are reported by the PERS and the TPAF. For this purpose, benefit

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

W. Pensions: (Cont'd)

payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Pension Plan investments are reported at fair value.

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, amounts in deposits, money market accounts, and short-term investments with original maturities of three months or less.

The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

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

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

Custodial Credit Risk – the District's policy with respect to custodial credit risk requires that the District ensures that District funds are only deposited in financial institutions in which NJ school districts are permitted to invest their funds.

Deposits:

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

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Deposits: (Cont'd)

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

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

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

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located;
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund establish pursuant to section 1 of P.L. 1977,C.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
  - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.). ;

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments: (Cont'd)

- (b) the custody of collateral is transferred to a third party;
  - (c) the maturity of the agreement is not more than 30 days;
  - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
  - (e) a master repurchase agreement providing for the custody and security of collateral is executed; or
- (9) Deposit of funds in accordance with the following conditions:
- (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
  - (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
  - (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
  - (d) The designated public depository acts as custodian for the school district with respect to these deposits; and
  - (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

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

	<u>Cash and Cash Equivalents</u>	<u>Restricted Cash and Cash Equivalents Capital Reserve</u>	<u>Total</u>
Checking Accounts	<u>\$ 4,749,754</u>	<u>\$ 2,128,277</u>	<u>\$ 6,878,031</u>

The carrying amount of the Board's cash and cash equivalents at June 30, 2018, was \$6,878,031 and the bank balance was \$7,268,897.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account in the amount of \$400,000 was established by Board resolution on June 26, 2013 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

Beginning Balance, July 1, 2017	\$2,024,729
Deposit - Board Resolution June 27, 2018	1,000,000
Unexpended Balance of Budgeted Withdrawal	<u>128,277</u>
	3,153,006
Budgeted Withdrawal	<u>(1,024,729)</u>
Ending Balance, June 30, 2018	<u>\$2,128,277</u>

The balance in the capital reserve at June 30, 2018 did not exceed the balance of local support costs of uncompleted capital projects in the District's approved Long Range Facilities Plan. The withdrawal from the capital reserve was for use in DOE approved facilities projects, consistent with the District's LRFP.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 5. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2018 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Adjustments/ Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets not Being Depreciated:				
Construction in Progress	\$ 224,865		\$(224,865)	
Total Capital Assets Not Being Depreciated	<u>224,865</u>		<u>(224,865)</u>	
Capital Assets Being Depreciated:				
Buildings and Building Improvements	\$ 9,846,930	\$ 532,102	224,865	\$ 10,603,897
Site Improvements	844,843	15,587		860,430
Machinery and Equipment	1,777,110	55,293		1,832,403
Total Capital Assets Being Depreciated	<u>12,468,883</u>	<u>602,982</u>	<u>224,865</u>	<u>13,296,730</u>
Governmental Activities Capital Assets	<u>12,693,748</u>	<u>602,982</u>		<u>13,296,730</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(5,215,704)	(360,476)		(5,576,180)
Site Improvements	(172,839)	(46,238)		(219,077)
Machinery and Equipment	(1,423,560)	(95,937)		(1,519,497)
	<u>(6,812,103)</u>	<u>(502,651)</u>		<u>(7,314,754)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 5,881,645</u>	<u>\$ 100,331</u>	<u>\$ -0-</u>	<u>\$ 5,981,976</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 205,393			\$ 205,393
Less Accumulated Depreciation	(172,039)	(6,379)		(178,418)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 33,354</u>	<u>\$ (6,379)</u>	<u>\$ -0-</u>	<u>\$ 26,975</u>



SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 5. CAPITAL ASSETS (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 5,889
Student and Instruction Related Services	11,134
General Administrative Services	6,964
School Administrative Services	6,587
Central Services	232
Plant Operations and Maintenance	16,229
Pupil Transportation	48,902
Unallocated	<u>406,714</u>
	<u>\$ 502,651</u>

NOTE 6: TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2018, the District transferred a net amount of \$12,724 to the capital outlay accounts for equipment which did not require county superintendent approval.

NOTE 7. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2018, the following changes occurred in liabilities reported in the district-wide financial statements:

	<u>Balance</u> <u>6/30/2017</u>	<u>Accrued</u>	<u>Retired</u>	<u>Balance</u> <u>6/30/2018</u>
Compensated Absences Payable	\$ 606,136	\$ 40,204	\$ 30,623	\$ 615,717
Net Pension Liability	<u>9,720,070</u>	<u>                    </u>	<u>2,061,284</u>	<u>7,658,786</u>
	<u>\$ 10,326,206</u>	<u>\$ 40,204</u>	<u>\$ 2,091,907</u>	<u>\$ 8,274,503</u>

A. Bonds Authorized But Not Issued / Bonds Payable:

As of June 30, 2018, the District has no bonds authorized but not issued or bonded debt outstanding.

B. Capital Leases Payable:

As of June 30, 2018, the District has no capital leases payable.

C. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is \$615,717. The liability for compensated absences of the governmental fund types is recorded in the long-term liabilities. The current portion is \$49,760 and \$565,957 is the long-term portion. The General Fund will be used to liquidate the Compensated Absences Payable.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 7. LONG-TERM LIABILITIES (Cont'd)

C. Compensated Absences Payable: (Cont'd)

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 Enterprise Funds.

D. Operating Lease Payable:

The District has a commitment to lease copiers under an operating lease which expires in 2022. Future minimum lease payments are as follows:

<u>Fiscal Year Ending</u>	<u>Amount</u>
June 30, 2019	\$ 35,628
June 30, 2020	35,628
June 30, 2021	35,628
June 30, 2022	<u>29,690</u>
 Total future minimum lease payments	 <u><u>\$ 136,574</u></u>

E. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2018 is \$-0- and the long-term portion is \$7,658,786. See Note 8 for further information on the PERS.

NOTE 8. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Public Employee's Retirement System (PERS) of New Jersey, or the Teachers' Pension and Annuity Fund (TPAF); or the Defined Contribution Retirement Program (DCRP).

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 the PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.nj.gov/treasury/pensions/financial-reports.shtml](http://www.nj.gov/treasury/pensions/financial-reports.shtml).

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS)

Benefits Provided

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:

Tier	Definition
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 to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 with 25 or more years of service credit before age 62 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. 43:15A and requires contributions by active members and contributing members. 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 be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Contributions (Cont'd)

accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$307,366 for fiscal year 2018.

The employee contribution rate was 7.34% effective July 1, 2017. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1<sup>st</sup> to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

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

At June 30, 2018, the District reported a liability of \$7,658,786 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability 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 District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2017, the District's proportion was 0.0329%, which was an increase of 0.00008% from its proportion measured as of June 30, 2016.

For the fiscal year ended June 30, 2018, the District recognized pension expense of \$511,817. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

	<u>Year</u>	<u>Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	2014	6.44	\$ 86,881	
	2015	5.72	365,965	
	2016	5.57	1,090,135	
	2017	5.48		\$ 1,537,324
			<u>1,542,981</u>	<u>1,537,324</u>
Changes in Proportion	2014	6.44		167,890
	2015	5.72		15,096
	2016	5.57	108,763	
	2017	5.48	14,570	
			<u>123,333</u>	<u>182,986</u>
Net Difference Between Projected and Actual				
Investment Earnings on Pension Plan Investments	2014	5	(91,776)	
	2015	5	78,289	
	2016	5	328,256	
	2017	5	(262,619)	
			<u>52,150</u>	
Difference Between Expected and Actual Experience	2015	5.72	101,535	
	2016	5.57	33,083	
	2017	5.48	45,720	
			<u>180,338</u>	
District Contribution Subsequent to the Measurement Date	2017	1	313,238	
			<u>\$ 2,212,040</u>	<u>\$ 1,720,310</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts including changes in proportion and the District contribution subsequent to the measurement date) related to pensions will be recognized in pension expense as follows:

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Fiscal Year Ending June 30,	Total
2018	\$ 180,295
2019	272,070
2020	164,860
2021	(219,265)
2022	(159,815)
	\$ 238,145

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:	
Through 2026	1.65 – 4.15% based on age
Thereafter	2.65 – 5.15% based on age
Investment Rate of Return	7.00%

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

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension 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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Long Term Expected Rate of Return (Cont'd)

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 PERS' target asset allocation as of June 30, 2017 are summarized in the following table:

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

Discount Rate

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2017 calculated using the discount rate as disclosed below, as well as what the 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:

	June 30, 2017		
	1% Decrease (4.00%)	Current Discount Rate (5.00%)	1% Increase (6.00%)
District's proportionate share of the Net Pension Liability	\$ 9,501,244	\$ 7,658,786	\$ 6,123,790

Pension plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

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. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division). For additional information about the TPAF, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.nj.gov/treasury/pensions/financial-reports.shtml](http://www.nj.gov/treasury/pensions/financial-reports.shtml).

Benefits Provided

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. The following represents the membership tiers for TPAF:



SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Benefits Provided (Cont'd)

Tier	Definition
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 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 with 25 or more years of service credit before age 62 and to 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 members. 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 included 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 2018, the State's pension contribution was less than the actuarial determined amount.

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, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do 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, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2018, the State of New Jersey contributed \$1,446,265 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$4,587,389.

The employee contribution rate was 7.34% effective July 1, 2017. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1<sup>st</sup> to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

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

At June 30, 2018, the State's proportionate share of the net pension liability associated with the District was \$66,220,045. 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 District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2017, the District's proportion was 0.098%, which was an increase of .001% from its proportion measured as of June 30, 2016.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	66,220,045
Total	<u>\$ 66,220,045</u>

For the fiscal year ended June 30, 2018, the State recognized pension expense on behalf of the District in the amount of \$4,587,389 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2018 financial statements.

The State reported collective deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	8.5	\$ 1,383,974,317	
	2015	8.3	3,776,126,119	
	2016	8.3	8,218,154,928	
	2017	8.3		\$ 11,684,858,458
				<u>13,378,255,364</u>
Difference Between Expected and Actual Experience	2014	8.5		13,181,413
	2015	8.3	233,218,057	
	2016	8.3		102,199,790
	2017	8.3	207,898,332	
			<u>441,116,389</u>	
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2014	5	(435,309,142)	
	2015	5	385,284,122	
	2016	5	1,295,565,574	
	2017	5	(904,033,050)	
			<u>341,507,504</u>	
			<u>\$ 14,160,879,257</u>	<u>\$ 11,800,239,661</u>

Amounts reported by the State as collective deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense excluding that attributable to employer-paid members contributions as follows:

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Fiscal Year Ending June 30,	Total
2018	\$ 740,341,056
2019	1,175,650,200
2020	983,008,137
2021	551,152,948
2022	624,850,883
Thereafter	(1,714,363,628)
	\$ 2,360,639,596

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 a generational basis based on a 60 years 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 pension 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.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Long Term Expected Rate of Return (Cont'd)

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2017 are summarized in the following table:

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

Discount Rate – TPAF

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

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

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2017 calculated using the discount rate as disclosed above, as well as what the State's 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

	June 30, 2017		
	1% Decrease (3.25%)	Current Discount Rate (4.25%)	1% Increase (5.25%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 78,671,490	\$ 66,220,045	\$ 55,962,490

Pension Plan Fiduciary Net Position - TPAF

Detailed information about the TPAF's fiduciary net position is available in the separately issued TPAF financial statements.

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the District recognized pension expense of \$18,858 for the fiscal year ended June 30, 2018. Employee contributions to DCRP amounted to \$34,573 for the fiscal year ended June 30, 2018.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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NOTE 9. 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. Health benefits are provided through Horizon Blue Cross/Blue Shield of NJ.

Property and Liability Insurance

The Sussex-Wantage Regional School District is a member of the School Alliance Insurance Fund (the "Fund"). This public entity risk management pool provides general liability, property and automobile coverage and workers' compensation for its members. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. The Fund is a risk-sharing public entity risk management pool that is an insured and self-administered group of school boards established for the purpose of providing low-cost insurance for its respective members in order to keep local property taxes to a minimum.

Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Fund are elected.

As a member of this Fund, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities. The Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body.

The audit for the fiscal year ended June 30, 2018 was not available as of the date of this report. Selected, summarized financial information for the Fund as of June 30, 2017 is as follows:

	<u>School Alliance Insurance Fund</u>
Total Assets	\$ 41,637,320
Net Position	\$ 10,127,373
Total Revenue	\$ 41,896,275
Total Expenses	\$ 41,231,917
Change in Net Position	\$ 664,358
Member Dividends	\$ -0-

Financial statements for the Fund are available at the Fund's Executive Director's Office:

Public Entity Group Administrative Services  
51 Everett Drive  
Suite B-40  
West Windsor, NJ 08550  
(609) 275-1155

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

NOTE 9. RISK MANAGEMENT (Cont'd)

New Jersey Unemployment Compensation Insurance

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017-2018	\$ 100,000	\$ 782	\$ 61,652	\$ 58,575	\$ 568,867
2016-2017	100,000	526	102,556	42,939	465,008
2015-2016	100,000	283	41,531	75,870	304,865

NOTE 10. ECONOMIC DEPENDENCY

The Board of Education 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, may have an effect on the Board of Education's programs and activities.

NOTE 11. INTERFUND RECEIVABLES AND PAYABLES

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 167,597	\$ 77,000
Special Revenue Fund		114,881
Food Service Fund		1,371
Care Program Fund		8,142
Unemployment Compensation Trust Fund	77,000	
Payroll Agency Fund		43,203
	<u>\$ 244,597</u>	<u>\$ 244,597</u>

The interfund receivable in the General Fund due from the Payroll Agency Fund relates to interest earnings and other amounts due from the payroll accounts to the General Fund and the interfund receivable in the General Fund due from the Special Revenue Fund represents the negative cash balance in the Special Revenue Fund due to the timing difference between expenditure and reimbursement of grant funds from the State of New Jersey.

The interfund payable in the Food Service Fund due to the General Fund is for equipment repairs paid by the General Fund on behalf of the Food Service Fund in the prior year and the current year, offset by current year subsidy claim reimbursements received in the General Fund and not turned over to the Food Service Fund.

The interfund payable in the Care Program Fund due to the General Fund is for purchased services paid by the General Fund on behalf of the Care Program Fund.



SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

NOTE 11. INTERFUND RECEIVABLES AND PAYABLES (Cont'd)

The interfund receivable in the Unemployment Compensation Trust Fund due from the General Fund is the employer share of unemployment funds due to the Unemployment Compensation Trust Fund from a prior year.

NOTE 12. DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457. The plans, which are administered by the entities listed below, permit 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 403(b) plan administrators are as follows:

Variable Annuity Life (VALIC)	Lincoln Investment Planning
Equitable Life Insurance Company	Lincoln National Life
Metropolitan Life Insurance Company	

Equitable Life Insurance Company is the plan administrator for the District's Internal Revenue Code Section 457 plan.

NOTE 13. TAX CALENDAR

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10.

Taxes are collected by the constituent municipalities and are remitted to the local school district on predetermined mutually agreed-upon schedules.

NOTE 14. COMMITMENTS AND CONTINGENCIES

Grant Programs

The school district participates in state and federally assisted grant programs. The programs are subject to program compliance audits by grantors or their representatives. The school district is potentially liable for expenditures which may be disallowed pursuant to terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

Litigation

The District is periodically involved in pending lawsuits. The District estimates that any potential claims against it resulting from any additional litigation and not covered by insurance would not materially affect the financial position of the District.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

NOTE 14. COMMITMENTS AND CONTINGENCIES (Cont'd)

Encumbrances

At June 30, 2018, there were encumbrances as detailed below in the governmental funds:

General Fund	Special Revenue Fund	Total Governmental Funds
\$ 751,642	\$ 32,275	\$ 783,917

On the District's Governmental Funds Balance Sheet as of June 30, 2018, \$487,014 is assigned for year-end encumbrances in the General Fund, which is \$264,628 less than the actual year-end encumbrances on a budgetary basis. On the GAAP basis, the reduction of fund balance is due to the non-recognition of the final two state aid payments as detailed in Note 1P. On the District's Governmental Funds Balance Sheet as of June 30, 2018, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$32,275 less than the actual year-end encumbrances on a budgetary basis. On the GAAP basis, encumbrances are not recognized until paid and this non-recognition of encumbrances on a GAAP basis is also reflected as either a reduction in grants receivable or an increase in unearned revenue in the Special Revenue Fund.

Additionally, the District had encumbrances payable of \$34,520 for food service equipment as of June 30, 2018 in the Food Service Fund which are not recorded in the Food Service Enterprise Fund financial statements as of June 30, 2018 as the basis of accounting for the Enterprise Funds is the accrual basis of accounting.

NOTE 15. ACCOUNTS PAYABLE

	Governmental Funds		District Contri- bution Subsequent to the Measure- ment Date	Total	Business-Type Activities
	General Fund	Special Revenue Fund		Governmental Activities	Proprietary Funds
Salaries	\$ 36,102			\$ 36,102	\$ 7,235
Vendors	167,386	\$ 31,269		198,655	500
Due to State of New Jersey			\$ 313,238	313,238	
	\$ 203,488	\$ 31,269	\$ 313,238	\$ 547,995	\$ 7,735

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)

General Information about the OPEB Plan

Plan Description and Benefits Provided

The District is in a “special funding situation”, as described in GASB Statement No. 75, in that OPEB contributions and expenses are legally required to be made by and are the sole responsibility of the State of New Jersey, not the District.

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the State Health Benefit Local Education Retired Education 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 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The State Health Benefits Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

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

Employees Covered by Benefit Terms

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

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	142,331
Active Plan Members	<u>223,747</u>
Total	<u><u>366,078</u></u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)  
(Cont'd)

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.

Actuarial Assumptions and Other Inputs

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.

Inflation Rate	2.50%		
	TPAF/ABP	PERS	PFRS
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 MP-2017 scale. Postretirement mortality rates were based on the RP-2014 Headcount-Weighted Health Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2014 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)  
(Cont'd)

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.9% and decreases to a 5.0% long term trend rate after nine years. For self-insured post 65 PPO medical benefits, the trend rate is 4.5%. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long term rate after nine years. For prescription drug benefits, the initial trend rate is 10.5% and decreases to a 5.0% long term 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 rate as chosen by the State of New Jersey Division of Pensions and Benefits. The source is the Bond Buyer Go 20-Bond Municipal bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Changes in the State's Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at June 30, 2016	\$57,831,784,184
Changes for Year:	
Service Cost	2,391,878,884
Interest on the Total OPEB Liability	1,699,441,736
Changes of Assumptions	(7,086,599,129)
Gross Benefit Payments by the State	(1,242,412,566)
Contributions from Members	<u>45,748,749</u>
Net Changes	<u>(4,191,942,326)</u>
Balance at June 30, 2017	<u><u>\$53,639,841,858</u></u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)  
(Cont'd)

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

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2017 and 2016, respectively, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District 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:

	June 30, 2017		
	At 1% Decrease (2.58%)	At Discount Rate (3.58%)	At 1% Increase (4.58%)
Total OPEB Liability Attributable to the District	\$ 78,070,392	\$ 65,767,184	\$ 56,008,162

	June 30, 2016		
	At 1% Decrease (1.85%)	At Discount Rate (2.85%)	At 1% Increase (3.85%)
Total OPEB Liability Attributable to the District	\$ 85,287,033	\$ 71,189,918	\$ 60,093,682

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

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

	June 30, 2017		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 54,087,151	\$ 65,767,184	\$ 81,278,130

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)  
(Cont'd)

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Healthcare Trend Rate (Cont'd)

	June 30, 2016		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 58,413,310	\$ 71,189,918	\$ 88,271,026

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

For the fiscal year ended June 30, 2018 the District recognized OPEB expense of \$3,488,104 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Statement 75, in which there is a special funding situation.

In accordance with GASB Statement 75, as the District's proportionate share of the OPEB liability is \$-0, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2017 the State had deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

NOTE 16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)  
(Cont'd)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB  
(Cont'd)

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,	Total
2018	\$ (742,830,097)
2019	(742,830,097)
2020	(742,830,097)
2021	(742,830,097)
2022	(742,830,097)
Thereafter	(2,629,618,547)
	\$ (6,343,769,032)



SCHEDULES OF REQUIRED  
SUPPLEMENTARY INFORMATION

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST FOUR FISCAL YEARS  
UNAUDITED

	Fiscal Year Ending June 30,		
	2015	2016	2017
District's proportion of the net pension liability	0.0321296257%	0.0319647358%	0.0328190778%
District's proportionate share of the net pension liability	\$ 6,015,545	\$ 7,175,443	\$ 9,720,070
District's covered employee payroll	\$ 2,161,316	\$ 2,205,424	\$ 2,271,942
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	278.33%	325.35%	427.83%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%
			48.10%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF DISTRICT CONTRIBUTIONS  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST FOUR FISCAL YEARS  
UNAUDITED

	Fiscal Year Ending June 30,		
	2015	2016	2017
Contractually required contribution	\$ 264,872	\$ 274,811	\$ 292,386
Contributions in relation to the contractually required contribution	(264,872)	(274,811)	(292,386)
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-
District's covered employee payroll	\$ 2,117,207	\$ 2,161,316	\$ 2,205,424
Contributions as a percentage of covered employee payroll	12.51%	12.71%	13.26%
			13.53%
			307,366
			(307,366)

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF STATE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY ATTRIBUTABLE TO THE DISTRICT  
ASSOCIATED WITH THE DISTRICT  
TEACHERS' PENSION AND ANNUITY FUND  
LAST FOUR FISCAL YEARS  
UNAUDITED

	Fiscal Year Ending June 30,		
	2015	2016	2017
State's proportion of the net pension liability attributable to the District	0.0987102624%	0.0990234474%	0.0967929031%
State's proportionate share of the net pension liability attributable to the District	\$ 52,757,423	\$ 62,587,047	\$ 76,143,460
District's covered employee payroll	\$ 9,723,839	\$ 9,630,467	\$ 10,159,774
State's proportionate share of the net pension liability attributable to the District as a percentage of its covered employee payroll	542.56%	649.89%	749.46%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%
			2018
			0.0982149259%
			\$ 66,220,045
			\$ 10,058,856
			658.33%
			25.41%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF STATE CONTRIBUTIONS  
TEACHERS' PENSION AND ANNUITY FUND  
LAST FOUR FISCAL YEARS  
UNAUDITED

	Fiscal Year Ending June 30,		
	2015	2016	2017
		2016	2017
Contractually required contribution	\$ 2,838,845	\$ 3,821,503	\$ 5,721,122
Contributions in relation to the contractually required contribution	(535,357)	(774,962)	(1,066,097)
Contribution deficiency/(excess)	\$ 2,303,488	\$ 3,046,541	\$ 4,655,025
District's covered employee payroll	9,723,839	9,630,467	10,159,774
Contributions as a percentage of covered employee payroll	5.51%	8.05%	10.49%
			2018
			4,587,389
			(1,446,265)
			\$ 3,141,124
			10,058,856
			14.38%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF CHANGES IN THE STATE'S TOTAL OPEB LIABILITY AND RELATED RATIOS  
LAST TWO FISCAL YEARS  
UNAUDITED

	Fiscal Years Ending	
	June 30, 2016	June 30, 2017
Total OPEB Liability		
Service Cost	\$ 1,723,999,319	\$ 2,391,878,884
Interest Cost	1,823,643,792	1,699,441,736
Changes in Assumptions	8,611,513,521	(7,086,599,129)
Member Contributions	46,273,747	45,748,749
Gross Benefit Payments	<u>(1,223,298,019)</u>	<u>(1,242,412,566)</u>
Net Change in Total OPEB Liability	10,982,132,360	(4,191,942,326)
Total OPEB Liability - Beginning	<u>46,849,651,824</u>	<u>57,831,784,184</u>
Total OPEB Liability - Ending	<u>\$ 57,831,784,184</u>	<u>\$ 53,639,841,858</u>
State's Covered Employee Payroll *	\$ 13,493,400,208	\$ 13,493,400,208
Total OPEB Liability as a Percentage of Covered Employee Payroll	429%	398%

\* - Covered payroll for the fiscal years ending June 30, 2016 and June 30, 2017 is based on the payroll on the June 30, 2016 census data.

Note: This schedule does not contain ten years of information as GASB No. 75 was implemented during the fiscal year ended June 30, 2018.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(UNAUDITED)

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 3.98% as of June 30, 2016 to 5.00% as of June 30, 2017. The municipal bond rate changed from 2.85% to 3.58%. The long-term expected rate of return on pension plan investments changed from 7.65% to 7.00%.

The inflation rate changed from 3.08% as of June 30, 2016 to 2.25% as of June 30, 2017.

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 3.22% as of June 30, 2016 to 4.25% as of June 30, 2017. The municipal bond rate changed from 2.85% to 3.58%. The long-term expected rate of return on pension plan investments changed from 7.65% to 7.00%.

The inflation rate changed from 2.50% as of June 30, 2016 to 2.25% as of June 30, 2017.

State Health Benefit Local Education Retired Employees OPEB Plan

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 2.85% as of June 30, 2016 to 3.58% as of June 30, 2017.

BUDGETARY COMPARISON SCHEDULES



SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 15,130,100		\$ 15,130,100	\$ 15,130,100	\$ 53,045
Tuition from Other LEAs				24,478	24,478
Tuition from Other Governmental Sources within the State				76,485	(3,515)
Transportation Fees	80,000		80,000	208,984	153,949
Unrestricted Miscellaneous Revenues	50,000	\$ 5,035	55,035		
<b>Total - Local Sources</b>	<b>15,260,100</b>	<b>5,035</b>	<b>15,265,135</b>	<b>15,493,092</b>	<b>227,957</b>
State Sources:					
Extraordinary Aid	40,000		40,000	43,465	3,465
Categorical Special Education Aid	773,754		773,754	773,754	
School Choice Aid	43,575		43,575	43,575	
Equalization Aid	5,670,481		5,670,481	5,670,481	
Categorical Security Aid	152,070		152,070	152,070	
Adjustment Aid	181,143		181,143	181,143	
Categorical Transportation Aid	824,394		824,394	824,394	
Non Public Transportation Aid				13,118	13,118
PARCC Readiness Aid	12,260		12,260	12,260	
Per Pupil Growth Aid	12,260		12,260	12,260	
Professional Learning Community Aid	10,440		10,440	10,440	
On-Behalf TPAF Pension Contributions (non-budgeted)				1,446,265	1,446,265
On-Behalf TPAF Non-Contributory Insurance (Non-Budgeted)				35,097	35,097
On-Behalf TPAF Post Retirement Medical Contributions (Non-Budgeted)				956,780	956,780
On-Behalf TPAF Long-Term Disability Insurance Contributions (On-Behalf - Non-Budgeted)				2,560	2,560
Reimbursed TPAF Social Security Contributions (non-budgeted)				720,025	720,025
<b>Total State Sources</b>	<b>7,720,377</b>		<b>7,720,377</b>	<b>10,897,687</b>	<b>3,177,310</b>
Federal Sources:					
Medicaid Reimbursement	34,036		34,036	70,423	36,387
<b>Total Federal Sources</b>	<b>34,036</b>		<b>34,036</b>	<b>70,423</b>	<b>36,387</b>
<b>TOTAL REVENUES</b>	<b>23,014,513</b>	<b>5,035</b>	<b>23,019,548</b>	<b>26,461,202</b>	<b>3,441,654</b>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 485,732	\$ (18,130)	\$ 467,602	\$ 388,363	\$ 79,239
Grades 1-5 - Salaries of Teachers	2,846,018	(71,430)	2,774,588	2,726,952	47,636
Grades 6-8 - Salaries of Teachers	1,870,662	35,501	1,906,163	1,889,909	16,254
Regular Programs - Home Instruction:					
Salaries of Teachers	15,000		15,000	7,289	7,711
Purchased Professional - Educational Services	7,500		7,500		7,500
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	247,473		247,473	209,073	38,400
Purchased Professional - Educational Services	93,448	(25,500)	67,948	51,980	15,968
Purchased Technical Services	5,100		5,100	320	4,780
Other Purchased Services (400-500 Series)	10,000		10,000	4,337	5,663
General Supplies	444,678	(54,117)	390,561	208,532	182,029
Textbooks	4,000	36,025	40,025	508	39,517
Other Objects	30,288		30,288	30,288	
Total Regular Programs - Instruction	6,059,899	(97,651)	5,962,248	5,517,551	444,697
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	220,921		220,921	219,736	1,185
Other Salaries for Instruction	241,442	(2,353)	239,089	152,282	86,807
General Supplies	6,350		6,350	4,630	1,720
Textbooks	300		300		300
Total Learning and/or Language Disabilities	469,013	(2,353)	466,660	376,648	90,012

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Multiple Disabilities:					
Salaries of Teachers	\$ 237,532	\$ 2,353	\$ 239,885	\$ 238,265	\$ 1,620
Other Salaries for Instruction	312,640	128,610	441,250	441,126	124
General Supplies	5,550	1,000	6,550	6,198	352
Total Multiple Disabilities	555,722	131,963	687,685	685,589	2,096
Resource Room/Resource Center:					
Salaries of Teachers	1,629,275	34,612	1,663,887	1,646,046	17,841
Other Salaries for Instruction	32,230	24,751	56,981	40,869	16,112
General Supplies	13,100		13,100	9,110	3,990
Textbooks	1,000		1,000		1,000
Total Resource Room/Resource Center	1,675,605	59,363	1,734,968	1,696,025	38,943
Autism:					
Salaries of Teachers	122,558	(2,919)	119,639	118,008	1,631
Other Salaries for Instruction	165,747	(11,081)	154,666	154,544	122
General Supplies	3,500		3,500	2,293	1,207
Total Autism	291,805	(14,000)	277,805	274,845	2,960
Preschool Handicapped - Part Time:					
Salaries of Teachers	144,638	3,044	147,682	147,682	
Other Salaries for Instruction	166,049	(86,646)	79,403	65,456	13,947
General Supplies	5,650	(1,000)	4,650	1,753	2,897
Total Preschool Handicapped - Part Time	316,337	(84,602)	231,735	214,891	16,844
Home Instruction:					
Salaries of Teachers	5,000	3,554	8,554	8,554	
Total Home Instruction	5,000	3,554	8,554	8,554	
Total Special Education Instruction	3,313,482	93,925	3,407,407	3,256,552	150,855

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	\$ 180,974	\$ 13,000	\$ 193,974	\$ 168,303	\$ 25,671
General Supplies	4,500		4,500	1,727	2,773
Total Basic Skills/Remedial - Instruction	<u>185,474</u>	<u>13,000</u>	<u>198,474</u>	<u>170,030</u>	<u>28,444</u>
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	92,872		92,872	75,037	17,835
Purchased Services (300-500 Series)	13,000		13,000	4,229	8,771
Supplies and Materials	20,000	2,500	22,500	22,073	427
Total School-Sponsored Cocurricular Activities - Instruction	<u>125,872</u>	<u>2,500</u>	<u>128,372</u>	<u>101,339</u>	<u>27,033</u>
Other Supplemental At Risk Programs Instruction					
Salaries of Reading Specialists	85,089	112,645	197,734	173,716	24,018
Purchased Professional & Technical Services	53,550	(53,550)			
General Supplies	500		500	164	336
Total Other Supplemental At risk Programs Instruction	<u>139,139</u>	<u>59,095</u>	<u>198,234</u>	<u>173,880</u>	<u>24,354</u>
Other Alternative Education Programs Instruction					
Salaries of Teachers	70,604		70,604	60,857	9,747
General Supplies	2,650		2,650	597	2,053
Total Other Alternative Education Programs Instruction	<u>73,254</u>		<u>73,254</u>	<u>61,454</u>	<u>11,800</u>
<b>Total Instruction</b>	<u>9,897,120</u>	<u>70,869</u>	<u>9,967,989</u>	<u>9,280,806</u>	<u>687,183</u>
<b>Undistributed Expenditures:</b>					
Instruction:					
Tuition to Other LEAs Within the State - Special		101,785	101,785	101,785	
Tuition to Private Schools for the Handicapped - Within State	232,392	(101,785)	130,607	8,465	122,142
Tuition to State Facilities	32,952		32,952	32,952	
Total Undistributed Expenditures - Instruction:	<u>265,344</u>		<u>265,344</u>	<u>143,202</u>	<u>122,142</u>
Attendance and Social Work:					
Salaries of Drop-Out Prevention Officer/Coordinator	2,500		2,500	220	2,280
Total Attendance and Social Work	<u>2,500</u>		<u>2,500</u>	<u>220</u>	<u>2,280</u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Health Services:					
Salaries	\$ 233,837		\$ 233,837	\$ 231,716	\$ 2,121
Purchased Professional and Technical Services	2,500		2,500	5,000	2,500
Other Purchased Services (400-500 Series)	5,000		5,000		
Supplies and Materials	8,837		8,837	6,719	2,118
Other Objects	5,790		5,790	928	4,862
Total Health Services	255,964		255,964	244,363	11,601
Speech, OT, PT and Related Services:					
Salaries	449,908	\$ 7,737	457,645	448,965	8,680
Purchased Professional - Educational Services	140,574	(8,762)	131,812	37,190	94,622
Supplies and Materials	5,669	1,025	6,694	6,093	601
Total Speech, OT, PT and Related Services	596,151		596,151	492,248	103,903
Other Support Services - Guidance:					
Salaries of Other Professional Staff	264,554		264,554	225,825	38,729
Total Other Support Services - Guidance	264,554		264,554	225,825	38,729
Other Support Services - Child Study Team:					
Salaries of Other Professional Staff	876,867		876,867	851,266	25,601
Salaries of Secretarial and Clerical Assistants	117,635		117,635	113,135	4,500
Purchased Professional - Educational Services	18,645		18,645	17,995	650
Total Other Support Services - Child Study Team	1,013,147		1,013,147	982,396	30,751
Educational Media Services/School Library:					
Salaries	240,306	(18,833)	221,473	202,948	18,525
Salaries of Technology Coordinators	97,509		97,509	78,338	19,171
Supplies and Materials	138,846		138,846	84,318	54,528
Total Educational Media Services/School Library	476,661	(18,833)	457,828	365,604	92,224

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Instructional Staff Training Services:					
Salaries of Supervisors of Instruction	\$ 129,379		\$ 129,379	\$ 129,379	
Salaries of Secretarial and Clerical Assistants	19,414	\$ 404	19,818	19,818	
Purchased Professional - Educational Services	87,400	(404)	86,996	53,675	\$ 33,321
Supplies and Materials	6,273		6,273	1,582	4,691
Other Objects	1,965		1,965	879	1,086
<b>Total Instructional Staff Training Services</b>	<b>244,431</b>		<b>244,431</b>	<b>205,333</b>	<b>39,098</b>
Support Services - General Administration:					
Salaries	223,888	(8,000)	215,888	207,485	8,403
Legal Services	50,000		50,000	45,420	4,580
Audit Fees	63,750		63,750	30,000	33,750
Architectural/Engineering Services	6,224	(1,674)	4,550		4,550
Other Purchased Professional Services	35,940	2,504	38,444	38,444	
Purchased Technical Services	6,000	682	6,682	6,682	
Communications/Telephone	77,848	(672)	77,176	74,951	2,225
Other Purchased Services (400-500 Series)	38,404	324	38,728	34,728	4,000
General Supplies	5,313	(331)	4,982	2,745	2,237
BOE In-house Training/Meeting Supplies	500	(500)			
Judgements Against the School District		29,826	29,826	26,218	3,608
Miscellaneous Expenditures	19,589	3,000	22,589	20,782	1,807
BOE Membership Dues and Fees	12,000	(334)	11,666	11,666	
<b>Total Support Services - General Administration</b>	<b>539,456</b>	<b>24,825</b>	<b>564,281</b>	<b>499,121</b>	<b>65,160</b>
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	436,567		436,567	436,567	
Salaries of Secretarial and Clerical Assistants	247,420		247,420	239,624	7,796
Supplies and Materials	29,700		29,700	23,036	6,664
Other Objects	26,163		26,163	21,409	4,754
<b>Total Support Services - School Administration</b>	<b>739,850</b>		<b>739,850</b>	<b>720,636</b>	<b>19,214</b>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
Central Services:					
Salaries	\$ 294,271		\$ 294,271	\$ 294,152	\$ 119
Purchased Professional Services	10,450	(1,838)	8,612	4,360	4,252
Supplies and Materials	5,000	1,838	6,838	6,283	555
Miscellaneous Expenditures	4,180		4,180	1,240	2,940
<b>Total Central Services</b>	<b>313,901</b>		<b>313,901</b>	<b>306,035</b>	<b>7,866</b>
Administrative Information Technology:					
Salaries	94,153		94,153	94,062	91
Purchased Professional Services	77,990	25,500	103,490	54,708	48,782
Supplies and Materials	20,053	9,005	29,058	21,882	7,176
Other Objects	10,000		10,000	63	9,937
<b>Total Administrative Information Technology</b>	<b>202,196</b>	<b>34,505</b>	<b>236,701</b>	<b>170,715</b>	<b>65,986</b>
Required Maintenance of School Facilities:					
Salaries	341,189		341,189	320,873	20,316
Cleaning, Repair and Maintenance Services	123,605	(20,290)	103,315	80,596	22,719
General Supplies	84,000	(1,440)	82,560	35,409	47,151
<b>Total Required Maintenance of School Facilities</b>	<b>548,794</b>	<b>(21,730)</b>	<b>527,064</b>	<b>436,878</b>	<b>90,186</b>
Custodial Services:					
Salaries	407,386	53,441	460,827	460,409	418
Salaries of Non-Instructional Aides	53,441	(53,441)			
Cleaning, Repair and Maintenance Services	239,272	(3,200)	236,072	151,828	84,244
Other Purchased Property Services	126,350		126,350	100,087	26,263
Insurance	120,311	4,813	125,124	125,124	
Miscellaneous Purchased Services	94,902	(1,675)	93,227	77,751	15,476
General Supplies	57,854	1,675	59,529	58,662	867
Energy (Electricity)	190,131	(35,071)	155,060	109,207	45,853
Energy (Natural Gas)	160,000	30,131	190,131	170,604	19,527
Other Objects	14,840		14,840	9,001	5,839
<b>Total Custodial Services</b>	<b>1,464,487</b>	<b>(3,327)</b>	<b>1,461,160</b>	<b>1,262,673</b>	<b>198,487</b>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Security:					
Salaries	\$ 7,940	\$ 7,940	\$ 7,940	\$ 7,940	\$ 24
Other Objects	200	200	200	176	
Total Security	8,140	8,140	8,140	8,116	24
Student Transportation Services:					
Salaries of Non-Instructional Aides	\$ 106,851	(3,010)	103,841	93,488	10,353
Salaries for Pupil Transportation (Between Home & School) - Regular	349,362	3,010	352,372	352,372	
Other Purchased Professional and Technical Services	7,750		7,750	3,942	3,808
Cleaning, Repair and Maintenance Services	40,000	2,000	42,000	35,579	6,421
Rental Payments - School Buses	10,000		10,000		10,000
Contracted Services:					
Between Home and School - Vendors	638,801	17,126	655,927	655,927	
Other Between Home and School - Vendors	72,498	4,100	76,598	70,138	6,460
Between Home and School - Joint Agreements	25,892		25,892		25,892
Special Education Students - Joint Agreements	316,161	(33,226)	282,935	116,452	166,483
Aid in Lieu Payments - Nonpublic School	30,940		30,940	30,438	502
Transportation Supplies	95,000		95,000	72,413	22,587
Other Objects	49,000		49,000	23,259	25,741
Total Student Transportation Services	1,742,255	(10,000)	1,732,255	1,454,008	278,247
Unallocated Benefits:					
Social Security Contributions	375,000		375,000	342,202	32,798
Other Retirement Contribution - PERS	325,398	(18,032)	307,366	307,366	
Unemployment Compensation	100,000		100,000	100,000	
Workmen's Compensation	212,944	(11,607)	201,337	197,484	3,853
Health Benefits	3,861,151		3,861,151	3,422,689	438,462
Tuition Reimbursement	72,061	1	72,062	65,394	6,668
Other Employee Benefits	37,250	29,049	66,299	66,299	
Unused Sick Payments to Terminated/Retired Staff	29,049	(29,049)			
Total Unallocated Benefits	5,012,853	(29,638)	4,983,215	4,501,434	481,781



SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE</b>					
On-Behalf and Reimbursed Benefits:					
On-Behalf TPAF Pension Contributions (non-budgeted)				\$ 1,446,265	\$ (1,446,265)
On-Behalf TPAF Non-Contributory Insurance (Non-Budgeted)				35,097	(35,097)
On-Behalf TPAF Post Retirement Medical Contributions (Non-Budgeted)				956,780	(956,780)
On-Behalf TPAF Long-Term Disability Insurance Contributions (On-Behalf - Non-Budgeted)				2,560	(2,560)
Reimbursed TPAF Social Security Contributions (non-budgeted)				720,025	(720,025)
Total On-Behalf and Reimbursed Benefits				3,160,727	(3,160,727)
Total Undistributed Expenses	\$ 13,682,544	\$ (16,058)	\$ 13,666,486	15,179,534	(1,513,048)
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>23,579,664</b>	<b>54,811</b>	<b>23,634,475</b>	<b>24,460,340</b>	<b>(825,865)</b>
<b>CAPITAL OUTLAY:</b>					
Equipment:					
School Administration	7,900	1,439	9,339	9,339	
Administrative Information Technology	60,000	(9,005)	50,995	50,995	
Required Maintenance for School Facilities	9,787	20,290	30,077	30,077	
Total Equipment	77,687	12,724	90,411	90,411	
Facilities Acquisition and Construction Services:					
Construction Services	1,098,719	(1,500)	1,097,219	450,057	647,162
Other Purchased Professional/Technical Services	2,027	(2,027)			
Architectural/Engineering Services	119,500	5,220	124,720	109,415	15,305
General Supplies	1,693	(1,693)			
Assessment for Debt Service on SDA Funding	1,273		1,273	1,273	
Total Facilities Acquisition and Construction Services	1,223,212		1,223,212	560,745	662,467
<b>TOTAL CAPITAL OUTLAY</b>	<b>1,300,899</b>	<b>12,724</b>	<b>1,313,623</b>	<b>651,156</b>	<b>662,467</b>
Transfer of Funds to Charter Schools	662,010	(62,500)	599,510	570,457	29,053
<b>TOTAL EXPENDITURES</b>	<b>25,542,573</b>	<b>5,035</b>	<b>25,547,608</b>	<b>25,681,953</b>	<b>(134,345)</b>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	\$ (2,528,060)		\$ (2,528,060)	\$ 779,249	\$ 3,307,309
Fund Balance, July 1	5,140,564		5,140,564	5,140,564	
Fund Balance, June 30	<u>\$ 2,612,504</u>	<u>\$ -0-</u>	<u>\$ 2,612,504</u>	<u>\$ 5,919,813</u>	<u>\$ 3,307,309</u>
<u>Recapitulation:</u>					
Restricted:					
Excess Surplus - Restricted for 2019-2020				\$ 1,462,494	
Excess Surplus - Restricted for 2018-2019				1,079,316	
Capital Reserve				2,128,277	
Assigned:					
Year-End Encumbrances				751,642	
Designated for Subsequent Year's Expenditures				31,076	
Unassigned				<u>467,008</u>	
				<u>5,919,813</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payments not Recognized on GAAP Basis				<u>(762,712)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 5,157,101</u>	

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
State Sources	\$ 102,315	\$ 2,198	\$ 104,513	\$ 66,973	\$ (37,540)
Federal Sources	625,563	239,953	865,516	750,518	(114,998)
<b>Total Revenues</b>	<u>727,878</u>	<u>242,151</u>	<u>970,029</u>	<u>817,491</u>	<u>(152,538)</u>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	91,772		91,772	91,772	
Other Salaries for Instruction	31,451		31,451	31,451	
Purchased Professional - Educational Services	126,747	(14,229)	112,518	97,293	15,225
Tuition	195,000	105,000	300,000	275,979	24,021
General Supplies	16,116	17,316	33,432	19,156	14,276
Textbooks	5,591	(3)	5,588	5,527	61
<b>Total Instruction</b>	<u>435,226</u>	<u>139,535</u>	<u>574,761</u>	<u>521,178</u>	<u>53,583</u>
Support Services:					
Salaries of Other Professional Staff	84,894	(16,526)	68,368	66,166	2,202
Salaries of Non-Instructional Aides - Transportation		3,770	3,770	3,770	
Personal Services - Employee Benefits	25,696	3,432	29,128	28,908	220
Purchased Professional/Educational Services	140,199	(100,122)	40,077	25,189	14,888
Purchased Professional and Technical Services	41,863	211,719	253,582	172,280	81,302
Supplies and Materials		343	343		343
<b>Total Support Services</b>	<u>292,652</u>	<u>102,616</u>	<u>395,268</u>	<u>296,313</u>	<u>98,955</u>
<b>Total Expenditures</b>	<u>\$ 727,878</u>	<u>\$ 242,151</u>	<u>\$ 970,029</u>	<u>\$ 817,491</u>	<u>\$ 152,538</u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 26,461,202	\$ 817,491
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue While the GAAP Basis Does Not:		
Prior Year Encumbrances		2,500
Current Year Encumbrances		(32,275)
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	773,719	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(762,712)</u>	
 Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	 <u>\$ 26,472,209</u>	 <u>\$ 787,716</u>
 Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 25,681,953	\$ 817,491
Differences - Budget to GAAP		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes:		
Prior Year Encumbrances		2,500
Current Year Encumbrances		<u>(32,275)</u>
 Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	 <u>\$ 25,681,953</u>	 <u>\$ 787,716</u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED

Annual appropriated budgets are prepared in the spring of each year for the general and special revenue funds. The budget for the fiscal year ending June 30, 2018, was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the 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 revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The general fund budgetary revenue differs from the GAAP revenue due to a difference in the recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

SCHOOL LEVEL SCHEDULES  
(NOT APPLICABLE)

SPECIAL REVENUE FUND

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Elementary and Secondary Education				IDEA Part B		Nonpublic Textbook Aid
	Title I	Title II	Title IV	Preschool	Basic		
<b>REVENUE:</b>							
State Sources							
Federal Sources	\$ 194,219	\$ 36,249	\$ 8,597	\$ 20,405	\$ 474,048	\$ 5,527	
Total Revenue	194,219	36,249	8,597	20,405	474,048	5,527	
<b>EXPENDITURES:</b>							
Instruction:							
Salaries of Teachers	91,772						
Other Salaries for Instruction			1,788	19,821	74,001		
Purchased Professional/Educational Services					275,979		
Tuition					2,055		
General Supplies	6,623			584			
Textbooks							5,527
Total Instruction	98,395		1,788	20,405	352,035		5,527
Support Services:							
Salaries of Other Professional Staff	66,166						
Salaries of Non-Instructional Aides - Transportation							
Personal Services - Employee Benefits	28,908						
Purchased Professional/Educational Services	750	36,249	6,809		122,013		
Purchased Professional and Technical Services							
Total Support Services	95,824	36,249	6,809		122,013		
Total Expenditures	\$ 194,219	\$ 36,249	\$ 8,597	\$ 20,405	\$ 474,048	\$ 5,527	



SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Nonpublic Security Aid	Nonpublic Technology Aid	Chapter 192 Auxiliary Aid Compensatory Education	Examination and Classification	Chapter 193 Nonpublic Handicapped Aid Supplementary Instruction	Corrective Speech
REVENUE:						
State Sources	\$ 8,354	\$ 1,540	\$ 11,958	\$ 14,563	\$ 10,626	\$ 7,946
Federal Sources						
Total Revenue	<u>8,354</u>	<u>1,540</u>	<u>11,958</u>	<u>14,563</u>	<u>10,626</u>	<u>7,946</u>
EXPENDITURES:						
Instruction:						
Salaries of Teachers						
Other Salaries for Instruction			11,958			7,946
Purchased Professional/Educational Services						
Tuition						
General Supplies	8,354	1,540				
Textbooks						
Total Instruction	<u>8,354</u>	<u>1,540</u>	<u>11,958</u>			<u>7,946</u>
Support Services:						
Salaries of Other Professional Staff						
Salaries of Non-Instructional Aides - Transportation						
Personal Services - Employee Benefits				14,563	10,626	
Purchased Professional/Educational Services						
Purchased Professional and Technical Services						
Total Support Services				<u>14,563</u>	<u>10,626</u>	
Total Expenditures	<u>\$ 8,354</u>	<u>\$ 1,540</u>	<u>\$ 11,958</u>	<u>\$ 14,563</u>	<u>\$ 10,626</u>	<u>\$ 7,946</u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

REVENUE:			
State Sources			
Federal Sources	\$ 6,459	\$ 17,000	\$ 66,973
Total Revenue	<u>6,459</u>	<u>17,000</u>	<u>817,491</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers			91,772
Other Salaries for Instruction		11,630	31,451
Purchased Professional/Educational Services		1,600	97,293
Tuition			275,979
General Supplies			19,156
Textbooks			5,527
Total Instruction		<u>13,230</u>	<u>521,178</u>
Support Services:			
Salaries of Other Professional Staff			66,166
Salaries of Non-Instructional Aides - Transportation		3,770	3,770
Personal Services - Employee Benefits			28,908
Purchased Professional/Educational Services	6,459		25,189
Purchased Professional and Technical Services			172,280
Total Support Services	<u>6,459</u>	<u>3,770</u>	<u>296,313</u>
Total Expenditures	<u>\$ 6,459</u>	<u>\$ 17,000</u>	<u>\$ 817,491</u>

CAPITAL PROJECTS FUND

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
SUMMARY SCHEDULE OF REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGETARY BASIS  
CAPITAL PROJECTS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Fund Balance - Beginning	<u>\$ 27,637</u>
Fund Balance - Ending	<u><u>\$ 27,637</u></u>
 <u>Recapitulation:</u>	
Committed:	
Other Purposes	<u>\$ 27,637</u>
Fund Balance per Governmental Funds (GAAP)	<u><u>\$ 27,637</u></u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUE, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
SOLAR PANEL PROJECT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Project Authorization</u>
Revenue and Other Financing Sources:				
Contribution from Private Source	\$ 70,680		\$ 70,680	\$ 70,680
Total Revenue and Other Financing Sources	70,680		70,680	70,680
Expenditures:				
Purchased Professional and Technical Services	43,043		43,043	70,680
Total Expenditures	43,043	-0-	43,043	70,680
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under)Expenditures	<u>\$ 27,637</u>	<u>\$ -0-</u>	<u>\$ 27,637</u>	<u>\$ -0-</u>
Additional Project Information:				
Project Number(s)	N/A			
Grant Date(s)	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 20,000			
Additional Funds	\$ 50,680			
Revised Authorized Cost	<u>\$ 70,680</u>			
Change Order Percentage	253.40%			
Percentage Completion	60.90%			
Original Target Completion Date	06/30/13			
Revised Target Completion Date	06/30/19			

PROPRIETARY FUNDS

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
ENTERPRISE FUND  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2018

	<u>Major Fund</u>	<u>Non-Major</u> <u>Fund</u>	
	<u>Food</u> <u>Service</u>	<u>Care Program</u>	<u>Total</u>
<b>ASSETS:</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 124,327	\$ 184,924	\$ 309,251
Intergovernmental Accounts Receivable:			
State	312		312
Federal	12,850		12,850
Other Accounts Receivable	5,509		5,509
Inventories	16,987		16,987
Total Current Assets	<u>159,985</u>	<u>184,924</u>	<u>344,909</u>
Non-Current Assets:			
Capital Assets	205,393		205,393
Accumulated depreciation	(178,418)		(178,418)
Total Non-Current Assets	<u>26,975</u>		<u>26,975</u>
Total Assets	<u>186,960</u>	<u>184,924</u>	<u>371,884</u>
<b>LIABILITIES:</b>			
Current Liabilities:			
Accounts Payable - Vendors	500		500
Accounts Payable - Other		7,235	7,235
Interfund Payable	1,371	8,142	9,513
Unearned Revenue - Donated Commodities	5,342		5,342
Unearned Revenue - Prepaid Sales	2,276	5,651	7,927
Total Current Liabilities	<u>9,489</u>	<u>21,028</u>	<u>30,517</u>
<b>NET POSITION:</b>			
Investment in Capital Assets	26,975		26,975
Unrestricted	150,496	163,896	314,392
Total Net Position	<u>\$ 177,471</u>	<u>\$ 163,896</u>	<u>\$ 341,367</u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
ENTERPRISE FUND  
COMBINING STATEMENT OF REVENUE, EXPENSES  
AND CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Major Fund Food Service	Non-Major Fund Care Program	Total
Operating Revenue:			
Local Sources:			
Daily Sales - Reimbursable Programs	\$ 118,814		\$ 118,814
Daily Sales - Non Reimbursable Programs	34,251		34,251
Child Care Fees		\$ 142,356	142,356
Total Operating Revenue	<u>153,065</u>	<u>142,356</u>	<u>295,421</u>
Operating Expenses:			
Cost of Goods Sold - Reimbursable Programs	112,774		112,774
Cost of Goods Sold - Non-Reimbursable Programs	32,510		32,510
Salaries	112,512	163,482	275,994
Employee Benefits and Payroll Taxes	25,993		25,993
Purchased Services	13,715	9,587	23,302
Supplies and Materials	19,141	682	19,823
Depreciation	6,379		6,379
Other		834	834
Total Operating Expenses	<u>323,024</u>	<u>174,585</u>	<u>497,609</u>
Operating Loss	<u>(169,959)</u>	<u>(32,229)</u>	<u>(202,188)</u>
Non-Operating Revenue:			
State Sources:			
State School Lunch Program	3,505		3,505
Federal Sources:			
National School Lunch Program	120,828		120,828
School Breakfast Program	23,719		23,719
Food Distribution Program	25,127		25,127
Local Sources:			
Interest Revenue	295		295
Total Non-Operating Revenue	<u>173,474</u>		<u>173,474</u>
Change in Net Position	3,515	(32,229)	(28,714)
Net Position - Beginning of Year	<u>173,956</u>	<u>196,125</u>	<u>370,081</u>
Net Position - End of Year	<u>\$ 177,471</u>	<u>\$ 163,896</u>	<u>\$ 341,367</u>



SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
ENTERPRISE FUND  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Major Fund Food Service	Non-Major Fund Care Program	Total
Cash Flows for Operating Activities:			
Receipts from Customers	\$ 153,175	\$ 140,860	\$ 294,035
Payments for Salaries, Payroll Taxes and Benefits	(138,505)	(156,247)	(294,752)
Payments to Suppliers	(157,346)	(11,103)	(168,449)
Net Cash Used for Operating Activities	(142,676)	(26,490)	(169,166)
Cash Flows for Noncapital Financing Activities:			
Federal and State Sources Received in Food Service Fund	127,639		127,639
Net Cash Provided by Noncapital Financing Activities	127,639		127,639
Cash Flows from Investing Activities:			
Interest on Investments	295		295
Net Cash Provided by Investing Activities	295		295
Net (Decrease) in Cash and Cash Equivalents	(14,742)	(26,490)	(41,232)
Cash and Cash Equivalents, July 1	139,069	211,414	350,483
Cash and Cash Equivalents, June 30	\$ 124,327	\$ 184,924	\$ 309,251
Reconciliation of Operating Loss to Net Cash Used for Operating Activities			
Operating Loss	\$ (169,959)	\$ (32,229)	\$ (202,188)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:			
Depreciation	6,379		6,379
Food Distribution Program	25,127		25,127
Changes in Assets and Liabilities:			
(Increase) in Inventory	(8,184)		(8,184)
(Increase) in Other Accounts Receivable	(2,232)		(2,232)
Increase/(Decrease) in Accounts Payable	(124)	7,235	7,111
Increase in Unearned Revenue - Donated Commodities	1,217		1,217
Increase/(Decrease) in Unearned Revenue - Prepaid Sales	110	(7,007)	(6,897)
Increase in Interfund Payable	4,990	5,511	10,501
Net Cash Used for Operating Activities	\$ (142,676)	\$ (26,490)	\$ (169,166)

Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$26,344 and utilized commodities valued at \$25,127 for the fiscal year ended June 30, 2018.

FIDUCIARY FUNDS

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2018

	<u>Agency</u>		<u>Total</u>	<u>Unemployment</u>
	<u>Payroll</u>	<u>Student Activity</u>	<u>Agency Funds</u>	<u>Compensation Trust</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 772,000	\$ 105,274	\$ 877,274	\$ 491,867
Interfund Receivable - General Fund				77,000
Total Assets	772,000	105,274	877,274	568,867
<u>LIABILITIES:</u>				
Payroll Deductions and Withholdings	126,765		126,765	
Interfund Payable - General Fund	43,203		43,203	
Accrued Salaries and Wages	602,032		602,032	
Due to Student Groups		105,274	105,274	
Total Liabilities	772,000	105,274	877,274	
<u>NET POSITION:</u>				
Held in Trust for Unemployment Claims				568,867
Total Net Position	\$ -0-	\$ -0-	\$ -0-	\$ 568,867

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Unemployment Compensation Trust</u>
<b>ADDITIONS:</b>	
Contributions:	
Employer Contributions	\$          100,000
Employee Contributions	61,652
Total Contributions	161,652
Investment Earnings:	
Interest	782
Net Investment Earnings	782
Total Additions	162,434
<b>DEDUCTIONS:</b>	
Quarterly Contribution Reports/Unemployment Claims	58,575
Total Deductions	58,575
Change in Net Position	103,859
Net Position - Beginning of the Year	465,008
Net Position - End of the Year	\$              568,867

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>
<b><u>ASSETS:</u></b>				
Cash and Cash Equivalents	\$ 102,083	\$ 146,488	\$ 143,297	\$ 105,274
Total Assets	<u>\$ 102,083</u>	<u>\$ 146,488</u>	<u>\$ 143,297</u>	<u>\$ 105,274</u>
<b><u>LIABILITIES:</u></b>				
Liabilities:				
Due to Student Groups	\$ 102,083	\$ 146,488	\$ 143,297	\$ 105,274
Total Liabilities	<u>\$ 102,083</u>	<u>\$ 146,488</u>	<u>\$ 143,297</u>	<u>\$ 105,274</u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 723,497	\$ 25,570,384	\$ 25,521,881	\$ 772,000
Total Assets	<u>\$ 723,497</u>	<u>\$ 25,570,384</u>	<u>\$ 25,521,881</u>	<u>\$ 772,000</u>
<u>LIABILITIES:</u>				
Payroll Deductions and Withholdings	\$ 135,042	\$ 24,944,971	\$ 24,953,248	\$ 126,765
Interfund Payable - General Fund	14,437	28,766		43,203
Accrued Salaries and Wages	574,018	596,647	568,633	602,032
Total Liabilities	<u>\$ 723,497</u>	<u>\$ 25,570,384</u>	<u>\$ 25,521,881</u>	<u>\$ 772,000</u>

LONG-TERM DEBT  
(NOT APPLICABLE)

**STATISTICAL SECTION**  
**(UNAUDITED)**

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the District's overall financial health.

**Contents**

**Exhibit**

**Financial Trends**

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

J-1 thru J-5

**Revenue Capacity**

These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.

J-6 thru J-9

**Debt Capacity**

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

J-10 thru J-13

**Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.

J-14 thru J-15

**Operating Information**

These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.

J-16 thru J-20

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.



SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NET POSITION BY COMPONENT,  
LAST TEN FISCAL YEARS  
UNAUDITED  
(Accrual Basis of Accounting)

	June 30,				
	2009	2010	2011	2012	2013
<b>Governmental Activities</b>					
Net Investment in Capital Assets	\$ 3,770,320	\$ 4,100,593	\$ 4,085,016	\$ 4,171,393	\$ 4,541,835
Restricted	504,187	295,451	57,896	783,856	2,015,681
Unrestricted/(Deficit)	(971,520)	(1,268,685)	(659,916)	(222,561)	(471,386)
Total Governmental Activities Net Position	<u>\$ 3,302,987</u>	<u>\$ 3,127,359</u>	<u>\$ 3,482,996</u>	<u>\$ 4,732,688</u>	<u>\$ 6,086,130</u>
<b>Business-type Activities</b>					
Investment in Capital Assets	\$ 19,451	\$ 10,103	\$ 14,124	\$ 11,852	\$ 54,554
Unrestricted	218,752	260,900	270,217	294,664	267,452
Total Business-type Activities Net Position	<u>\$ 238,203</u>	<u>\$ 271,003</u>	<u>\$ 284,341</u>	<u>\$ 306,516</u>	<u>\$ 322,006</u>
<b>District-wide</b>					
Net Investment in Capital Assets	\$ 3,789,771	\$ 4,110,696	\$ 4,099,140	\$ 4,183,245	\$ 4,596,389
Restricted	504,187	295,451	57,896	783,856	2,015,681
Unrestricted/(Deficit)	(752,768)	(1,007,785)	(389,699)	72,103	(203,934)
Total District Net Position	<u>\$ 3,541,190</u>	<u>\$ 3,398,362</u>	<u>\$ 3,767,337</u>	<u>\$ 5,039,204</u>	<u>\$ 6,408,136</u>

Source: School District Financial Reports

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT

NET POSITION BY COMPONENT,

LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)

	June 30,				
	2014	2015	2016	2017	2018
<b>Governmental Activities</b>					
Net Investment in Capital Assets	\$ 4,426,455	\$ 4,669,704	\$ 5,360,753	\$ 5,881,645	\$ 5,981,976
Restricted	2,785,800	3,429,754	3,691,146	4,111,516	4,670,087
Unrestricted/(Deficit)	(6,932,568)	(6,651,551)	(7,024,574)	(7,596,477)	(7,581,360)
Total Governmental Activities Net Position	\$ 279,687	\$ 1,447,907	\$ 2,027,325	\$ 2,396,684	\$ 3,070,703
<b>Business-type Activities</b>					
Investment in Capital Assets	\$ 45,434	\$ 44,334	\$ 36,263	\$ 33,354	\$ 26,975
Unrestricted	291,349	320,376	350,610	336,727	314,392
Total Business-type Activities Net Position	\$ 336,783	\$ 364,710	\$ 386,873	\$ 370,081	\$ 341,367
<b>District-wide</b>					
Net Investment in Capital Assets	\$ 4,471,889	\$ 4,714,038	\$ 5,397,016	\$ 5,914,999	\$ 6,008,951
Restricted	2,785,800	3,429,754	3,691,146	4,111,516	4,670,087
Unrestricted/(Deficit)	(6,641,219)	(6,331,175)	(6,673,964)	(7,259,750)	(7,266,968)
Total District Net Position	\$ 616,470	\$ 1,812,617	\$ 2,414,198	\$ 2,766,765	\$ 3,412,070

Source: School District Financial Reports

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,			
	2009	2010	2011	2012
	2009	2010	2011	2012
Expenses				
Governmental activities				
Instruction:				
Regular	\$ 8,686,521	\$ 9,282,440	\$ 8,175,506	\$ 8,149,112
Special Education	5,156,734	5,619,874	5,694,972	5,727,953
Other Special Instruction	485,638	405,347	242,415	464,341
School Sponsored/Other Instruction	351,185	439,234	71,528	105,493
Support Services:				
Tuition	326,969	152,192	271,620	257,397
Student & Instruction Related Services	3,069,196	3,224,294	3,065,680	3,068,148
General Administrative Services	620,198	369,281	506,152	524,771
School Administrative Services	1,082,295	925,112	929,181	1,022,110
Central Services	366,723	403,258	383,641	305,373
Administrative Information Technology	201,549	183,970	185,099	283,268
Plant Operations and Maintenance	1,966,154	2,050,404	1,906,119	1,859,114
Pupil Transportation	1,887,345	1,977,677	1,886,187	1,966,495
Transfer of Funds to Charter School	218,180	365,959	548,659	445,150
Interest on Long-term Debt	312			
Unallocated Depreciation	185,133	208,287	212,038	214,594
Capital Outlay			1,034	
Total Governmental Activities Expenses	24,604,132	25,607,329	24,079,831	24,393,319
				24,713,524

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)  
(Continued)

	Fiscal Year Ending June 30,				
	2009	2010	2011	2012	2013
Business-type Activities:					
Food Service	\$ 414,776	\$ 404,179	\$ 383,217	\$ 399,442	\$ 394,381
Care Program	144,124	144,834	119,857	164,276	131,740
Total Business-type Activities Expense	558,900	549,013	503,074	563,718	526,121
Total District Expenses	\$ 25,163,032	\$ 26,156,342	\$ 24,582,905	\$ 24,957,037	\$ 25,239,645
Program Revenues:					
Governmental Activities:					
Charges for Services:					
Instruction (Tuition)	\$ 81,398	\$ 89,441	\$ 114,146	\$ 153,395	\$ 144,656
Transportation Fees			4,270	48,557	
Operating Grants and Contributions	3,897,240	5,143,102	3,941,493	4,461,440	4,656,823
Total Governmental Activities Program Revenues	3,978,638	5,232,543	4,059,909	4,663,392	4,801,479
Business-type Activities:					
Charges for Services:					
Food Service	299,890	273,174	238,723	236,336	212,540
Care Program	165,992	146,821	121,900	164,718	140,229
Operating Grants and Contributions	146,524	156,154	155,451	184,620	188,638
Total Business-type Activities Program Revenues	612,406	576,149	516,074	585,674	541,407
Total District Program Revenues	\$ 4,591,044	\$ 5,808,692	\$ 4,575,983	\$ 5,249,066	\$ 5,342,886
Net (Expense)/Revenue					
Governmental Activities	\$ (20,625,494)	\$ (20,374,786)	\$ (20,019,922)	\$ (19,729,927)	\$ (19,912,045)
Business-Type Activities	53,506	27,136	13,000	21,956	15,286
Total District-Wide Net Expense	\$ (20,571,988)	\$ (20,347,650)	\$ (20,006,922)	\$ (19,707,971)	\$ (19,896,759)

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS

UNAUDITED  
(Accrual Basis of Accounting)  
(Continued)

	Fiscal Year Ending June 30,				
	2009	2010	2011	2012	2013
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Property Taxes Levied for General Purposes, net	\$ 13,798,601	\$ 14,223,504	\$ 14,570,561	\$ 14,716,267	\$ 15,010,592
Taxes Levied for Debt Service	130,432				
Unrestricted Grants and Contributions	6,434,132	5,908,799	5,710,842	6,182,065	5,986,019
Miscellaneous Income	103,057	66,855	94,156	81,287	67,421
Cancellation of Prior Year Accounts Payable					201,455
Total Governmental Activities	<u>20,466,222</u>	<u>20,199,158</u>	<u>20,375,559</u>	<u>20,979,619</u>	<u>21,265,487</u>
Business-type Activities:					
Interest Income	414	483	338	219	204
Cancellation of Prior Year Interfund Payable		5,181			
Total Business-Type Activities	<u>414</u>	<u>5,664</u>	<u>338</u>	<u>219</u>	<u>204</u>
Total District-Wide	<u>\$ 20,466,636</u>	<u>\$ 20,204,822</u>	<u>\$ 20,375,897</u>	<u>\$ 20,979,838</u>	<u>\$ 21,265,691</u>
Change in Net Position					
Governmental Activities	\$ (159,272)	\$ (175,628)	\$ 355,637	\$ 1,249,692	\$ 1,353,442
Business-type Activities	53,920	32,800	13,338	22,175	15,490
Total District	<u>\$ (105,352)</u>	<u>\$ (142,828)</u>	<u>\$ 368,975</u>	<u>\$ 1,271,867</u>	<u>\$ 1,368,932</u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS

UNAUDITED  
(Accrual Basis of Accounting)  
(Continued)

	Fiscal Year Ending June 30,				
	2014	2015	2016	2017	2018
Expenses					
Governmental activities					
Instruction:					
Regular	\$ 8,339,942	\$ 9,386,010	\$ 10,110,172	\$ 10,899,507	\$ 11,078,743
Special Education	5,396,907	6,147,885	6,305,932	6,799,286	6,754,881
Other Special Instruction	397,758	240,738	359,275	459,473	655,672
School Sponsored/Other Instruction	114,219	204,447	213,454	225,918	350,737
Support Services:					
Tuition	408,959	543,788	730,477	703,092	419,181
Student & Instruction Related Services	3,126,936	3,513,977	4,049,811	4,517,681	5,003,519
General Administrative Services	509,594	550,495	583,752	594,740	663,506
School Administrative Services	1,044,383	1,090,413	1,119,758	1,267,044	1,354,059
Central Services	292,390	434,597	470,012	504,295	528,495
Administrative Information Technology	339,086	303,185	314,352	249,937	241,778
Plant Operations and Maintenance	1,767,311	1,923,511	2,153,881	2,202,076	2,338,916
Pupil Transportation	1,962,766	1,923,286	1,906,495	2,003,454	1,843,522
Transfer of Funds to Charter School	768,831	778,092	718,282	744,422	570,457
Interest on Long-term Debt					
Unallocated Depreciation	258,381	283,294	331,462	368,667	406,714
Capital Outlay				1,273	48,174
Total Governmental Activities Expenses	<u>24,727,463</u>	<u>27,323,718</u>	<u>29,367,115</u>	<u>31,540,865</u>	<u>32,258,354</u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)  
(Continued)

	Fiscal Year Ending June 30,				
	2014	2015	2016	2017	2018
Business-type Activities:					
Food Service	\$ 375,682	\$ 346,436	\$ 348,186	\$ 343,679	\$ 323,024
Care Program	115,623	122,567	125,903	170,717	174,585
Total Business-type Activities Expense	491,305	469,003	474,089	514,396	497,609
Total District Expenses	<u>\$ 25,218,768</u>	<u>\$ 27,792,721</u>	<u>\$ 29,841,204</u>	<u>\$ 32,055,261</u>	<u>\$ 32,755,963</u>
Program Revenues:					
Governmental Activities:					
Charges for Services:					
Instruction (Tuition)	\$ 61,977		\$ 43,179	\$ 128,426	\$ 77,523
Transportation Fees	53,268		86,841	84,396	76,485
Operating Grants and Contributions	4,248,970	\$ 6,856,688	7,877,610	9,780,109	11,274,867
Total Governmental Activities Program Revenues	<u>4,364,215</u>	<u>6,856,688</u>	<u>8,007,630</u>	<u>9,992,931</u>	<u>11,428,875</u>
Business-type Activities:					
Charges for Services:					
Food Service	203,972	175,445	173,167	162,973	153,065
Care Program	115,293	138,521	160,837	153,207	142,356
Operating Grants and Contributions	186,616	182,707	161,976	181,142	173,179
Total Business-type Activities Program Revenues	<u>505,881</u>	<u>496,673</u>	<u>495,980</u>	<u>497,322</u>	<u>468,600</u>
Total District Program Revenues	<u>\$ 4,870,096</u>	<u>\$ 7,353,361</u>	<u>\$ 8,503,610</u>	<u>\$ 10,490,253</u>	<u>\$ 11,897,475</u>
Net (Expense)/Revenue					
Governmental Activities	\$ (20,363,248)	\$ (20,467,030)	\$ (21,359,485)	\$ (21,547,934)	\$ (20,829,479)
Business-Type Activities	14,576	27,670	21,891	(17,074)	(29,009)
Total District-Wide Net Expense	<u>\$ (20,348,672)</u>	<u>\$ (20,439,360)</u>	<u>\$ (21,337,594)</u>	<u>\$ (21,565,008)</u>	<u>\$ (20,858,488)</u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)  
(Continued)

	Fiscal Year Ending June 30,				
	2014	2015	2016	2017	2018
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Property Taxes Levied for General Purposes, net	\$ 15,010,592	\$ 15,310,804	\$ 15,617,020	\$ 15,546,520	\$ 15,130,100
Taxes Levied for Debt Service					
Unrestricted Grants and Contributions	6,194,580	6,259,289	6,266,361	6,296,006	6,164,414
Miscellaneous Income	175,939	65,157	55,522	74,767	208,984
Cancellation of Prior Year Accounts Payable					
Total Governmental Activities	<u>21,381,111</u>	<u>21,635,250</u>	<u>21,938,903</u>	<u>21,917,293</u>	<u>21,503,498</u>
Business-type Activities:					
Interest Income	201	257	272	282	295
Cancellation of Prior Year Interfund Payable					
Total Business-Type Activities	<u>201</u>	<u>257</u>	<u>272</u>	<u>282</u>	<u>295</u>
Total District-Wide	<u>\$ 21,381,312</u>	<u>\$ 21,635,507</u>	<u>\$ 21,939,175</u>	<u>\$ 21,917,575</u>	<u>\$ 21,503,793</u>
Change in Net Position					
Governmental Activities	\$ 1,017,863	\$ 1,168,220	\$ 579,418	\$ 369,359	\$ 674,019
Business-type Activities	14,777	27,927	22,163	(16,792)	(28,714)
Total District	<u>\$ 1,032,640</u>	<u>\$ 1,196,147</u>	<u>\$ 601,581</u>	<u>\$ 352,567</u>	<u>\$ 645,305</u>

Source: School District Financial Reports



SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
FUND BALANCES, GOVERNMENTAL FUNDS,  
LAST TEN FISCAL YEARS

UNAUDITED

(Modified Accrual Basis of Accounting)

	June 30,				
	2009	2010	2011	2012	2013
General Fund					
Reserved	\$ 504,187	\$ 295,451			
Unreserved/(Deficit)	(253,353)	(512,197)			
Restricted			\$ 57,896	\$ 783,856	\$ 2,015,681
Assigned				341,972	130,498
Unassigned/(Deficit)			(9,429)		
Total General Fund (Deficit)	<u>\$ 250,834</u>	<u>\$ (216,746)</u>	<u>\$ 48,467</u>	<u>\$ 1,125,828</u>	<u>\$ 2,146,179</u>
All Other Governmental Funds					
Committed				\$ 20,000	\$ 20,000
Total All Other Governmental Funds	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>
Total Governmental Funds/(Deficit)	<u>\$ 250,834</u>	<u>\$ (216,746)</u>	<u>\$ 48,467</u>	<u>\$ 1,145,828</u>	<u>\$ 2,166,179</u>

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
FUND BALANCES, GOVERNMENTAL FUNDS,  
LAST TEN FISCAL YEARS

UNAUDITED

(Modified Accrual Basis of Accounting)

	June 30,				
	2014	2015	2016	2017	2018
General Fund					
Reserved					
Unreserved/(Deficit)	\$ 2,785,800	\$ 3,429,754	\$ 3,691,146	\$ 4,111,516	\$ 4,670,087
Restricted					
Assigned	156,826	441,568	235,562	255,329	487,014
Unassigned/(Deficit)					
Total General Fund (Deficit)	<u>\$ 2,942,626</u>	<u>\$ 3,871,322</u>	<u>\$ 3,926,708</u>	<u>\$ 4,366,845</u>	<u>\$ 5,157,101</u>
All Other Governmental Funds					
Committed	\$ 27,637	\$ 27,637	\$ 27,637	\$ 27,637	\$ 27,637
Total All Other Governmental Funds	<u>\$ 27,637</u>	<u>\$ 27,637</u>	<u>\$ 27,637</u>	<u>\$ 27,637</u>	<u>\$ 27,637</u>
Total Governmental Funds/(Deficit)	<u>\$ 2,970,263</u>	<u>\$ 3,898,959</u>	<u>\$ 3,954,345</u>	<u>\$ 4,394,482</u>	<u>\$ 5,184,738</u>

Source: School District Financial Reports





SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,

LAST TEN FISCAL YEARS

UNAUDITED

(Modified Accrual Basis of Accounting)  
(Continued)

	Fiscal Year Ending June 30,				
	2014	2015	2016	2017	2018
<b>Revenues</b>					
Tax Levy	\$ 15,010,592	\$ 15,310,804	\$ 15,617,020	\$ 15,546,520	\$ 15,130,100
Tuition Charges	61,977		43,179	128,426	77,523
Transportation Fees	53,268		86,841	84,396	76,485
State Sources	9,714,372	10,074,504	10,452,114	10,786,380	10,953,244
Federal Sources	729,078	737,985	645,316	634,710	813,589
Miscellaneous	176,039	65,157	55,522	74,767	208,984
<b>Total Revenue</b>	<u>25,745,326</u>	<u>26,188,450</u>	<u>26,899,992</u>	<u>27,255,199</u>	<u>27,259,925</u>
<b>Expenditures</b>					
<b>Instruction</b>					
Regular Instruction	5,776,888	5,830,314	6,025,010	5,693,620	5,634,659
Special Education Instruction	3,786,346	3,894,236	3,651,112	3,795,004	3,352,583
Other Special Instruction	267,191	182,566	255,162	281,210	405,364
School-Sponsored/Other Instruction	80,265	93,912	84,772	87,757	101,339
<b>Support Services:</b>					
Tuition	408,959	543,788	730,477	703,092	419,181
Student & Other Instruction Related Services	2,259,235	2,342,721	2,595,077	2,631,997	2,810,817
General Administrative Services	442,132	466,473	471,737	438,449	499,121
School Administrative Services	720,727	689,019	674,856	711,550	720,636
Central Services	244,932	299,833	310,922	304,586	306,035
Administrative Information Technology	303,537	260,961	261,226	187,184	170,715
Plant Operations and Maintenance	1,522,384	1,552,161	1,694,577	1,696,499	1,707,667
Student Transportation	1,697,806	1,620,347	1,542,729	1,603,296	1,457,778

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,  
LAST TEN FISCAL YEARS

UNAUDITED  
(Modified Accrual Basis of Accounting)  
(Continued)

	Fiscal Year Ending June 30,				
	2014	2015	2016	2017	2018
Expenditures					
Employee Benefits	\$ 6,060,598	\$ 6,021,058	\$ 6,644,444	\$ 6,911,193	\$ 7,662,161
Capital Outlay	601,411	684,273	1,184,223	1,025,203	651,156
Transfer of Funds to Charter School	768,831	778,092	718,282	744,422	570,457
Debt Service					
Principal					
Interest and Other Charges					
Total Expenditures	<u>24,941,242</u>	<u>25,259,754</u>	<u>26,844,606</u>	<u>26,815,062</u>	<u>26,469,669</u>
Excess/(Deficit) of Revenues					
Over/(Under) Expenditures	<u>804,084</u>	<u>928,696</u>	<u>55,386</u>	<u>440,137</u>	<u>790,256</u>
Other Financing Sources/(Uses)					
Transfer to Food Service Fund -					
Purchase of Capital Assets					
Cancellation of Prior Year Accounts Payable					
Cancellation of Prior Year Due to Grantor					
Capital Leases (Non-Budgeted)					
Total Other Financing Sources/(Uses)					
Net Change in Fund Balances	<u>\$ 804,084</u>	<u>\$ 928,696</u>	<u>\$ 55,386</u>	<u>\$ 440,137</u>	<u>\$ 790,256</u>
Debt Service as a Percentage of					
Noncapital Expenditures	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

Source: School District Financial Reports

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
UNAUDITED  
(Modified Accrual Basis of Accounting)

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u>	<u>Transportation</u> <u>Revenue</u>	<u>Prior Year</u> <u>Refunds</u>	<u>Miscellaneous</u>	<u>Total</u>
2009	\$ 23,591	\$ 81,398			\$ 79,466	\$ 184,455
2010	14,307	89,441			52,548	156,296
2011	3,494	114,146	\$ 4,270		70,974	192,884
2012	4,739	153,395	48,557		56,548	263,239
2013	7,232	144,656			60,189	212,077
2014	7,777	61,977	53,268		117,482	240,504
2015	4,426				60,731	65,157
2016	9,372	43,179	86,841		46,150	185,542
2017	10,339	128,426	84,396		64,428	287,589
2018	11,865	77,523	76,485	\$ 60,053	137,066 *	362,992

\* Includes cancellation of prior year accounts payable of \$44,273.

Source: School District records

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY.  
 LAST TEN YEARS  
UNAUDITED

Year Ended Dec. 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
<b>Borough of Sussex</b>												
2008	\$ 1,021,300	\$ 53,019,900	\$ 373,900	\$ 21,100	\$ 16,578,200	\$ 464,900	\$ 6,896,000	\$ 78,375,300	\$ 1,300,612	\$ 79,675,912	\$ 2.60	\$ 148,289,432
2009	1,069,900	52,983,900	373,900	20,400	16,578,200	474,100	6,896,000	78,396,400	1,341,249	79,737,649	2.53	149,022,809
2010	994,800	53,417,900	373,900	20,400	16,600,200	474,100	6,896,000	78,777,300	857,595	79,634,895	2.62	161,479,129
2011	960,900	53,446,500	373,900	20,400	16,533,600	474,100	6,896,000	78,705,400	717,621	79,423,021	2.71	142,202,611
2012	963,700	53,339,500	373,900	20,400	16,533,600	474,100	6,896,000	78,601,200	505,353	79,106,553	2.73	144,178,764
2013 *	1,732,400	81,631,500	640,100	21,500	25,708,300	721,600	16,707,400	127,162,800	662,927	127,825,727	1.75	132,158,837
2014	1,804,600	80,772,200	640,100	21,500	25,254,600	787,300	16,234,700	125,515,000	835,798	126,350,798	1.74	123,628,837
2015	1,838,400	80,688,700	640,100	21,500	24,735,400	787,300	16,190,200	124,901,600	1,107,571	126,009,171	1.76	125,959,230
2016	1,791,200	80,820,200	640,100	21,500	24,657,400	787,300	14,503,400	123,221,100	-0-	123,221,100	1.87	127,045,159
2017	1,791,200	80,740,000	640,100	21,500	26,734,600	787,300	14,484,100	125,198,800	-0-	125,198,800	1.84	130,280,646
<b>Township of Wantage</b>												
2008	60,436,760	1,110,616,200	146,707,600	7,487,196	113,178,362	1,157,200	5,822,300	1,445,405,618	3,113,175	1,448,518,793	1.33	1,533,797,960
2009	59,181,060	1,119,347,900	149,236,000	8,382,456	113,353,662	761,300	5,822,300	1,456,084,678	2,298,850	1,458,383,528	1.36	1,549,245,517
2010	55,259,940	1,122,400,900	148,895,700	7,579,076	115,230,735	761,300	5,822,300	1,455,949,951	3,113,073	1,459,063,024	1.40	1,460,073,411
2011	51,572,340	1,118,998,800	151,709,500	7,728,476	114,954,935	961,300	5,822,300	1,451,747,651	3,405,033	1,455,152,684	1.40	1,375,590,329
2012	45,769,389	1,065,045,000	152,009,100	7,633,487	114,722,735	961,300	5,822,300	1,391,963,311	3,619,926	1,395,583,237	1.48	1,276,603,496
2013	42,071,360	1,057,651,000	150,677,900	7,677,793	114,525,205	961,300	5,822,300	1,379,386,858	3,447,661	1,382,834,519	1.49	1,212,594,551
2014 *	30,572,600	899,760,106	133,737,300	7,501,900	116,927,091	1,541,400	11,621,250	1,201,661,647	3,383,457	1,205,045,104	1.72	1,195,626,385
2015	30,651,700	899,500,006	133,712,100	7,500,200	116,927,091	1,541,400	11,621,250	1,201,453,747	3,805,642	1,205,259,389	1.77	1,188,264,413
2016	29,938,700	898,143,806	134,981,300	7,172,500	116,639,030	1,541,400	11,621,200	1,200,037,936	-0-	1,200,037,936	1.83	1,167,238,533
2017	29,631,300	899,354,006	134,672,100	7,014,152	114,342,284	1,541,400	11,621,200	1,198,176,442	-0-	1,198,176,442	1.76	1,169,093,206

\* Revaluation was effective in this year.

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when ordered by the County Board of Taxation

<sup>a</sup> Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

<sup>b</sup> Tax rates are per \$100 of Assessed Valuation

Source: Municipal Tax Assessor



SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN YEARS  
UNAUDITED  
(Rate per \$100 of Assessed Value)

Year Ended December 31,	School District			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct Tax Rate	Municipality	Sussex County	
<u>Borough of Sussex</u>						
2008	\$ 2.591	\$ 0.012	\$ 2.596	\$ 0.754	\$ 0.735	\$ 4.085
2009	2.529	-0-	2.529	0.770	0.711	4.010
2010	2.615	-0-	2.615	0.912	0.820	4.347
2011	2.707	-0-	2.707	0.982	0.774	4.463
2012	2.731	-0-	2.731	1.006	0.848	4.585
2013	* 1.752	-0-	1.752	0.668	0.509	2.929
2014	1.743	-0-	1.743	0.673	0.499	2.915
2015	1.755	-0-	1.755	0.729	0.509	2.993
2016	1.865	-0-	1.865	0.752	0.558	3.175
2017	1.836	-0-	1.836	0.758	0.596	3.190
<u>Township of Wantage</u>						
2008	\$ 1.304	\$ 0.006	\$ 1.331	\$ 0.195	\$ 0.376	\$ 1.902
2009	1.359	-0-	1.359	0.210	0.404	1.973
2010	1.395	-0-	1.395	0.238	0.403	2.036
2011	1.398	-0-	1.398	0.246	0.408	2.052
2012	1.475	-0-	1.475	0.240	0.422	2.137
2013	1.492	-0-	1.492	0.245	0.431	2.168
2014	* 1.721	-0-	1.721	0.280	0.519	2.520
2015	1.774	-0-	1.774	0.300	0.513	2.587
2016	1.827	-0-	1.827	0.300	0.546	2.673
2017	1.764	-0-	1.764	0.294	0.557	2.615

\* Revaluation was effective in this year.

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

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

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

Source: Municipal Tax Collector and School Business Administrator

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAXPAYERS,  
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2018			2009			
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
<u>Borough of Sussex</u>							
Alpine Village Apt LLC	\$ 7,506,000	1	6.00%				
Wilson Manor Associates	3,700,000	2	2.96%				
MPT of Morris, LLC	2,100,000	3	1.68%				
Franklin Sussex Realty, LLC	1,929,500	4	1.54%				
Individual Taxpayer #1	1,702,800	5	1.36%				
Sussex Plaza Realty, LLC	1,170,600	6	0.93%				
Creamery Apartments, LLC	1,046,800	7	0.84%				
BRND, LLC	985,600	8	0.79%				
Individual Taxpayer #2	900,200	9	0.72%				
Munson Street Development, LLC	894,200	10	0.71%				N/A
<b>Total</b>	<b>\$ 21,935,700</b>		<b>17.53%</b>				
<u>Township of Wantage</u>							
Main Land Sussex Co	\$ 11,449,000	1	0.96%				
Tenneco, Inc.	11,213,700	2	0.94%				
Wantage 2002 LLC Co Ryan LLC	9,500,000	3	0.79%				
Regency Apartments	6,294,000	4	0.53%				
Town Center at Wantage Inc.	4,772,400	5	0.40%				
Space Farms, Inc.	4,376,900	6	0.37%				
Federal National Mortgage Assoc.	3,215,400	7	0.27%				
Individual Taxpayer #1	3,112,300	8	0.26%				
375 Route 23 Realty, LLC	2,844,100	9	0.24%				
Ames Rubber Corp.	2,801,800	10	0.23%				N/A
<b>Total</b>	<b>\$ 59,579,600</b>		<b>4.99%</b>				

N/A - Information Not Available.

Source: Municipal Tax Assessors

SUSSEX-WANTAGE REGIONAL 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 <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2009	\$ 13,929,033	\$ 13,929,033	100.00%	\$ -0-
2010	14,223,504	14,223,504	100.00%	-0-
2011	14,570,561	14,570,561	100.00%	-0-
2012	14,716,267	14,716,267	100.00%	-0-
2013	15,010,592	15,010,592	100.00%	-0-
2014	15,010,592	14,887,800	99.18%	122,792
2015	15,310,804	15,310,804	100.00%	-0-
2016	15,617,020	15,617,020	100.00%	-0-
2017	15,546,520	15,546,520	100.00%	-0-
2018	15,130,100	15,130,100	100.00%	-0-

- 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.

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities										Total District	Percentage of Personal Income <sup>a</sup>	Debt Per Capita <sup>a</sup>
	Loans	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Business-Type Activities		Capital Leases	Total District	Percentage of Personal Income <sup>a</sup>	Debt Per Capita <sup>a</sup>			
					Capital Leases	Capital Leases							
2009	-0-	-0-	\$ 250,190	-0-	-0-	-0-	-0-	\$ 250,190	0.0382%	\$ 18.24			
2010	-0-	-0-	249,187	-0-	-0-	-0-	-0-	249,187	0.0389%	18.14			
2011	-0-	-0-	171,130	-0-	-0-	-0-	-0-	171,130	0.0268%	12.67			
2012	-0-	-0-	103,462	-0-	-0-	-0-	-0-	103,462	0.0157%	7.69			
2013	-0-	-0-	37,499	-0-	-0-	-0-	-0-	37,499	0.0055%	2.81			
2014	-0-	-0-	2,957	-0-	-0-	-0-	-0-	2,957	0.0004%	0.22			
2015	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	0.0000%	-0-			
2016	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	0.0000%	-0-			
2017	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	0.0000%	-0-			
2018	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	0.0000%	-0-			

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

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

SUSSEX-WANTAGE REGIONAL 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 Net Valuation <sup>a</sup> Taxable	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2009	-0-	-0-	-0-	0.00%	-0-
2010	-0-	-0-	-0-	0.00%	-0-
2011	-0-	-0-	-0-	0.00%	-0-
2012	-0-	-0-	-0-	0.00%	-0-
2013	-0-	-0-	-0-	0.00%	-0-
2014	-0-	-0-	-0-	0.00%	-0-
2015	-0-	-0-	-0-	0.00%	-0-
2016	-0-	-0-	-0-	0.00%	-0-
2017	-0-	-0-	-0-	0.00%	-0-
2018	-0-	-0-	-0-	0.00%	-0-

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

a See Exhibit J-6 for property tax data. This ratio is calculated using valuation data for the prior calendar year.

b See Exhibit J-14 for population data. This ratio is calculated using population for the prior calendar year.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2017  
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid With Property Taxes			
Borough of Sussex	\$ 864,215	100.00%	\$ 864,215
Township of Wantage	7,584,438	100.00%	7,584,438
Sussex County General Obligation Debt (Borough Share)	108,606,061	0.74%	806,107
Sussex County General Obligation Debt (Township Share)	108,606,061	7.10%	7,714,601
Subtotal, Overlapping Debt			16,969,362
Sussex-Wantage Regional School District Direct Debt			-0-
Total Direct and Overlapping Debt			<u>\$ 16,969,362</u>

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

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

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
LEGAL DEBT MARGIN INFORMATION,  
LAST TEN FISCAL YEARS  
UNAUDITED

Equalized Valuation Basis:	Legal Debt Margin Calculation for Fiscal Year 2018		
	Sussex Borough	Wantage Township	Total
2017	\$ 122,793,039	\$ 1,188,077,781	\$ 1,310,870,820
2016	120,854,210	1,167,238,533	1,288,092,743
2015	132,839,615	1,184,458,771	1,317,298,386
	<u>\$ 376,486,864</u>	<u>\$ 3,539,775,085</u>	<u>\$ 3,916,261,949</u>
Average Equalized Valuation of Taxable Property			<u>\$ 1,305,420,650</u>
Debt Limit (3% of average equalization value <sup>a</sup> )			\$ 39,162,619
Net Bonded Debt as of June 30, 2018			-0-
Legal Debt Margin			<u>\$ 39,162,619</u>

	Fiscal Year				
	2009	2010	2011	2012	2013
Debt Limit	\$ 46,446,512	\$ 48,289,880	\$ 47,971,186	\$ 45,861,790	\$ 43,251,290
Total Net Debt Applicable to Limit	-0-	-0-	-0-	-0-	-0-
Legal Debt Margin	<u>\$ 46,446,512</u>	<u>\$ 48,289,880</u>	<u>\$ 47,971,186</u>	<u>\$ 45,861,790</u>	<u>\$ 43,251,290</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%

	Fiscal Year				
	2014	2015	2016	2017	2018
Debt Limit	\$ 41,108,009	\$ 39,604,062	\$ 39,206,389	\$ 39,183,210	\$ 39,162,619
Total Net Debt Applicable to Limit	-0-	-0-	-0-	-0-	-0-
Legal Debt Margin	<u>\$ 41,108,009</u>	<u>\$ 39,604,062</u>	<u>\$ 39,206,389</u>	<u>\$ 39,183,210</u>	<u>\$ 39,162,619</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%

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

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

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED

Wantage Township

Year	Population <sup>a</sup>	Personal Income <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2009	\$ 11,601	\$ 541,198,251	\$ 46,651	11.50%
2010	11,366	536,816,180	47,230	12.20%
2011	11,332	554,792,056	48,958	11.90%
2012	11,245	568,963,265	50,597	11.80%
2013	11,181	571,706,892	51,132	7.70%
2014	11,170	593,551,460	53,138	7.90%
2015	11,051	607,782,898	54,998	5.10%
2016	10,978	616,776,974	56,183	4.70%
2017	10,934	614,304,922 ***	56,183 *	4.30%
2018	10,934 **	614,304,922 ***	56,183 *	N/A

Sussex Borough

Year	Population <sup>a</sup>	Personal Income <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2009	\$ 2,139	\$ 99,786,489	\$ 46,651	9.80%
2010	2,143	101,213,890	47,230	10.50%
2011	2,130	104,280,540	48,958	10.20%
2012	2,111	106,810,267	50,597	10.10%
2013	2,091	106,917,012	51,132	8.80%
2014	2,071	110,048,798	53,138	6.70%
2015	2,049	112,690,902	54,998	6.90%
2016	2,036	114,388,588	56,183	5.70%
2017	2,024	113,714,392 ***	56,183 *	5.80%
2018	2,024 **	113,714,392 ***	56,183 *	N/A

\* - Latest Sussex County per capita personal income available (2016) was used for calculation purposes.

\*\* - Latest population data available (2017) was used for calculation purposes.

\*\*\* - Latest Sussex County personal income available (2016) and latest population data available (2017) was used for calculation purposes.

N/A - Information Not Available

Source:

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Personal income has been estimated based upon the municipal population and per capita

<sup>c</sup> Per capita personal income for Sussex County is estimated based upon the 2000 Census published

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development



SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS - COUNTY OF SUSSEX,  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

Employer	2017	
	Employees	Percentage of Total Employment
Newton Medical Center	1,000-4,999	1.38%-6.91%
County of Sussex	500-999	0.69%-1.38%
Thorlabs	500-999	0.69%-1.38%
Sussex County Community College	250-499	0.35%-0.69%
Newton 213 LLC, C/O Ronetco	100-249	0.14%-0.34%
Bristol Glen	100-249	0.14%-0.34%
Barn Hill Care Center	100-249	0.14%-0.34%
Home Depot	100-249	0.14%-0.34%
Kohls	100-249	0.14%-0.34%
Superior Court of Newton	100-249	0.14%-0.34%
	<u>2,850-8,990</u>	<u>3.94%-12.42%</u>
	<u>71,981</u>	
Employer	2008	
	Employees	Percentage of Total Employment
Mountain Creek/Intrawest	1,387	1.72%
Crystal Springs Golf and Spa Resort	1,153	1.43%
Newton Memorial Hospital	1,148	1.42%
County of Sussex	855	1.06%
Selective Insurance	800	0.99%
Shop Rite (Roneteo Supermarkets, Inc.)	718	0.89%
Vernon Township Boar of Education	703	0.87%
Andover Sub Acute & Rehab Center	700	0.87%
Sparta Board of Education	570	0.70%
Hopatcong Board of Education	540	0.67%
	<u>8,574</u>	<u>10.62%</u>
Total Employment	<u>80,859</u>	

Source: Sussex County Chamber of Commerce

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM,  
 LAST TEN FISCAL YEARS  
UNAUDITED

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Instruction	96.7	100.0	77.0	77.7	76.0	73.4	75.1	77.0	75.5	76.5
Regular	38.4	36.8	37.8	39.5	37.5	35.5	35.5	34.0	37.0	33.0
Special Education	45.9	45.0	44.5	46.9	46.5	45.3	40.3	48.5	47.5	44.1
Support Services:										
Student & Instruction Related Services	29.6	29.6	30.1	29.9	29.0	28.6	27.4	27.0	26.0	31.0
General and Business Administrative Services	7.0	7.0	6.5	7.0	7.0	7.0	7.0	7.0	7.0	7.0
School Administrative Services	4.0	4.0	4.0	3.8	4.0	4.0	4.0	4.0	4.0	4.0
Other Administrative Services	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Administrative Information Technology	1.5	1.5	1.5	2.0	2.0	2.0	3.5	4.0	4.0	4.0
Transportation	15.8	15.8	15.8	15.8	15.8	15.8	15.5	15.5	15.5	15.5
Plant Operations and Maintenance	26.0	22.8	18.8	18.8	18.8	18.8	17.3	17.0	16.7	16.7
<b>Total</b>	<b>270.9</b>	<b>268.5</b>	<b>242.0</b>	<b>247.4</b>	<b>242.6</b>	<b>236.4</b>	<b>231.6</b>	<b>240.0</b>	<b>239.2</b>	<b>237.8</b>

Source: School District Personnel Records

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
OPERATING STATISTICS,  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year End June 30,	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil <sup>b</sup>	Percentage Change	Teaching Staff <sup>c</sup>	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) <sup>d</sup>	Average Daily Attendance (ADA) <sup>d</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School				
2009	1,550	\$ 24,312,573	\$ 15,686	5.74%	157	10.8:1	8.8:1	1,513	1,440	-5.50%	95.18%
2010	1,552	25,395,475	16,363	4.32%	155	10.1:1	9.7:1	1,531	1,449	1.19%	94.64%
2011	1,511	23,937,168	15,842	-3.18%	129	11.8:1	10.7:1	1,473	1,398	-3.79%	94.91%
2012	1,433	24,168,821	16,866	6.46%	137	11.1:1	11.0:1	1,382	1,315	-6.18%	95.15%
2013	1,360	24,266,885	17,843	5.80%	133	10.1:1	11.7:1	1,315	1,248	-4.85%	94.90%
2014	1,277	24,339,831	19,060	6.82%	135	9.2:1	9.8:1	1,227	1,169	-6.69%	95.27%
2015	1,199	24,575,481	20,497	7.54%	137	10.3:1	10.3:1	1,155	1,106	-5.87%	95.76%
2016	1,110	25,660,383	23,117	12.79%	138	9.6:1	9.6:1	1,072	1,021	-7.19%	95.24%
2017	1,096	25,789,859	23,531	1.79%	139	9.3:1	9.3:1	1,059	1,008	-1.21%	95.18%
2018	1,033	25,818,513	24,994	6.22%	137.5	7.5:1	7.5:1	1,020	966	-3.68%	94.71%

- Note:
- a Operating expenditures equal total expenditures less debt service and capital outlay
  - b Cost per pupil represents operating expenditures divided by enrollment. This Cost Per Pupil may be different from other Cost Per Pupil calculations.
  - c Teaching staff includes only full-time equivalents of certificated staff.
  - d Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

Source: School District records.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
UNAUDITED

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
Clifton E. Lawrence Elementary School										
Square Feet	48,200	48,200	48,200	48,200	48,200	48,200	48,200	48,200	48,200	48,200
Capacity (students)	450	450	450	450	450	450	450	450	450	450
Enrollment	506	465	454	399	395	366	379	366	361	331
Wantage Elementary School										
Square Feet	48,583	48,583	48,583	48,583	48,583	48,583	48,583	48,583	48,583	48,583
Capacity (students)	675	675	675	675	675	675	675	675	675	675
Enrollment	540	569	521	485	413	408	359	357	345	341
<b><u>Middle School</u></b>										
Sussex Middle School										
Square Feet	65,489	65,489	65,489	65,489	65,489	65,489	65,489	65,489	65,489	65,489
Capacity (students)	612	612	612	612	612	612	612	612	612	612
Enrollment	502	518	536	540	552	503	461	387	390	361
<b><u>Other</u></b>										
Environmental Trails Center										
Square Feet	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Capacity (students)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of Schools										
Elementary = 2										
Middle School = 1										
N/A - Not Applicable										

Source: School District records.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
SCHEDULE OF REQUIRED MAINTENANCE  
LAST TEN FISCAL YEARS  
UNAUDITED

UNDISTRIBUTED EXPENDITURES - REQUIRED  
 MAINTENANCE FOR SCHOOL FACILITIES \*  
 11-000-261-xxx

Fiscal Year Ended June 30,	Lawrence	Sussex	Wantage	Environmental Trail Center	Board Office	Total
2009	\$ 100,680	\$ 156,621	\$ 212,642		\$ 58,648	\$ 528,591
2010	89,330	265,534	174,345	\$ 11,907	9,577	550,693
2011	157,826	155,244	123,334	2,209	7,838	446,451
2012	139,784	170,175	117,172	804	6,402	434,337
2013	146,980	173,641	127,965	766	7,443	456,795
2014	137,091	154,466	122,818	968	5,813	421,156
2015	169,275	185,583	136,700	5,889	7,196	504,643
2016	158,199	186,966	161,727	10,101	9,150	526,143
2017	153,370	175,923	132,841	919	14,607	477,660
2018	165,921	146,218	116,178	855	7,706	436,878

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

Source: School District records.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
INSURANCE SCHEDULE  
AS OF JUNE 30, 2018  
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
<u>SCHOOL ALLIANCE INSURANCE FUND:</u>		
School Package Policy:		
Building and Personal Property	\$ 500,000 Fund Aggregate	\$ 2,500
Auto Physical Damage		1,000
General Liability including Auto, Employee Benefits	5,000,000	
Each Occurance		
General Aggregate	100,000,000 Fund Aggregate	
Product Completed Operations		
Personal Injury		
Fire Damage	2,500,000	
Medical Expenses	10,000	
(Excluding Students Taking Part in Athletics)		
Automobile Coverage		
Combined Single Limit		
Hired/Non Owned		
Security Guard Liability	1,000,000	Excluded
Environmental Impairment Liability	1,000,000/25,000,000 Fund Aggregate	10,000
	First party Fungi & Legionella	100,000
	Third party Fungi & Legionella	50,000
Crime Coverage	50,000 Inside/Outside	1,000
Blanket Dishonesty Bond	500,000	1,000
Boiler and Machinery	100,000,000	2,500
Excess Liability (AL/GL)	5,000,000	
School Board Legal (SLPL)	5,000,000	5,000
Cyber Liability	2,000,00 Per Occurrence/Agg	10,000
Workers' Compensation	Statutory	
Employer's Liability	2,000,000	
Supplemental Indemnity	Statutory	
<u>SELECTIVE INSURANCE:</u>		
Treasurer of School Monies Bond Limit	250,000 Selective Insurance	
Business Administrator/Board Secretary		
Bond Limit	50,000 Selective Insurance	
<u>BOLLINGER</u>		
Student Accident Coverage	All students and athletes	1,000,000 Full excess

Source: School District records.

SINGLE AUDIT SECTION



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 200 Valley Road, Suite 300  
 Mt. Arlington, NJ 07856  
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Report on Internal Control Over Financial Reporting and  
 on Compliance and Other Matters Based on an Audit of Financial Statements  
 Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report

The Honorable President and Members  
 of the Board of Education  
 Sussex-Wantage Regional School District  
 County of Sussex, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Sussex-Wantage Regional School District, in the County of Sussex (the "Board") as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated January 18, 2019.

**Internal Control Over Financial Reporting**

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

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



The Honorable President and Members  
of the Board of Education  
Sussex-Wantage Regional School District  
County of Sussex, New Jersey  
Page 2

### **Compliance and Other Matters**

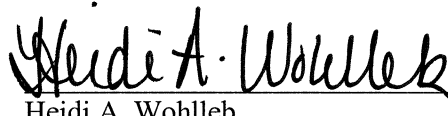
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

### **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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

January 18, 2019  
Mount Arlington, New Jersey

NISIVOCCIA LLP



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Heidi A. Wohlleb  
Licensed Public School Accountant #2140  
Certified Public Accountant



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Report on Compliance For Each Major Federal and State Program;  
 Report on Internal Control Over Compliance

Independent Auditors' Report

The Honorable President and Members  
 of the Board of Education  
 Sussex-Wantage Regional School District  
 County of Sussex, New Jersey

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

We have audited the Board of Education of the Sussex-Wantage Regional School District's (the "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 District's major federal and state programs for the fiscal year ended June 30, 2018. The District's major federal and state programs are identified in the summary of auditors' 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 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, the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, the Uniform Guidance and New Jersey's OMB 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 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 District's compliance.

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

In our opinion, the 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 fiscal year ended June 30, 2018.

The Honorable President and Members  
of the Board of Education  
Sussex-Wantage Regional School District  
County of Sussex, New Jersey  
Page 2

### Report on Internal Control Over Compliance

Management of the 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 District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and NJOMB 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 District's internal control over compliance.

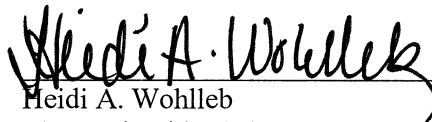
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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 or NJOMB 15-08. Accordingly, this report is not suitable for any other purpose.

January 18, 2019  
Mount Arlington, New Jersey

NISIVOCCIA LLP



Heidi A. Wohlleb  
Licensed Public School Accountant #2140  
Certified Public Accountant



SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2017		Cancellation of Prior Year Encumbrances/Accounts Payable	Repayment of Prior Years' Balances	Balance at June 30, 2018		MEMO Cumulative Total Expenditures
				Budgetary Accounts Receivable	Deleted Revenue			GAAP Accounts Receivable	Due to Grantor	
<b>State Department of Education:</b>										
<b>General Fund State Aid:</b>										
Special Education Categorical Aid	17-495-034-5120-089	7/1/16-6/30/17	\$ 773,754	\$ (76,474)	\$ 76,474					\$ 773,754
School Choice Aid	17-495-034-5120-068	7/1/16-6/30/17	34,860	(3,445)						34,860
Equalization Aid	17-495-034-5120-078	7/1/16-6/30/17	5,670,481	(560,441)	560,441					5,670,481
Security Aid	17-495-034-5120-084	7/1/16-6/30/17	152,070	(15,030)	15,030					152,070
Adjustment Aid	17-495-034-5120-085	7/1/16-6/30/17	337,885	(33,395)	33,395					337,885
Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	824,394	(81,478)	81,478					824,394
PARCC Readiness Aid	17-495-034-5120-098	7/1/16-6/30/17	12,260	(1,212)	1,212					12,260
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16-6/30/17	12,260	(1,212)	1,212					12,260
Professional Learning Community Aid	17-495-034-5120-101	7/1/16-6/30/17	10,440	(1,032)	1,032					10,440
Nonpublic Transportation Costs	17-495-034-5120-014	7/1/16-6/30/17	13,000	(13,000)						13,000
Extraordinary Special Education Costs Aid	17-100-034-5120-044	7/1/16-6/30/17	92,291	(92,291)						92,291
Reimbursed TPAF Social Security Contributions	17-495-034-5094-003	7/1/16-6/30/17	730,272	(36,639)	36,639					730,272
Special Education Categorical Aid	18-495-034-5120-089	7/1/17-6/30/18	773,754		696,915	\$ (773,754)			\$ (76,839)	773,754
School Choice Aid	18-495-034-5120-068	7/1/17-6/30/18	43,575		39,248	(43,575)			(4,327)	43,575
Equalization Aid	18-495-034-5120-078	7/1/17-6/30/18	5,670,481		5,107,365	(5,670,481)			(563,116)	5,670,481
Security Aid	18-495-034-5120-084	7/1/17-6/30/18	152,070		136,968	(152,070)			(15,102)	152,070
Adjustment Aid	18-495-034-5120-085	7/1/17-6/30/18	181,143		163,154	(181,143)			(17,989)	181,143
Transportation Aid	18-495-034-5120-014	7/1/17-6/30/18	824,394		742,526	(824,394)			(81,868)	824,394
PARCC Readiness Aid	18-495-034-5120-098	7/1/17-6/30/18	12,260		11,043	(12,260)			(1,217)	12,260
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17-6/30/18	12,260		11,043	(12,260)			(1,217)	12,260
Professional Learning Community Aid	18-495-034-5120-101	7/1/17-6/30/18	10,440		9,403	(10,440)			(1,037)	10,440
Nonpublic Transportation Costs	18-495-034-5120-014	7/1/17-6/30/18	13,118			(13,118)			(13,118)	13,118
Extraordinary Special Education Costs Aid	18-495-034-5120-044	7/1/17-6/30/18	43,465			(43,465)			(43,465)	43,465
Reimbursed TPAF Social Security Contributions	18-495-034-5094-003	7/1/17-6/30/18	720,025		720,025	(720,025)				720,025
On-Behalf TPAF Post Medical Retirement Contributions	18-495-034-5094-001	7/1/17-6/30/18	956,780		956,780	(956,780)				956,780
On-Behalf Long Term Disability Insurance Contributions	18-495-034-5094-004	7/1/17-6/30/18	2,560		2,560	(2,560)				2,560
On-Behalf TPAF Pension Contributions	18-495-034-5094-002	7/1/17-6/30/18	1,446,265		1,446,265	(1,446,265)				1,446,265
On-Behalf TPAF Non-Contributory Insurance	18-495-034-5094-004	7/1/17-6/30/18	35,097		35,097	(35,097)				35,097
<b>Subtotal - General Fund</b>				(915,649)	10,994,041	(10,897,687)		(56,583)	(819,295)	19,561,654
<b>Special Revenue Fund Aid:</b>										
<b>Nonpublic Handicapped Services:</b>										
Supplementary Instruction	17-100-034-5120-066	7/1/16-6/30/17	14,281		\$ 785					13,496
Corrective Speech	17-100-034-5120-066	7/1/16-6/30/17	14,579		5,302	(5,302)				9,277
N.J. Nonpublic Textbook Aid	17-100-034-5120-064	7/1/16-6/30/17	5,591		140	(140)				5,451
N.J. Nonpublic Nursing Aid	17-100-034-5120-070	7/1/16-6/30/17	10,440		2,070	(2,070)				8,370
N.J. Nonpublic Technology Initiative	17-100-034-5120-373	7/1/16-6/30/17	2,522		573	(573)				1,949
N.J. Nonpublic Security Aid	17-100-034-5120-509	7/1/16-6/30/17	5,800		5,800	(5,800)				6,971
N.J. Nonpublic Nursing Aid	16-100-034-5120-070	7/1/15-6/30/16	12,150		5,179			\$ 5,179		11,978
N.J. Nonpublic Technology Initiative	18-100-034-5120-070	7/1/14-6/30/15	13,469		1,671					11,798
<b>Nonpublic Auxiliary Services:</b>										
Compensatory Education	18-100-034-5120-067	7/1/17-6/30/18	24,804		24,804	(11,958)				11,958
Nonpublic Handicapped Services:										
Supplementary Instruction	18-100-034-5120-066	7/1/17-6/30/18	14,273		14,273	(10,626)			12,846	10,626
Corrective Speech	18-100-034-5120-066	7/1/17-6/30/18	10,714		10,714	(7,946)			3,647	7,946
Examination and Classification	18-100-034-5120-066	7/1/17-6/30/18	24,204		24,204	(14,563)			9,641	14,563
N.J. Nonpublic Textbook Aid	18-100-034-5120-064	7/1/17-6/30/18	5,588		5,588	(5,527)			61	5,527
N.J. Nonpublic Nursing Aid	18-100-034-5120-070	7/1/17-6/30/18	11,931		11,931	(6,459)			5,472	6,459
N.J. Nonpublic Technology Initiative	18-100-034-5120-373	7/1/17-6/30/18	3,774		3,774	(1,540)			2,234	1,540
N.J. Nonpublic Security Aid	18-100-034-5120-509	7/1/17-6/30/18	9,225		9,225	(8,354)			871	8,354
<b>Subtotal - Special Revenue Fund - Department of Education</b>					21,520	(66,973)	(14,670)		44,390	124,285

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2017		Cash Received	Budgetary Expenditures	Cancellation of Prior Year Encumbrances/Accounts Payable	Repayment of Prior Years' Balances	Balance at June 30, 2018		MEMO	
				Budgetary Accounts Receivable	Due to Grantor					GAAP Accounts Receivable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
<b>State Department of Education:</b>													
<b>Enterprise Fund:</b>													
State School Lunch Program	18-100-010-3350-023	7/1/17-6/30/18	\$ 3,505	\$ (256)	\$ 3,193	\$ (3,505)				\$ (312)	\$ (312)	\$ 3,505	
State School Lunch Program	17-100-010-3350-023	7/1/16-6/30/17	3,549	(256)	256	(3,505)				(312)	(312)	3,549	
Subtotal - Enterprise Fund				(915,905)	3,449	(3,505)				(56,895)	(312)	7,054	
Total State Department of Education				\$ (915,905)	\$ 21,520	\$ 11,102,003	(10,968,165)		\$ (14,670)	\$ (56,895)	\$ (819,607)	\$ 19,692,993	
<b>Total State Awards</b>													
				\$ (915,905)	\$ -	\$ 11,102,003	(10,968,165)		\$ (14,670)	\$ (56,895)	\$ (819,607)	\$ 19,692,993	
<b>Less: On-Behalf TPAF Pension System Contributions:</b>													
On-Behalf TPAF Post Medical Retirement Contributions	18-495-034-5094-001	7/1/17 - 6/30/18	(956,780)			956,780							
On-Behalf Long Term Disability Insurance Contributions	18-495-034-5094-004	7/1/17 - 6/30/18	(2,560)			2,560							
On-Behalf TPAF Pension Contributions	18-495-034-5094-002	7/1/17 - 6/30/18	(1,446,265)			1,446,265							
On-Behalf TPAF Non-Contributory Insurance	18-495-034-5094-004	7/1/17 - 6/30/18	(35,097)			35,097							
Subtotal - On-Behalf TPAF Pension System Contributions						2,440,702							
Total State Awards - for Major Program Determination						\$ (8,527,463)							

SEE THE ACCOMPANYING NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards (the “Schedules”) include the federal and state grant activity of the Board of Education, Sussex-Wantage Regional School District under programs of the federal and state governments for the fiscal year ended June 30, 2018. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented on the accrual basis of accounting. These bases of accounting are described in Note 1 to the District’s basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3. INDIRECT COST RATE

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

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last two state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes these payments are not recognized until the subsequent budget year due to the state deferral and recording of the last two 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 revenue, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$11,007 for the general fund and \$(29,775) for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and the special revenue funds.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

Revenue from federal and state awards are reported in the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 70,423	\$ 10,908,694	\$10,979,117
Special Revenue Fund	743,166	44,550	787,716
Food Service Fund	169,674	3,505	173,179
Total Awards	<u>\$ 983,263</u>	<u>\$10,956,749</u>	<u>\$11,940,012</u>

NOTE 5. 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 6. OTHER

Revenue and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2018.



SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' 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*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major federal and state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance*
- The auditor's report on compliance for its major federal and state award programs for the District expresses an unmodified opinion on all major federal and state programs.
- The District's programs tested as major federal and state programs for the current fiscal year consisted of the following awards:

	<u>C.F.D.A. Number/ State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
<u>Federal:</u>				
Special Education Cluster:				
I.D.E.A. Part B, Basic	84.027A	7/1/17-6/30/18	\$ 575,957	\$ 474,048
I.D.E.A. Preschool	84.173A	7/1/17-6/30/18	20,406	20,405
<u>State:</u>				
Special Education Categorical Aid	17-495-034-5120-089	7/1/17-6/30/18	773,754	773,754
School Choice Aid	17-495-034-5120-068	7/1/17-6/30/18	43,575	43,575
Equalization Aid	17-495-034-5120-078	7/1/17-6/30/18	5,670,481	5,670,481
Security Aid	17-495-034-5120-084	7/1/17-6/30/18	152,070	152,070
Adjustment Aid	17-495-034-5120-085	7/1/17-6/30/18	181,143	181,143
PARCC Readiness Aid	17-495-034-5120-098	7/1/17-6/30/18	12,260	12,260
Per Pupil Growth Aid	17-495-034-5120-097	7/1/17-6/30/18	12,260	12,260
Professional Learning Community Aid	17-495-034-5120-101	7/1/17-6/30/18	10,440	10,440

- The threshold used for distinguishing between Type A and Type B for both federal and state programs was \$750,000.
- The District was determined to be a "low-risk" auditee for both federal and state programs.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
(Continued)

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

Findings and Questioned Costs for Federal Awards:

- The audit did not disclose any findings or questioned costs for federal awards as defined in 2 CFR 200.516(a) of the Uniform Guidance.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.

SUSSEX-WANTAGE REGIONAL SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Status of Prior Year Findings:

The District had no prior year audit findings.