

**BOARD OF EDUCATION
OF THE
TOWNSHIP OF WASHINGTON
SCHOOL DISTRICT
GLOUCESTER COUNTY, NEW JERSEY**



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

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INTRODUCTORY SECTION



WASHINGTON TOWNSHIP PUBLIC SCHOOLS
OFFICE OF THE SCHOOL BUSINESS ADMINISTRATOR/BOARD SECRETARY
206 EAST HOLLY AVENUE, SEWELL NJ 08080
(856) 589-6644, Ext. 6502

February 12, 2019

Honorable President Murphy and
Members of the Board of Education
Washington Township School District
County of Gloucester, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Washington Township School District (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 Board of Education (Board). 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 general-purpose financial statements and schedules, as well as the auditor's report and the required supplementary information in compliance with the Governmental Accounting Standards Board Statement. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations, and findings and questioned costs, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES:

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

The mission of the Washington Township Public Schools is to provide a safe, positive, and progressive environment that provides opportunity for all students to attain the knowledge and skills specified in the NJ Student Learning Standards at all grade levels, as to ensure their full participation in an ever-changing world as responsible, self-directed and civic-minded citizens.

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These services include regular and vocational, as well as special education for gifted and handicapped youngsters. The following details the changes in the student enrollment within the District over the last five years.

AVERAGE DAILY ENROLLMENT

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2017-2018	7,191	(.94%)
2016-2017	7,259	.48%
2015-2016	7,224	(1.55%)
2014-2015	7,338	(2.89%)
2013-2014	7,550	(3.17%)

2) ECONOMIC CONDITION AND OUTLOOK:

Washington Township, Gloucester County, New Jersey, is a community comprised of predominately single-family residences (80% of the tax base). Our community, like most communities across the nation, is starting to recover from recession experienced by the entire country in recent years. The community is extremely supportive of the educational system as evident in its active participation in the educational process. The District has been fiscally responsible in light of the economic hardships endured by the community and continues to bring their budget in under the mandated tax levy cap.

In July 2018, the governor signed Senate Bill S2 into law that will have a significant impact on State funding of K-12 public education. This results in a negative impact for Washington Township, Gloucester County, New Jersey. State funding is estimated to decrease by \$8.1 million over the next 6 years.

Enrollments for regular education students for the Washington Township School District have been declining since the 2001-2002 school year. This has resulted in a reduction in staff. The increase of 35 pupils in the Average Daily Attendance is misleading. The District implemented full-day kindergarten during the 2016-17 school year. Prior to that school year kindergarteners were counted as a .5 pupil because of the ½-day program. The decreased enrollment has made it feasible for the District to implement in-district special needs programs resulting in financial savings to the District.

Although the economic times have been challenging, the Washington Township School District has maintained its high standards and rigorous curriculum, continuing its tradition of being an award-winning school district, which is the foremost reason, why most residents have chosen to reside here.

3) MAJOR INITIATIVES

A. Accomplishments during the 2017-2018 school year were as follows:

- Developed/wrote revised curriculum and budgeted/purchased resources/materials for the following content areas/grade levels as part of our Curriculum Revision Cycle: ELA Grades 3-5, ELA Grades 9-10, Library Studies K-12, and World Language High School Level Intermediate I & II French, German, and Spanish.
- The District contracted with HYA/ECRA Consultants to conduct a districtwide strategic plan that will encompass input from the full community. Focus groups were established, extensive surveys were implemented, and a Strategic Planning Committee was developed to investigate the findings and develop a 2-year plan for the District.
- A second and third cohort of teachers was trained in the Learner-Active, Technology-Infused Classroom (LATIC), with 8 in-class coaching days per teacher by the consultants of the Innovative Designs for Education Corporation (IDE Corp). This ongoing initiative helps remove barriers to learning and helps close achievement gaps.
- Our high school offered twenty-five (25) Advanced Placement courses. Three-hundred-sixty-four (364) students took eight-hundred-eight (808) exams in thirty (30) subjects. Fifty (50) students were named AP Scholars, thirty-six (36) were named AP Scholars with Honors, thirty (30) were named AP Scholars with Distinction, and three (3) were named National AP Scholars. Two-hundred-sixty-five (265) or seventy-three percent (73%) of the AP exams taken had scores of three (3) or higher.
- Ongoing work to increase AP enrollment and test taking with the advent of academic incentives. In addition, our guidance staff utilized statistics from the College Board that predicted success in specific AP programs based on an analysis of PSAT results in both 10th and 11th grade. There is an ongoing effort to recruit non-transitional learners to diversify our participants in the AP program.
- A review and analysis of our PSAT, SAT, and Advanced Placement testing results and then adjusting our curricula and benchmark assessments accordingly.
- In response to parent concerns about the difficulty in tracking a child's progress in middle school, a Middle Level and Elementary Level Weighted Grading Committee convened. These committees examined current weighted category practices across the disciplines and arrived at a consensus where all graded assignments will be classified by level (e.g., Major, Minor, or Supportive Assessments to be counted as 50%, 35%, and 15% of the grade), respectively. This standardization of grading will help parents and students understand academic progress more fully and will create a level of consistency across disciplines.

- A large committee of district leaders collaborated throughout the year to develop a robust Multi-Tiered System of Supports (MTSS). Through consultation by Amelia Van Larsen and Chris Christoff, from American Reading Company, our leadership team was led through the development of a learning walk model, a NJTSS district framework, district protocols, and an intervention plan for services K-12.
- Continued implementation of a full-day kindergarten program at Grenloch Terrace Early Childhood Center, Thomas Jefferson Elementary School, and Whitman Elementary School. WTPS is providing a quality, full-day kindergarten in an effort to produce long-term educational gains, including improving reading and math achievement. It offers social, emotional, and intellectual benefits to all kindergarteners, giving them more time to focus and reflect on activities and transition between them.
- Articulation meetings and kindergarten cohort trainings were conducted to continue to ensure consistent kindergarten programming. These trainings included site visitations, coordinated professional development for cohorts consisting of teachers from each site, regular meetings, and data meetings.
- The deployment of inventory of student devices to differentiate instruction to support a 1:1 student laptop initiative at Grades 3 through 12. This ensures that students at these grade levels can demonstrate the skills, comfort levels, and adaptability essential for the successful infusion of significantly expanded digital technology integration in the classroom. These essential technology tools and related components serve as well, when integrated into instruction, to prepare our students to meet the demands for college/career readiness and future success. Note: Students in Grades 6 through 12 have their laptops 24/7 and for the full 365 days in the year as part of this planning.
- Implementation of an updated district-wide Homework Policy including guidelines for our Elementary, Middle, and High School levels.
- Washington Township High School was one of the New Jersey High Schools to offer the Seal of Biliteracy distinction to students who have mastered English as well as a second language.
- Two (2) Elementary level, one (1), Middle level, and one (1) High School Level Technology Integration Specialists deployed to support staff with infusing technology into their lessons while addressing the highest expectations on the SAMR Model.
- A yearlong effort had literacy, special education, and basic skills teachers collaborating to construct a framework of ELA instruction. This integrated approach to teaching reading and writing is essential to ensuring that all students are mastering the skills for reading, writing, speaking and listening, and language in a learner-active, technology-infused setting. By establishing a continuous cycle of instruction of reading, writing, and textual citation, students will be poised to acquire the New Jersey Student Learning Standards in a manner consistent with college and careers.

- Implementation of a refined K-2 ELA program including a reader and writer's workshop model. In addition to this implementation, K-2 teachers continue to receive site-based training in all aspects of balanced literacy with special emphasis on standards-based lessons, close reading, independent reading, and writing conferences, small group ELA instruction, and an analysis of writing pieces as they compare to the Units of Study Writing Progression Rubric from the TCR&W Project.
- Implementation of the JA in a Day Program in ten schools (K-8) occurred during three designated dates. The High School Heroes were instrumental in supporting the instruction and delivery of the program to elementary and middle level learners. This program supports student acquisition of the knowledge and skills specified in Standards 9.1 and 9.2 as they relate to personal financial literacy.
- Ongoing refinement of our district-wide benchmark assessments so they are aligned with the New Jersey Student Learning Standards in ELA/Mathematics/Science along with the annual Spring state standardized testing performance expectations across the tested grade levels.
- A review of our annual school-level performance results to establish a planned differentiated curricular path towards student attainment of state-established performance expectations related to the annual state standardized testing process.
- Evening parent involvement programs including Cyber Nights, Parents as Partners, Stepping Up to the Next Grade, MS Township Talks Technology, Family Literacy, and Family Math were offered to parents.
- Implementation of additional time programs including Get SET, Homework Club, Good Morning Math, Working Writers, 5th to 6th Grade Summer Transition Program, Middle School Prep Club, Middle School After-School Digits Club, and Freshman Transition Programs.
- Ongoing implementation of an Anti-Bullying Bill of Rights/Harassment, Intimidation, and Bullying (HIB) program, based on mandated legislation, at all K-12 schools.
- Implementation of a comprehensive mentoring plan for novice teachers.
- Implementation of Professional Learning Communities (PLCs) to meet student needs. This includes professional development to enhance and support the integration of our Professional Learning Communities (PLCs) throughout all district schools as an essential aspect of professional growth and as integral foundations for optimizing student achievement and quality instruction.
- Ongoing professional development opportunities to meet the New Jersey Student Learning Standards, fulfill the annual 20-hour mandate, enhance the quality of pedagogy, and increase student achievement (K-12).
- Professional development for new teachers to ensure the implementation of the then current Marzano Casual Teacher, Non-Classroom Professional, School Leader and District Leader evaluation systems (ACHIEVE NJ).

- Training for staff, supervisors and administrators respectively on the new Learning Sciences International Marzano Focused Teacher Evaluation Model (A Scientific-Behavioral Evaluation Model for Standards-Based Classrooms), the new Non-Classroom Instruction Support Personnel Evaluation Model, the new Marzano Focused School Leader Evaluation Model, and the new Marzano Focused District Leader Model (ACHIEVE NJ).
- A focus on basic math fact fluency while also providing practice in computational thinking was implemented by the ongoing supplemental programs such as the First in Math Program in first through fourth grade and Prodigy in fifth grade.
- Refinement of the data meeting protocol at the elementary level in order for administrators and specialists to meet with each individual teacher regarding the diverse and specific needs of students. Supervisors developed protocols to track student progress and adjust interventions for struggling and gifted learners for each teacher.
- Implementation of the READ 180 Program (and the System 44 program where appropriate) at all levels with a goal of meeting the needs of our struggling special education and at-risk regular education student populations.
- Implementation of our School Climate Anti-Bullying Program that includes by-monthly events for student/staff called Township Tuesdays.
- Ongoing implementation of instructional software and/or web-based programs designed to improve and/or remediate reading deficiencies at the K-8 level including, for example, Headsprout, Fast ForWord, RAZ-Kids, Read 180, System 44, NewsELA, Study Island, IXL, and Success Maker.
- Professional development relating to the dyslexia mandate to ensure a broader knowledge base of the definition of dyslexia, identification indicators, the district screening process, and the district interventions and efforts to ensure students receive appropriate services.
- Continued alternative professional development for teachers through Credly digital badges, Curriculum Newsletters, Screencast Tutorials, and site-based professional development to enhance technology, data driven instruction, and content area initiatives.
- Ongoing refinement of the new curricula for our K-5 Gifted and Talented Program including the new field trips and units for our ELEMEnTS (Elementary Learners Engaged in Math, Engineering, new Technologies, and Science) Program. The students continue to be engaged in problem-based learning work, STEM projects, and a variety of field trips to engage students in cognitively complex learning tasks.
- Participated in a Stream Sampling Project led by the Washington Township Environmental Commission. Grade 5 students enrolled in the ELEMEnTS Program sampled water from various streams throughout our town. After returning with their water samples, the students tested the water while conducting several experiments to learn more about water sampling and drinking water.

- Continued implementation of our online K-5 and 6-8 STAR Computerized Testing System/Accelerated Reader program in all middle schools to determine/support student needs, recommend specific targeted interventions, and assess and monitor student progress in reading and mathematics.
- Ongoing refinement and implementation of regular benchmark assessments in all content areas specific to the ELA/Math New Jersey Student State Standards and the NJDOE state standardized assessments.
- Ongoing investigation, development, and implementation of a continuum of in-district instructional programs and student support initiatives to meet the unique needs of our special population students to reduce the number of students and costs associated with out-of-district placements. This included the addition of an elementary level Autism class.
- Professional development, Grades PSD through 12, in which special education teachers and child study team members participated in trainings on IDEA, Least Restrictive Environment, Inclusive Practices, Writing Measurable Goals and Objectives, Behavior Management in the Classroom, and Progress Monitoring.
- Provided professional development, Grades PSD through 12, in which special education teachers and child study team members worked collaboratively to prepare for annual reviews that included data-based Present Levels of Academic and Functional Performance, analysis of data and listing strengths/needs, and writing measurable goals related to the area of disability.
- Special Education teachers, Grades 3 - 5, participated in an introductory program that focused on training in the use of IRLA (Independent Reading Level Assessment) and how to use the School PACE data management system.
- Special Education and ELA departments worked collaboratively to develop standards-based curriculum and select differentiated materials and classroom libraries.
- The special education department launched the PowerSchool Special Education/Section 504 module and started the training process that continued through the summer months.
- Child Study Team work groups were formed in the following areas: held vertical articulation meetings, Grades PSD through 12, with teachers within the Autism and Multiply Disabled Programs. Staff worked on developing a Community-Based Instruction Program for the District.
- Identified areas in need of improvement to increase inclusion opportunities for special education students.
- Continued the implementation of AimswebPlus as the district-wide progress-monitoring tool in special education for reading, writing, and mathematics.
- Teachers participated in training on The Dynamic Learning Maps.

- Conducted vertical articulation meetings with school nurses regarding state mandates and District Policies and Regulations. Developed work plans as part of the Marzano Casual Model and held work group meetings to address Health/Medical Policies and Regulations, Student Wellness, and created a Standard Operating Procedural Manual.
- Continued the use of the professional development account with the American Speech Language Hearing Association (ASHA) for all speech language specialists within the District to enable all therapists engage in internet-based professional development while maintaining their CEUs.
- Speech Language Therapists worked in PLCs on selected topics based upon needs identified in the District.
- Developed and implemented a strategic plan to include site visits and an analysis of the special education programs as per the Least Restrictive Environment (LRE) Settlement activities (Year 2).
- Expanded the services of a Board-Certified Behavior Analyst (BCBA) in Grades 1-12 through DiNovi & Associates. The BCBA's work with administration, teachers, classroom assistants, and Child Study Team members to support students with behavior plans and students (general and special education) who may need behavioral support through a referral process.

B. Ongoing and Future Projects:

- The District launched a Strategic Plan. Five (5) Action Committees were organized as part of the process. The Action Committees developed Goals in the following areas: Teaching and Learning, Management - Finance & Facilities, Community Engagement, Personnel, and Student Life/Life Skills. The Action Committees work produced twelve (12) Goals/Objectives that were launched as part of a two-year plan. Note: Obstacles to the full achievement of all twelve (12) Goals/Objectives were included in the Action Plans, most particularly for those that required significant funding, given our District is one that is experiencing reduced funding beginning last year for a period of seven (7) years.

- Developing five (5) Career & Technical Education Academies for our High School: Academy of Engineering and Innovation; Academy of Early Childhood Education; Academy of Business Administration & Finance; Marketing & Business Administration Academy (M.B.L.A); and an Academy of Television Production & Broadcast Journalism. WTHS will launch each Academy starting in September 2019. They will be set up as a four-year continuum of targeted career and technical education courses which, when combined with traditional core academic courses, introduce students to the scope, rigor, and discipline to better prepare them for a program of study at a two- or four-year college. The college and career targeted academies will allow student to make informed choices about opportunities in high-demand and high-skilled career pathways, which offer an advantage over other students who would be entering a related program of study at the post-secondary level. The Academies will also provide for career related experiences beyond the classroom i.e. Internships, Mentoring, Job Shadowing, Field Trips, Pipeline Programs, and Summer Training & Enrichment.
- The District is committed to the implementation of the New Jersey Student Learning Standards, all requirements associated with the ACHIEVENJ mandates and all aspects of preparations needed for district personnel and students to meet the demands of the annual state standardized assessments.
- Revising curriculum and budgeting for resources/materials for the following content areas/grade levels as part of our Curriculum Revision Cycle: Social Studies Grades 6-8, ELA Grades 11-12, Health Education K-12, Computer Education/Financial Literacy Grades K-8, and World Language High School Level Intermediate I & II French, German, Spanish.
- Implementation of the elementary ELA curricula in Grades 3-5 including the implementation of new instructional materials, software, and resources. Regular education teachers will receive professional development from Great Minds to refine their implementation of Wit and Wisdom. Our special education staff will receive professional development from the American Reading Company through an in-class coaching model.
- Continued refinement of existing high school ELA curricula including the ongoing purchase of related instructional materials and resources.
- Implementation of revised curricula in K-12 Library Studies that will include the purchase of some new databases, interactive flat boards, digital resources, and furniture.
- Development of a more student-friendly middle schedule that lengthens instructional time, reduces student passing time, and lengthens PLC experiences for staff.
- Development of a more student-friendly high school schedule that lengthens instructional time, maximizes students' access to additional courses of study, and creates an extended period in the middle of the school day for students' access to enrichment activities, remediation studies, extra-curricular, and co-curricular leadership experiences.

- Comprised of administrators, teachers and board members, a committee was formed to investigate the feasibility of implementing a middle school schedule that allows more time for teaching ELA, math, social studies, and science.
- Implementation of a new elementary school schedule to provide additional time for ELA and mathematics. This includes a dedicated foreign language teacher to allow for world language to occur on a six-day cycle in the fifth grade and a rotating twelve-day cycle for third and fourth graders.
- Improvement of communications with the school community through mass messaging services, periodic electronic newsletter, social media, and cyber parent events.
- Implementation of a revised Summer Assignment policy and implementation guidelines that is reflective of best practices research.
- Bolstering positive school climate through the continued implementation of programs that may meet the needs of our K-12 student population.
- Improving the quality of technology infusion through the application of the SAMR Model.
- The implementation of a district level Student Equity Coalition that will include representation from all levels (Elementary, Middle, and High School) along with a School Community Equity Coalition. Professional consultants, school leaders, staff, students, parents, and community leaders will all collectively have input into this initiative and shape the process throughout.
- Creation of school-based equity committees facilitated by one or more staff members who were trained by Dr. Gorski in principles of equity. This committee, a subcommittee of the NJDOE required School Climate and Safety Committee, will field equity concerns from staff and parents, making recommendations for improvement to be submitted to the Equity Officer.
- Creation of an Equity Officer to oversee the training, planning, and implementation of principles of cultural proficiency and equity.
- Ongoing refinement of our ELA and Mathematics curricula and benchmark assessments to meet the demands of the New Jersey Student Learning Standards, providing for personalized learning through a robust digital curriculum. Math and English Language Arts curricula reflect the rigor expected in the New Jersey Student Learning Standards (SLS) in preparation for the state standardized assessments.
- Increasing student exposure to informational and technical text across all content areas, requiring well-reasoned responses that cite textual evidence.
- Implementation of a revised electronic data collection walk-through template, or learning walk, to assess levels of cultural proficiency, technology infusion, quality of instruction, and quality of assessments in all other content areas. These areas correspond with our professional development goals.
- Ongoing site-based coaching and implementation of the READ 180 Program (and the System 44 program were appropriate) at all levels with a goal of meeting the needs of our struggling special education and at-risk regular education student populations.

- The deployment of inventory of student devices to differentiate instruction to support a 1:1 student laptop initiative at Grades 3 through 12. This ensures that students at these grade levels can demonstrate the skills, comfort levels, and adaptability essential for the successful infusion of significantly expanded digital technology integration in the classroom. These essential technology tools and related components serve as well, when integrated into instruction, to prepare our students to meet the demands for college/career readiness and future success. Note: Students in Grades 6 through 12 have their laptops 24/7 and for the full 365 days in the year as part of this planning.
- Ongoing professional development related to the integration of technology and web-based tools/assessments to promote student achievement along with state assessment readiness at all levels is being provided to staff ongoing throughout the year.
- Implementation and integration of instructional technologies and web-based applications to provide a more personalized approach to learning for the District's 7,200 students. More technologies are being leveraged to diagnose students' skill levels in reading and mathematics, monitor their progress, and provide an adaptive learning path based on their individual needs. Professional development experiences have been crafted to support the effective implementation of personalization learning and student monitoring systems, including learning management systems, classroom response systems, the creation of wikis, webpages and blogs, and other production media. With an eye to future workplace and postsecondary challenges, productivity software, such as Office 365, supports students' needs to word process, create spreadsheets, manage databases, and design graphic representations in an environment where they can peer edit and collaborate with others. Specific student experiences include the creation of podcasts, video, online assessments, gamification, and audio/video editing. Our use of technology results in extending learning beyond the barriers of time and space our students learn in microbursts through tablets, laptops, smart phones, and other mobile devices in the style of flipped learning.
- Implementation of the new Learning Sciences International Marzano-Focused Teacher Evaluation Model (a Scientific-Behavioral Evaluation Model for Standards-Based Classrooms), the new Non-Classroom Instruction Support Personnel Evaluation Model, the new Marzano-Focused School Leader Evaluation Model, and the new Marzano-Focused District Leader Model.
- Parent workshops designed to inform parents about the ELA and Mathematics performance expectations of the state assessments and how the shifts in the New Jersey State Standards are being incorporated into daily instruction.

- Professional development through a Washington Township Public Schools district-hosted *Rowan University ELA Literacy Academy Partnership Grant*, under the leadership of Dr. Valarie Lee and Marjorie Madden and other university professionals, in which cohorts of elementary, middle school and high school teachers of regular and special education ELA teachers will enhance their content knowledge of the New Jersey Student Learning Standards while supporting Principals' ability to lead this implementation in this content area. Teachers will translate their learning to work in the classroom that has students building their knowledge through content-rich nonfiction; reading, writing, and speaking grounded in evidence from text both literary, and informational and regular practice with complex text and its academic vocabulary.
- Focus on ensuring optimal student growth for all students while giving special attention to the needs of at-risk learners along with appropriate investigation into instructional methodologies and programmatic enhancements to meet their needs. This includes ongoing emphasis and refinement of our K-12 *Intervention and Referral Services (I&RS)* and MTSS/NJTSS programming through substantial work being done with district leaders and teachers at all levels through planning/consultation/training with the American Reading Company (ARC).
- Implementation of a new PLC model at the elementary level. The model utilizes the Plan-Do-Study-Act cycle of improvement. Teachers utilize this format to enhance Tier I instruction and make recommendations for revision and best practice.
- The purchase and implementation of Seesaw for Schools for all K-2 teachers will allow for teachers to collaborate and share best practices. The goal for initial implementation is to increase parent involvement using this technology.
- Elementary staff will be connecting with classrooms around the world for a variety of learning projects using Empatico and Skype cameras. This program will allow us to extend learning beyond the walls of the classroom.
- Our second-grade staff will participate in goal setting and training provided by the creator of the 24 Game and the First in Math Program to assist us in achieving our goal of continuous improvement in math fact fluency and computational thinking.
- Professional development relating to the dyslexia mandate to ensure a broader knowledge base of the definition of dyslexia, identification indicators, the District screening process, and the District interventions and efforts to ensure students receive appropriate services.
- Mindfulness training will be provided to early adopters at all 7 elementary schools. Teams of 5 teachers will be registered for training through MindfulSchools.org. Upon completion of the training, the staff will implement strategies and develop a turnkey model for interested participants.
- Expanded implementation of our online STAR Computerized Testing System/Accelerated Reader program to all students in Grades 1-12 to determine/support student needs, recommend specific targeted interventions, and assess and monitor student progress in reading and mathematics.

- Provide for a personalized, individualized, evidence-based educational alternative educational service program for high school and middle level nontraditional learners in collaboration with families and our School District. This will be accomplished through an agreement with Ombudsman: An Alternate Route program. Priority goals are high levels of student social, academic, and behavioral growth and achievement.
- Continued support of the implementation of our K-2 ELA programs in readers and writers' workshop. Professional development, grade level meetings, articulation meetings, and online resources will be offered. Training in reading and writing conferences will support individualized instruction.
- Continued professional development as it pertains to the implementation of a full-day kindergarten program. Attendance at conferences, grade level meetings, and articulation among the three sites will be supported. In addition, articulation meetings between kindergarten and first grade teachers has been scheduled through staff partnerships and visitations.
- Continued analysis of the state standardized testing assessments results in ELA and Mathematics. An extensive analysis of the district and school evidence tables occurs annually, and teachers are provided time and resources to review the standards and questions in which their students may need additional support.
- Ongoing refinement of lesson activities and pedagogy to more closely align with the performance expectations of the NJSLA-Science assessments in Grades 5, 8 and 11.
- Ongoing implementation of additional time programs including Get SET, Homework Club, Good Morning Math, Working Writers, 5th to 6th Grade Summer Transition Program, Middle School Prep Club, Middle School After-School Digits Club, and Freshman Transition Programs.
- Evening parent involvement programs including Cyber Nights, Parents as Partners, Stepping Up to the Next Grade, MS Township Talks Technology, Family Literacy, and Family Math were offered to parents.
- Parent workshops at the middle school level designed to inform parents about the ELA and Mathematics performance expectations of the state assessments for all grade levels, how the State Standards are being incorporated into daily instruction, and to inform and train parents on the features of our online Digits Math program.
- Ongoing development and implementation of a continuum of instructional programs and student support initiatives to meet the unique needs of our special population students and to support the implementation of in-district specialized program(s) for certain students currently placed in out-of-district settings.
- Implemented monthly site-based data meetings for special education teachers.
- *Dynamic Learning Maps* training for special education teachers.
- Implemented the Community-Based Instruction Program at all levels.
- Administration, teachers, and Child Study Team members participate in workshops provided by the NJDOE as part of the LRE Settlement activities, Year 3.

- Ongoing training for specialized assistants on data management, discrete trial, prompting, role of the special education assistant, data collection, and management, prompting, and fading.
- Administrative training by Solicitor on legal issues in special education and Section 504.
- Home Instruction Services training for Administration and School Counselors.
- Training on FERPA Compliance.
- Implementation of the Consultative model to support students in the LRE.
- Expansion of behavior services at all levels for general and special education students by incorporating the services of BCBA's and Registered Behavior Consultants.
- Implementation of an integrated preschool model to provide services for general and special education students.
- Restructured BD program at the HS to include two full-time Registered Behavior Techs with the close consultation of a BCBA.
- Addition of an Autism Program at Bunker Hill Middle School.
- Addition of a preschool level MD class at GTECC.
- Site-based literacy coaching for Resource Center and Self-Contained teachers in Grades 3-5 with a focus on developing a reading culture, using metrics to drive databased differentiated instruction.
- Professional Development for Special Education Teachers to include writing of goals and objectives and modifications in the IEP. Specific training on co-teaching models.
- Training on the Soudy Program to provide structured systematic multisensory reading intervention.
- Board Maker training for Speech Language Therapists and selected special education teachers.
- Classroom Behavior Management training for special education teachers and co-teaching pairs at all levels.
- Cohorts comprised of speech language therapists and CST members to address areas identified as areas of need within the department of special education.
- AAC training on the SETT process for speech language therapists.
- Establishment of a Data Governance Committee to address data integrity issues, streamline the integration of platforms, and identify critical points of concern.
- Crisis Response training for relevant staff.

4) INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognized 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 financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

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

5) 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.

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 either are cancelled or are included as reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as assignments of fund balance at June 30, 2018.

6) ACCOUNTING SYSTEM AND REPORTS:

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

7) FINANCIAL INFORMATION AT FISCAL YEAR-END:

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. Please see Management's Discussion and Analysis for summary schedules.

8) DEBT ADMINISTRATION:

At June 30, 2018, the District's outstanding debt issues included \$11,840,000.00 of general obligation bonds.

9) CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 2. The District has adopted 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. 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.

10) RISK MANAGEMENT:

The Board carried various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

11) OTHER INFORMATION:

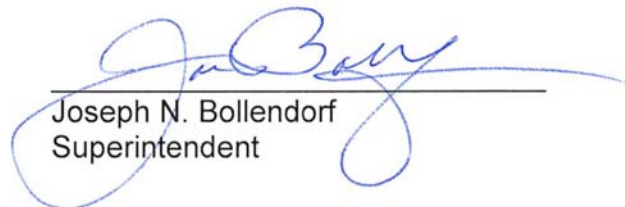
Independent Audit - State statutes require an annual audit by independent certified public accountants. The accounting firm of Bowman & Company LLP was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Uniform Guidance and State Treasury Circular Letter 15-08-OMB. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

Honorable President Murphy and
Members of the Board of Education
February 12, 2019
Page 17 of 17


12)ACKNOWLEDGMENTS:

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


Respectfully submitted:



Joseph N. Bollendorf
Superintendent

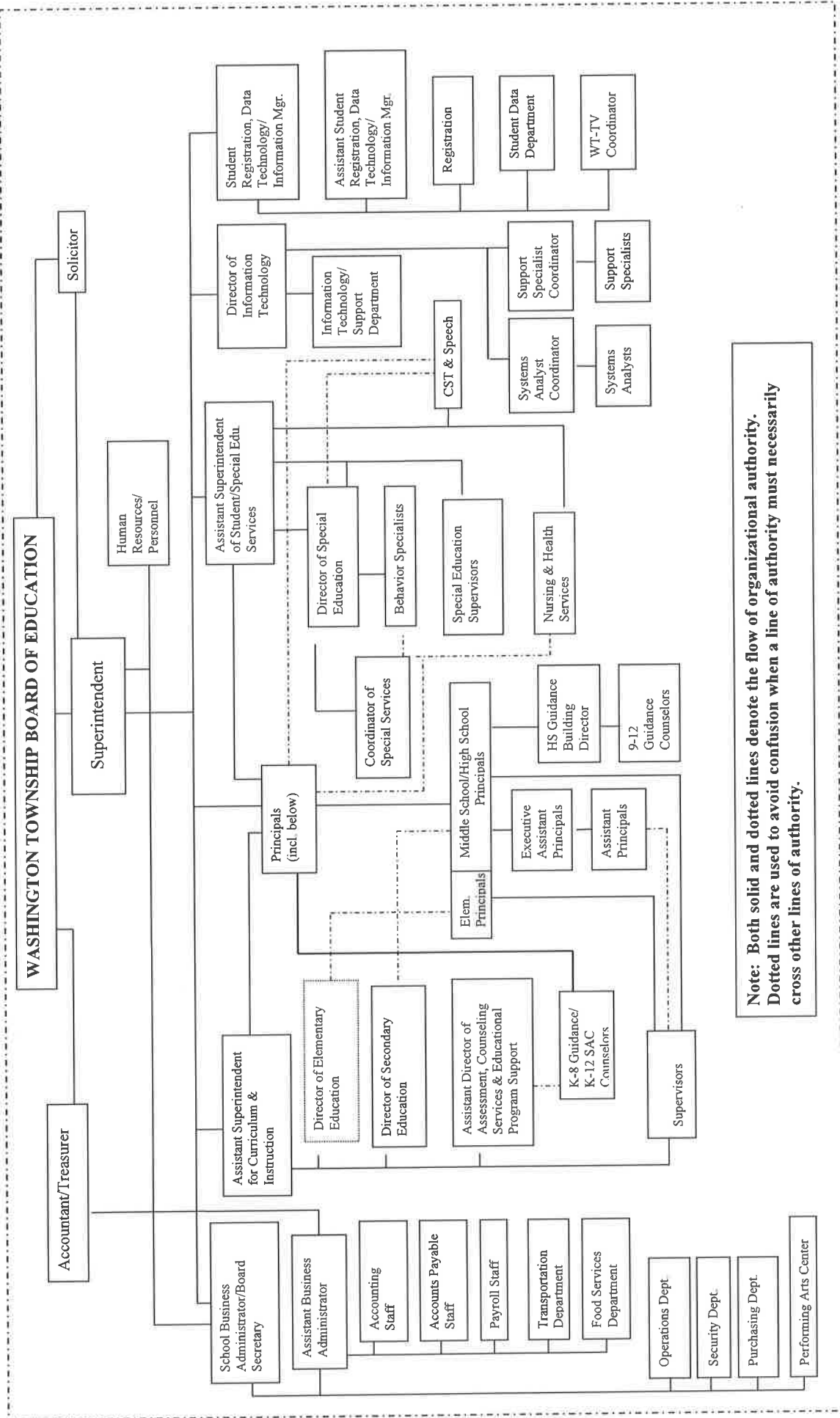


Margaret F. Meehan, CPA
School Business Administrator/
Board Secretary



Harold J. Finkle, CPA
Assistant School Business Administrator

ORGANIZATIONAL CHART



Note: Both solid and dotted lines denote the flow of organizational authority. Dotted lines are used to avoid confusion when a line of authority must necessarily cross other lines of authority.

**BOARD OF EDUCATION
OF THE
TOWNSHIP OF WASHINGTON
SEWELL, NEW JERSEY**

**ROSTER OF OFFICIALS
June 30, 2018**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Virginia Murphy, President	2020
Robert Abbott, Vice President	2018
Raymond C. Dinovi Jr.	2020
Karen Garrison	2018
Danielle Halpin	2019
Christina Metz	2019
Tiffany Orihel	2019
Julie Yankanich	2020
Candice Zachowski	2018

Other Officials

Joseph N. Bollendorf, Superintendent

Margaret F. Meehan, CPA, School Business
Administrator/Board Secretary

Joseph F. Betley, Esq., Solicitor

**BOARD OF EDUCATION
OF THE
TOWNSHIP OF WASHINGTON**

Consultants and Advisors

June 30, 2018

Engineer

Remington and Vernick
232 Kings Highway East
Haddonfield, NJ 08033

Audit Firm

Bowman & Company LLP
601 White Horse Road
Voorhees, NJ 08043-2492

Attorney

Capehart Scatchard
Laurel Corporate Center
8000 Midlantic Drive, Suite 300 South
Mount Laurel, NJ 08054

Official Depository

Investors Bank
301 Greentree Road
Sewell, NJ 08080

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Washington School District
County of Gloucester, New Jersey 08080

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 Township of Washington School District, in the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Administration and 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Washington School District, in the County of Gloucester, State of New Jersey, 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*Adoption of New Accounting Principles*

As discussed in note 1 to the financial statements, during the fiscal year ended June 30, 2018, the School District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. The adoption of this new accounting principle required the School District to recognize a revenue and expense on the government-wide statement of activities for the State's proportionate share of the postemployment expense associated with the School District. The related disclosures for the implementation of this new accounting pronouncement are included in note 10 in the notes to financial statements. Our opinion is not modified with respect to this matter.

Other Matters*Required Supplementary Information*

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2019 on our consideration of the Township of Washington School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township of Washington School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Washington School District's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



L. Jarred Corn
Certified Public Accountant
Public School Accountant No. CS 00219700

Voorhees, New Jersey
February 12, 2019

**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 AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Washington School District
County of Gloucester, New Jersey 08080

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Washington School District, in the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated February 12, 2019. Our report on the financial statements included an emphasis of matter paragraph describing the adoption of a new accounting principle.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

BOWMAN & COMPANY LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

L. Jarred Corn

L. Jarred Corn
Certified Public Accountant
Public School Accountant No. CS 00219700

Voorhees, New Jersey
February 12, 2019

REQUIRED SUPPLEMENTARY INFORMATION

PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

WASHINGTON TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Unaudited)

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

Financial Highlights

Key financial highlights for 2018 are as follows:

- In total, Net Position increased \$867,238 primarily due to the net change in total assets.
- General revenues accounted for \$138,610,270 in revenue or 71% of all revenues. Program-specific revenues in the form of charges for services and operating grants and contributions accounted for \$57,385,729 or 29% of total revenues of \$181,320,723.
- Total assets of governmental activities increased by \$469,433 primarily due increase in receivables.
- The School District had \$191,118,838 in expenses; \$57,385,729 of these expenses were offset by program-specific charges for services, grants or contributions.
- Among major funds, the General Fund had \$155,467,944 in revenues, \$156,192,047 in expenditures, and \$935,583 in other financing sources. The General Fund's balance increased \$211,481 from 2017. The School District appropriated \$9.9 million into the original General Fund budget as tax relief for 2018-2019.

Overview of the Financial Statements

The financial section of this annual report consists of two parts: Part I, management's discussion and analysis (this section), the basic financial statements with the accompanying note disclosures; and Part II, budgetary comparison schedules, notes to the required supplementary information, and other supplementary information. The basic financial statements include two kinds of statements that present different views of the School District:

- The first two statements, Exhibits A-1 and A-2, are government-wide financial statements that provide both long-term and short-term information about the School District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the School District's operations in more detail than the government-wide statements.

The governmental fund statements tell how general government services were financed in the short-term as well as what remains for future spending.

Proprietary fund statements offer short-term and long-term financial information about those types of activities that operate like a business.

Fiduciary fund statements provide information about the financial relationships in which the School District acts as a trustee or agent for the benefit of others to whom the resources belong.

WASHINGTON TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Unaudited-Cont'd)

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

The statements are followed by another section, Part II, which contains required supplementary information that further explains and supports the information in the financial statements including budget schedules, reconciliations, and individual fund statements.

Reporting the School District as a Whole

Statement of Net position and the Statement of Activities

The Statement of Net position and the Statement of Activities include all assets and liabilities of the School District using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net position and the Statement of Activities, the School District reports governmental and business-type activities. Governmental activities are the activities where most of the School District's programs and services are reported, including but not limited to instruction, support services, operation and maintenance of plant, pupil transportation, and special schools.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The Fund financial reports provide detailed information about the School District's major funds. The School District uses several funds to account for a variety of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, the Special Revenue Fund, Debt Service, and the Capital Projects Fund; the School District has no Permanent Fund.

Governmental Funds

Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future periods. These funds are reported using an accounting method called modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

WASHINGTON TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Unaudited-Cont'd)

The School District as a Whole

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

Table 1 provides a summary of the School District's Net Position for 2018 and 2017.

	<u>2017-2018</u>	<u>2016-2017</u>	<u>Increase/ (Decrease)</u>	<u>Increase/ (Decrease)</u>
TABLE 1				
Net Position				
Assets				
Current and Other Assets	\$ 27,148,471.07	\$ 26,960,256.49	\$ 188,214.58	0.7%
Capital Assets	<u>87,196,166.73</u>	<u>86,509,138.10</u>	<u>687,028.63</u>	<u>0.8%</u>
Total Assets	<u>114,344,637.80</u>	<u>113,469,394.59</u>	<u>875,243.21</u>	<u>0.8%</u>
Deferred Outflow of Resources				
	<u>13,808,445.09</u>	<u>18,741,234.26</u>	<u>(4,932,789.17)</u>	<u>-26.3%</u>
Current Liabilities	7,015,096.47	7,277,720.56	(262,624.09)	-3.6%
Non-Current Liabilities	<u>77,649,151.94</u>	<u>91,904,271.22</u>	<u>(14,255,119.28)</u>	<u>-15.5%</u>
Total Liabilities	<u>84,664,248.41</u>	<u>99,181,991.78</u>	<u>(14,517,743.37)</u>	<u>-14.6%</u>
Deferred Inflow of Resources				
	<u>10,694,050.00</u>	<u>1,101,091.00</u>	<u>9,592,959.00</u>	<u>100.0%</u>
Net Position				
Net Investment in Capital Assets	75,303,159.97	74,052,557.81	1,250,602.16	1.7%
Restricted for:				
Capital Projects	4,773,160.80	5,457,147.78	(683,986.98)	-12.5%
Other Purposes	5,272,855.42	5,470,302.56	(197,447.14)	-3.6%
Unrestricted (Deficit)	<u>(52,554,391.71)</u>	<u>(53,052,462.08)</u>	<u>498,070.37</u>	<u>-0.9%</u>
Total Net Position	<u>\$ 32,794,784.48</u>	<u>\$ 31,927,546.07</u>	<u>\$ 867,238.41</u>	<u>2.7%</u>
Effect of Pension Related Items for Implementation of GASB 68:				
Deferred Outflows Related to Pensions	\$ 13,064,247.00	\$ 17,896,751.00	\$ (4,832,504.00)	-27.0%
Less: Net Pension Liability	(46,526,036.00)	(60,082,838.00)	13,556,802.00	-22.6%
Less: Deferred Inflows Related to Pensions	<u>(10,694,050.00)</u>	<u>(1,101,091.00)</u>	<u>(9,592,959.00)</u>	<u>871.2%</u>
	<u>\$ (44,155,839.00)</u>	<u>\$ (43,287,178.00)</u>	<u>\$ (868,661.00)</u>	

WASHINGTON TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Unaudited-Cont'd)

Table 2 shows a summary of changes in net position for Fiscal Year 2018.

TABLE 2
Changes in Net Position

	<u>2017-2018</u>	<u>2016-2017</u>	<u>Increase/ (Decrease)</u>
Revenues			
Program revenues:			
Charges for services	\$ 2,217,764.91	\$ 2,245,972.94	\$ (28,208.03)
Operating Grants and Contributions	55,023,249.39	47,465,793.65	7,557,455.74
Capital Grants and Contributions	144,715.15		144,715.15
General revenues:			
Property Taxes, Levied for General Purpose	84,702,621.00	83,041,785.00	1,660,836.00
Property Taxes, Levied for Debt Service	1,239,800.00	1,175,221.00	64,579.00
Federal and State Aid, not Restricted	51,290,651.46	52,206,591.64	(915,940.18)
Other	1,377,197.90	1,114,950.96	262,246.94
Total revenues	<u>195,995,999.81</u>	<u>187,250,315.19</u>	<u>8,745,684.62</u>
Program Expenses			
Governmental Activities:			
Instruction	60,497,169.90	64,233,919.93	(3,736,750.03)
Support Services:			
Tuition	6,708,123.32	7,064,431.94	(356,308.62)
Student and Instruction Related Services	16,291,469.43	15,551,182.02	740,287.41
School Administrative Services	6,507,291.40	6,469,473.93	37,817.47
General and Business Administrative Services	3,539,878.91	2,757,303.19	782,575.72
Plant Operation and Maintenance	12,732,108.67	11,999,622.78	732,485.89
Pupil Transportation	6,733,532.02	6,638,858.09	94,673.93
Unallocated Benefits	77,439,718.42	73,969,300.94	3,470,417.48
Transfer to Charter School	219,640.00	182,483.00	37,157.00
Interest on Long-term Debt	449,905.88	429,140.76	20,765.12
Total Expenses--Governmental Activities	<u>191,118,837.95</u>	<u>189,295,716.58</u>	<u>1,823,121.37</u>
Business-Type Activities Net Expenses (Income):			
Food Service	3,224,883.91	3,395,003.50	(170,119.59)
Child Care Program	142,527.76	107,983.84	34,543.92
Telecommunications	10,955.21	8,686.49	2,268.72
Drivers' Education	59,979.20	63,118.46	(3,139.26)
Center for the Performing Arts	571,577.37	576,569.28	(4,991.91)
Total Expenses, Business-Type Activities	<u>4,009,923.45</u>	<u>4,151,361.57</u>	<u>(141,438.12)</u>
Increase (Decrease) in Net Position	867,238.41	(6,196,762.96)	7,064,001.37
Net Position July 1	<u>31,927,546.07</u>	<u>38,124,309.03</u>	<u>(6,196,762.96)</u>
Net Position June 30	<u>\$ 32,794,784.48</u>	<u>\$ 31,927,546.07</u>	<u>\$ 867,238.41</u>

WASHINGTON TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Unaudited-Cont'd)

Governmental Activities

Municipal appropriations and state aid made up 97% of revenues for governmental activities for the School District for Fiscal Year 2018.

Instruction comprises 32% of District governmental expenses. Support services expenses make up 68% of the governmental expenses. Interest on Long-Term Debt Service is 0% of the governmental expenses.

The Statement of Activities shows the cost of the governmental activities' program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services for Fiscal Year 2018. That is, it identifies the cost of these services supported by general revenues.

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and pupil.

Student and instruction-related services include the activities designed to assess and improve the well-being of students and to supplement the teaching process.

Administrative services include expenses associated with establishing and administering policy for the School District and include board of education services and executive administration services.

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

Pupil transportation includes activities involved with the conveyance of students to and from school activities.

	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Instruction	\$ 60,497,169.90	\$ 58,708,278.95
Support Services:		
Tuition	6,708,123.32	6,708,123.32
Student and Instruction Related Services	16,291,469.43	15,054,213.46
School Administrative Services	6,507,291.40	6,507,291.40
General and Business Administrative Services	3,539,878.91	3,394,178.82
Plant Operation and Maintenance	12,732,108.67	12,732,108.67
Pupil Transportation	6,733,532.02	6,733,532.02
Unallocated Benefits	77,439,718.42	26,318,792.93
Transfer to Charter Schools	219,640.00	219,640.00
Interest on Long-term Debt	<u>449,905.88</u>	<u>449,905.88</u>
Total Expenses	<u>\$ 191,118,837.95</u>	<u>\$ 136,826,065.45</u>

WASHINGTON TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Unaudited-Cont'd)

Governmental Activities (Cont'd)

Business and other support services include activities for support not classified elsewhere, including support services for business activities and support services for central activities.

Employee benefits include the cost of benefits for the School District staff for social security, retirement contributions, workers' compensation, health benefits and other employee benefits.

The dependence upon municipal appropriations and state aid is apparent. The local communities and the state are the primary support for the Washington Township School District.

The School District's Funds

The School District's major funds are accounted for using the modified accrual basis of accounting. All Governmental funds had total revenues of \$159,851,479, expenditures of \$162,668,690, and other financing sources of \$3,515,801. The net change in fund balance for the year in the General Fund was a decrease of \$211,481.

General Fund Budgeting Highlights

The School District's budget is prepared in accordance with New Jersey law. The most significant budgeted fund is the General Fund.

During the course of the 2018 fiscal year, the School District modified its General Fund budget numerous times.

For the General Fund, the final budget basis revenue estimate was \$135,396,974 which is less than the original estimate by \$1,002,306. This represents the amount of State Aid that was reduced after the start of the fiscal year.

During Fiscal Year 2018, the School District budgeted \$84,702,621 and \$50,012,999 for municipal appropriations and state aid revenues, respectively. The School District also received \$4,214,104 in reimbursed TPAF Social Security aid, and \$13,849,859 in reimbursed TPAF, long-term disability insurance and post-retirement health benefits. This has resulted in a favorable revenue variance.

The final budget basis expenditure appropriation estimate for current expense was \$140,612,076, which is equal to the original budget.

WASHINGTON TOWNSHIP SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(Unaudited-Cont'd)

Capital Assets

At the end of Fiscal Year 2018, the School District had \$87,196,167 invested in land, construction in progress, land improvements, buildings and Improvements, and equipment.

Table 4 shows a summary of the fiscal 2018 balances.

	<u>2017-2018</u>	<u>2016-2017</u>
Land	\$ 5,590,700.00	\$ 5,590,700.00
Construction in Progress	3,535,774.73	1,018,831.38
Land Improvements	2,379,452.25	1,795,223.02
Buildings and Improvements	69,155,478.47	65,462,988.80
Equipment	<u>6,534,761.28</u>	<u>12,641,394.90</u>
Totals	<u>\$ 87,196,166.73</u>	<u>\$ 86,509,138.10</u>

Overall capital assets decreased \$687,029 from Fiscal Year 2017 to Fiscal Year 2018.

Debt Administration

The School District receives state aid and municipal tax levy funds for the payment of debt.

Current Financial Issues and Concerns

The School District has a long record of financial stability. Despite unpredictable funding from the State of New Jersey, the district manages to provide an excellent educational opportunity for all the School District students. This has been accomplished through increases in the local tax levy. The School District's General Fund budget has grown steadily over the past five years. This has resulted primarily from the increase in fixed costs such as labor, employee benefits, utilities, diesel fuel, and out-of-district tuition.

Contacting the School District's Financial Management

These financial reports are designed to provide our citizens, taxpayers, and creditors with a general overview of the School District's finances and to show the accountability for money received from the state and local government. If you have questions about this report or need additional information, contact Margaret F. Meehan, Secretary to the Board of Education and School Business Administrator at: WASHINGTON TOWNSHIP BOARD OF EDUCATION, 206 East Holly Avenue, Sewell, New Jersey 08080.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
Statement of Net Position
June 30, 2018

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 6,300,838.46	\$ 2,034,593.25	\$ 8,335,431.71
Cash and Cash Equivalents - Held in Trust	1,287,059.92		1,287,059.92
Accounts Receivable	11,783,992.71	293,308.68	12,077,301.39
Inventory		25,945.14	25,945.14
Restricted Assets:			
Cash and Cash Equivalents	3,862,212.79		3,862,212.79
Cash - Capital Reserve Account	1,560,520.12		1,560,520.12
Capital Assets, net	<u>86,788,661.44</u>	<u>407,505.29</u>	<u>87,196,166.73</u>
Total Assets	<u>111,583,285.44</u>	<u>2,761,352.36</u>	<u>114,344,637.80</u>
DEFERRED OUTFLOW OF RESOURCES:			
Loss on Refunding of Debt	744,198.09		744,198.09
Related to Pensions	<u>13,064,247.00</u>		<u>13,064,247.00</u>
Total Deferred Outflows of Resources	<u>13,808,445.09</u>	<u>-</u>	<u>13,808,445.09</u>
LIABILITIES:			
Accounts Payable:			
Other	3,488,103.16	23,312.77	3,511,415.93
Pensions	2,138,960.00		2,138,960.00
Internal Balances	(1,672,569.36)	1,672,569.36	
Accrued Salaries and Benefits	770,721.56	21,925.51	792,647.07
Deposits Payable		43,467.00	43,467.00
Other Current Liabilities	75,948.58		75,948.58
Payable to State Government	50,321.46		50,321.46
Unearned Revenue	176,856.22	54,933.95	231,790.17
Accrued Interest on Bonds	170,546.26		170,546.26
Noncurrent Liabilities:			
Due within One Year	5,417,612.63	10,765.00	5,428,377.63
Due beyond One Year	<u>72,082,599.43</u>	<u>138,174.88</u>	<u>72,220,774.31</u>
Total Liabilities	<u>82,699,099.94</u>	<u>1,965,148.47</u>	<u>84,664,248.41</u>
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions	<u>10,694,050.00</u>	<u>-</u>	<u>10,694,050.00</u>
NET POSITION:			
Net Investment in Capital Assets	74,895,654.68	407,505.29	75,303,159.97
Restricted for:			
Capital Projects	4,773,160.80		4,773,160.80
Excess Surplus	5,254,671.97		5,254,671.97
Advertising	18,183.45		18,183.45
Unrestricted (Deficit)	<u>(52,943,090.31)</u>	<u>388,698.60</u>	<u>(52,554,391.71)</u>
Total Net Position	<u>\$ 31,998,580.59</u>	<u>\$ 796,203.89</u>	<u>\$ 32,794,784.48</u>

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

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2018

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 43,665,460.84		\$ 1,788,890.95		\$ (41,876,569.89)		\$ (41,876,569.89)
Special Education	11,434,216.18				(11,434,216.18)		(11,434,216.18)
Other Special Instruction	3,123,566.93				(3,123,566.93)		(3,123,566.93)
Other Instruction	2,273,925.95				(2,273,925.95)		(2,273,925.95)
Community Services Programs / Operations							
Support Services:							
Tuition	6,708,123.32				(6,708,123.32)		(6,708,123.32)
Student and Instruction Related Services	16,291,469.43		1,237,255.97		(15,054,213.46)		(15,054,213.46)
School Administrative Services	6,507,291.40				(6,507,291.40)		(6,507,291.40)
General and Business Administrative Services	3,539,878.91	\$ 145,700.09			(3,394,178.82)		(3,394,178.82)
Plant Operations and Maintenance	12,732,108.67				(12,732,108.67)		(12,732,108.67)
Pupil Transportation	6,733,532.02				(6,733,532.02)		(6,733,532.02)
Unallocated Benefits	77,439,718.42		51,120,925.49		(26,318,792.93)		(26,318,792.93)
Transfer to Charter School	219,640.00				(219,640.00)		(219,640.00)
Interest on Long-Term Debt	449,905.88				(449,905.88)		(449,905.88)
Total Governmental Activities	191,118,837.95	145,700.09	54,147,072.41	-	(136,826,065.45)	-	(136,826,065.45)
Business-Type Activities:							
Food Service	3,224,883.91	1,295,981.53	876,176.98	\$ 144,715.15		\$ (908,010.25)	(908,010.25)
Child Care Program	142,527.76	128,350.10				(14,177.66)	(14,177.66)
TeleCommunications	10,955.21	12,410.00				1,454.79	1,454.79
Center for the Performing Arts	571,577.37	571,873.19				295.82	295.82
Drivers Education	59,979.20	63,450.00				3,470.80	3,470.80
Total Business-Type Activities	4,009,923.45	2,072,064.82	876,176.98	144,715.15	-	(916,966.50)	(916,966.50)
Total Government	\$ 195,128,761.40	\$ 2,217,764.91	\$ 55,023,249.39	\$ 144,715.15	(136,826,065.45)	(916,966.50)	(137,743,031.95)
General Revenues:							
Property Taxes:							
Levied for General Purposes					84,702,621.00		84,702,621.00
Levied for Debt Service					1,239,800.00		1,239,800.00
Federal and State Aid not Restricted					51,290,651.46		51,290,651.46
Investment Earnings					348,728.99	18,281.14	367,010.13
Miscellaneous					1,179,567.14		1,179,567.14

(Continued)

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2018

<u>Functions / Programs</u>	Net (Expense) Revenue and Changes in Net Position		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Loss on Disposal of Capital Assets	\$ (24,664.22)		\$ (24,664.22)
Capital Contribution - Business-Type Activities (Food Service Enterprise Fund)	(144,715.15)		(144,715.15)
Transfers	(1,102,525.47)	\$ 1,102,525.47	
Total General Revenues, Loss on Disposal of Capital Assets, Contributions, and Transfers	<u>137,489,463.75</u>	<u>1,120,806.61</u>	<u>138,610,270.36</u>
Change in Net Position	663,398.30	203,840.11	867,238.41
Net Position, July 1	<u>31,335,182.29</u>	<u>592,363.78</u>	<u>31,927,546.07</u>
Net Position, June 30	<u>\$ 31,998,580.59</u>	<u>\$ 796,203.89</u>	<u>\$ 32,794,784.48</u>

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

FUND FINANCIAL STATEMENTS

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT

Governmental Funds

Balance Sheet

June 30, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 6,295,053.80		\$ 3,859,929.05	\$ 2,283.74	\$ 10,157,266.59
Cash and Cash Equivalents - Held in Trust	1,287,059.92				1,287,059.92
Interfund Accounts Receivable	4,023,551.68			0.26	4,023,551.94
Receivables from Other Governments	9,287,626.30	\$ 603,140.00	87,573.07		9,978,339.37
Other Accounts Receivable	69,088.88	25,972.95			95,061.83
Cash and Cash Equivalents - Restricted	1,560,520.12				1,560,520.12
Total Assets	\$ 22,522,900.70	\$ 629,112.95	\$ 3,947,502.12	\$ 2,284.00	\$ 27,101,799.77
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 2,941,653.72	\$ 141,406.43	\$ 402,543.89		\$ 3,485,604.04
Accrued Salaries and Benefits	758,553.35	11,458.41			770,011.76
Interfund Accounts Payable		324,441.24	313,374.09		637,815.33
Other Current Liabilities	75,948.58				75,948.58
Payable to State Government		31,378.00	18,943.46		50,321.46
Unearned Revenue	56,427.35	120,428.87			176,856.22
Total Liabilities	3,832,583.00	629,112.95	734,861.44	-	5,196,557.39
Fund Balances:					
Restricted:					
Capital Projects			3,212,640.68		3,212,640.68
Debt Service				\$ 2,284.00	2,284.00
Capital Reserve Account	1,560,520.12				1,560,520.12

(Continued)

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT

Governmental Funds

Balance Sheet

June 30, 2018

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
LIABILITIES AND FUND BALANCES (CONT'D):					
Fund Balances (Cont'd):					
Restricted (Cont'd):					
Excess Surplus - Current Year	\$ 435,650.97				\$ 435,650.97
Excess Surplus - Designated for Subsequent Year's Expenditures	4,819,021.00				4,819,021.00
Legal Reserve - 50% School Bus Advertising Revenue; Offset to Fuel Costs - Current Year	8,073.45				8,073.45
Legal Reserve - 50% School Bus Advertising Revenue; Offset to Fuel Costs - Prior Year	10,110.00				10,110.00
Committed	1,227,491.08				1,227,491.08
Assigned:					
Other Purposes	2,256,456.35				2,256,456.35
Designated for Subsequent Year's Expenditures	5,108,979.00				5,108,979.00
Unassigned	3,264,015.73				3,264,015.73
Total Fund Balances	<u>18,690,317.70</u>	<u>-</u>	<u>\$ 3,212,640.68</u>	<u>\$ 2,284.00</u>	21,905,242.38
Total Liabilities and Fund Balances	<u>\$ 22,522,900.70</u>	<u>\$ 629,112.95</u>	<u>\$ 3,947,502.12</u>	<u>\$ 2,284.00</u>	

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

Accrued interest payable on long-term debt is not due and payable in the current period and therefore is not reported in the funds.

(170,546.26)

(Continued)

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
 Governmental Funds
 Balance Sheet
 June 30, 2018

	<u>Total Governmental Funds</u>
<p>Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because (cont'd):</p>	
<p>The loss on the refunding of debt is a consumption of net position that is applicable to a future reporting period and therefore is not reported in the funds.</p>	\$ 744,198.09
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$174,884,525.36 and the accumulated depreciation is \$88,095,863.92.</p>	86,788,661.44
<p>Long-term liabilities, including bonds, capital leases, purchase agreements and compensated absences payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.</p>	(30,974,176.06)
<p>Net Pension Liability</p>	(46,526,036.00)
<p>Accounts payable related to pensions are not liquidated with current financial resources; therefore, such amounts are not recorded in the fund financial statements.</p>	(2,138,960.00)
<p>Deferred outflows and deferred inflows related to pensions represent the consumption and acquisition, respectively, of resources that relate to future periods; therefore, such amounts are not reported in the fund financial statements.</p>	<u>2,370,197.00</u>
<p>Net position of governmental activities</p>	<u><u>\$ 31,998,580.59</u></u>

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

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
 Governmental Funds
 Statement of Revenues, Expenditures and Changes in Fund Balances
 For the Fiscal Year Ended June 30, 2018

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES:					
Local Tax Levy	\$ 84,702,621.00			\$ 1,239,800.00	\$ 85,942,421.00
Tuition	392,811.79				392,811.79
Miscellaneous	869,601.95	\$ 241,198.69	\$ 24,683.70		1,135,484.34
State Sources	69,207,178.75	15,239.94	11,483.37		69,233,902.06
Federal Sources	295,730.79	2,851,129.02			3,146,859.81
Total Revenues	<u>155,467,944.28</u>	<u>3,107,567.65</u>	<u>36,167.07</u>	<u>1,239,800.00</u>	<u>159,851,479.00</u>
EXPENDITURES:					
Current:					
Regular Instruction	41,037,185.18	1,788,890.95			42,826,076.13
Special Education Instruction	11,426,878.93				11,426,878.93
Other Special Instruction	3,123,566.93				3,123,566.93
Other Instruction	2,273,925.95				2,273,925.95
Support Services and Undistributed Costs:					
Tuition	6,708,123.32				6,708,123.32
Student and Instruction Related Services	15,034,174.50	1,237,255.97			16,271,430.47
School Administrative Services	6,507,291.40				6,507,291.40
Other Administrative Services	4,561,703.48				4,561,703.48
Plant Operations and Maintenance	11,531,695.23				11,531,695.23
Pupil Transportation	6,196,200.11				6,196,200.11
Unallocated Benefits	43,140,240.40				43,140,240.40
Transfer to Charter Schools	219,640.00				219,640.00
Debt Service:					
Principal	69,515.39			815,000.00	884,515.39
Interest and Other Charges				424,800.00	424,800.00
Capital Outlay	4,361,906.01	81,420.73	2,129,275.48		6,572,602.22
Total Expenditures	<u>156,192,046.83</u>	<u>3,107,567.65</u>	<u>2,129,275.48</u>	<u>1,239,800.00</u>	<u>162,668,689.96</u>
Excess (Deficiency) of Revenues					(Continued)

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
 Governmental Funds
 Statement of Revenues, Expenditures and Changes in Fund Balances
 For the Fiscal Year Ended June 30, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
over Expenditures	\$ (724,102.55)	-	\$ (2,093,108.41)	-	\$ (2,817,210.96)
OTHER FINANCING SOURCES (USES):					
Capital Leases (Non-Budgeted)	268,326.60				268,326.60
Proceeds from Purchasing Agreements	4,350,000.00				4,350,000.00
Operating Transfers	(3,682,743.25)		2,580,217.52	\$ 0.26	(1,102,525.47)
Total Other Financing Sources (Uses)	935,583.35	-	2,580,217.52	0.26	3,515,801.13
Net Change in Fund Balances	211,480.80	-	487,109.11	0.26	698,590.17
Fund Balance, July 1	18,478,836.90	-	2,725,531.57	2,283.74	21,206,652.21
Fund Balance, June 30	\$ 18,690,317.70	-	\$ 3,212,640.68	\$ 2,284.00	\$ 21,905,242.38

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

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues, 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		\$ 698,590.17
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Depreciation Expense	\$ (5,895,143.38)	
Capital Outlays	<u>6,572,602.22</u>	
		677,458.84
Capital contribution to the food service enterprise fund is an expenditure in the governmental funds but is not reported as a capital asset addition on the governmental activities statement of net position.		(144,715.15)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		815,000.00
Repayment of other long term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		4,476,787.16
Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		53,665.32
Proceeds from purchasing agreements are a financing source in the governmental funds, but are not revenue in the statement of activities; issuing such debt increases long-term liabilities in the statement of net position.		(4,350,000.00)
The issuance of long-term debt (bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		(36,765.19)
The net effect of various miscellaneous transactions involving capital assets (i.e., disposals, donations and capital grants) is to decrease net position.		(24,664.22)
Proceeds from capital lease issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net position. Proceeds of long-term debt		(268,326.60)
Interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. This amount is the net effect of the difference in the treatment of interest on long-term debt.		11,659.31
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). This amount is the net effect of the difference in treatment of compensated absences.		(86,457.02)
The internal service fund is used by management to charge the costs of paper, printing and engraving to individual funds. This amount is the change in net position for the internal service fund, exclusive of any gain/(loss) on disposal of internal service fund capital assets.		(2,775.32)
Governmental funds report pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.		<u>(1,156,059.00)</u>
Change in Net Position of Governmental Activities		<u>\$ 663,398.30</u>

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

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
 Proprietary Funds
 Statement of Net Position
 June 30, 2018

	Business-Type Activities - Enterprise Funds						Governmental Activities
	<u>Food Service</u>	<u>Child Care Program</u>	<u>Tele- Comm</u>	<u>Center for the Performing Arts</u>	<u>Drivers Education</u>	<u>Total Enterprise</u>	<u>Internal Service Funds</u>
ASSETS:							
Current Assets:							
Cash and Cash Equivalents	\$ 1,096,230.94	\$ 368,229.01	\$ 11,487.38	\$ 404,863.46	\$ 153,782.46	\$ 2,034,593.25	\$ 5,784.66
Intergovernmental Accounts Receivable:							
State	5,442.07					5,442.07	
Federal	210,889.78					210,889.78	
Other Accounts Receivable	10,518.83	28.00	700.00	65,730.00		76,976.83	
Interfund Accounts Receivable	3,600.00		17,100.00			20,700.00	
Inventories	25,945.14					25,945.14	
Total Current Assets	<u>1,352,626.76</u>	<u>368,257.01</u>	<u>29,287.38</u>	<u>470,593.46</u>	<u>153,782.46</u>	<u>2,374,547.07</u>	<u>5,784.66</u>
Noncurrent Assets:							
Equipment	1,471,457.16	37,999.90		299,377.51	48,725.01	1,857,559.58	
Less Accumulated Depreciation	<u>(1,190,470.87)</u>	<u>(13,595.31)</u>		<u>(234,822.17)</u>	<u>(11,165.94)</u>	<u>(1,450,054.29)</u>	
Total Noncurrent Assets	<u>280,986.29</u>	<u>24,404.59</u>	<u>-</u>	<u>64,555.34</u>	<u>37,559.07</u>	<u>407,505.29</u>	<u>-</u>
Total Assets	<u>1,633,613.05</u>	<u>392,661.60</u>	<u>29,287.38</u>	<u>535,148.80</u>	<u>191,341.53</u>	<u>2,782,052.36</u>	<u>5,784.66</u>

(Continued)

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT

Proprietary Funds
Statement of Net Position
June 30, 2018

	Business-Type Activities - Enterprise Funds						Governmental Activities
	Food Service	Child Care Program	Tele- Comm	Center for the Performing Arts	Drivers Education	Total Enterprise	Internal Service Funds
LIABILITIES:							
Current Liabilities:							
Compensated Absences Payable	\$ 10,765.00					\$ 10,765.00	
Accounts Payable	21,811.51	\$ 1,501.26				23,312.77	\$ 2,499.12
Interfund Accounts Payable	1,161,670.87	157,316.56		\$ 374,281.93		1,693,269.36	2,575.74
Accrued Salaries and Benefits	650.00	3,431.76	\$ 1,461.87	11,281.88	\$ 5,100.00	21,925.51	709.80
Deposits Payable				43,467.00		43,467.00	
Unearned Revenue	54,933.95					54,933.95	
Total Current Liabilities	<u>1,249,831.33</u>	<u>162,249.58</u>	<u>1,461.87</u>	<u>429,030.81</u>	<u>5,100.00</u>	<u>1,847,673.59</u>	<u>5,784.66</u>
Noncurrent Liabilities:							
Compensated Absences Payable	<u>122,358.12</u>	<u>-</u>	<u>-</u>	<u>15,816.76</u>	<u>-</u>	<u>138,174.88</u>	<u>-</u>
Total Liabilities	<u>1,372,189.45</u>	<u>162,249.58</u>	<u>1,461.87</u>	<u>444,847.57</u>	<u>5,100.00</u>	<u>1,985,848.47</u>	<u>5,784.66</u>
NET POSITION:							
Net Investment in Capital Assets	280,986.29	24,404.59		64,555.34	37,559.07	407,505.29	
Unrestricted (Deficit)	<u>(19,562.69)</u>	<u>206,007.43</u>	<u>27,825.51</u>	<u>25,745.89</u>	<u>148,682.46</u>	<u>388,698.60</u>	
Total Net Position	<u>\$ 261,423.60</u>	<u>\$ 230,412.02</u>	<u>\$ 27,825.51</u>	<u>\$ 90,301.23</u>	<u>\$ 186,241.53</u>	<u>\$ 796,203.89</u>	<u>-</u>

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

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
Proprietary Funds
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2018

	Business-Type Activities - Enterprise Funds						Governmental Activities
	<u>Food Service</u>	<u>Child Care Program</u>	<u>Tele- Comm</u>	<u>Center for the Performing Arts</u>	<u>Drivers Education</u>	<u>Total Enterprise</u>	<u>Internal Service Funds</u>
OPERATING REVENUES:							
Charges for Services:							
Daily Sales - Reimbursable Programs	\$ 733,105.80					\$ 733,105.80	
Daily Sales - Non-Reimbursable Programs	510,961.29					510,961.29	
Other Activity Income			\$ 12,410.00			12,410.00	
Admissions				\$ 362,688.39		362,688.39	
Special Functions	47,975.06					47,975.06	
Tuition		\$ 128,350.10				128,350.10	
Rentals				158,975.00		158,975.00	
Registration					\$ 63,450.00	63,450.00	
Miscellaneous	3,939.38			50,209.80		54,149.18	
Services Provided to Other Funds							\$ 145,700.09
Total Operating Revenues	1,295,981.53	128,350.10	12,410.00	571,873.19	63,450.00	2,072,064.82	145,700.09
OPERATING EXPENSES:							
Salaries	1,231,327.28	99,978.60	10,955.21	113,372.28	52,075.00	1,507,708.37	7,449.24
Employee Benefits	968,716.96			6,350.17		975,067.13	
Repairs and Maintenance	29,743.48			14,667.23	808.78	45,219.49	
Other Purchased Services	45,678.78	77.73		384,123.91	975.00	430,855.42	
Communications/Telephone				33,636.45		33,636.45	
Rental of Buildings		30,354.74				30,354.74	
General Supplies	78,585.66	9,357.61		3,919.51	30.00	91,892.78	141,026.17
Depreciation	25,433.43	2,150.03		10,771.00	6,090.42	44,444.88	
Cost of Sales - Reimbursable Programs	572,675.47					572,675.47	
Cost of Sales - Non-Reimbursable Programs	267,853.99					267,853.99	
Miscellaneous	4,868.86	609.05		4,736.82		10,214.73	
Total Operating Expenses	3,224,883.91	142,527.76	10,955.21	571,577.37	59,979.20	4,009,923.45	148,475.41
Operating Income (Loss)	(1,928,902.38)	(14,177.66)	1,454.79	295.82	3,470.80	(1,937,858.63)	(2,775.32)

(Continued)

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
Proprietary Funds
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2018

	Business-Type Activities - Enterprise Funds					Governmental Activities	
	<u>Food Service</u>	<u>Child Care Program</u>	<u>Tele- Comm</u>	<u>Center for the Performing Arts</u>	<u>Drivers Education</u>	<u>Total Enterprise</u>	<u>Internal Service Funds</u>
NONOPERATING REVENUES (EXPENSES):							
State Sources:							
State School Lunch Program	\$ 19,289.33					\$ 19,289.33	
Federal Sources:							
National School Lunch Program	625,461.19					625,461.19	
National School Breakfast Program	119,307.10					119,307.10	
Special Milk Program	607.29					607.29	
Food Distribution Program	111,512.07					111,512.07	
Interest and Investment Revenue	11,232.29			\$ 7,048.85		18,281.14	
Total Nonoperating Revenues (Expenses)	<u>887,409.27</u>	<u>-</u>	<u>-</u>	<u>7,048.85</u>	<u>-</u>	<u>894,458.12</u>	<u>-</u>
Income (Loss) before Contributions and Transfers	<u>(1,041,493.11)</u>	<u>\$ (14,177.66)</u>	<u>\$ 1,454.79</u>	<u>7,344.67</u>	<u>\$ 3,470.80</u>	<u>(1,043,400.51)</u>	<u>\$ (2,775.32)</u>
Capital Contributions - Governmental Activities	144,715.15					144,715.15	
Transfer In - General Fund	1,102,525.47					1,102,525.47	
Total Contributions and Transfers	<u>1,247,240.62</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,247,240.62</u>	<u>-</u>
Change in Net Position	205,747.51	(14,177.66)	1,454.79	7,344.67	3,470.80	203,840.11	(2,775.32)
Net Position, July 1	<u>55,676.09</u>	<u>244,589.68</u>	<u>26,370.72</u>	<u>82,956.56</u>	<u>182,770.73</u>	<u>592,363.78</u>	<u>2,775.32</u>
Net Position, June 30	<u>\$ 261,423.60</u>	<u>\$ 230,412.02</u>	<u>\$ 27,825.51</u>	<u>\$ 90,301.23</u>	<u>\$ 186,241.53</u>	<u>\$ 796,203.89</u>	<u>-</u>

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

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2018

	Business-Type Activities - Enterprise Funds					Governmental Activities	
	Food <u>Service</u>	Child Care <u>Program</u>	Tele- <u>Comm</u>	Center for the Performing <u>Arts</u>	Drivers <u>Education</u>	Total <u>Enterprise</u>	Internal Service <u>Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES:							
Receipts from Customers	\$ 1,293,176.51	\$ 128,322.10	\$ 7,220.00	\$ 629,310.75	\$ 63,450.00	\$ 2,121,479.36	\$ 145,700.09
Payments to Employees	(1,233,530.28)	(99,463.19)	(11,755.84)	(112,330.04)	(54,323.77)	(1,511,403.12)	(8,573.32)
Payments for Employee Benefits	(969,195.57)					(969,195.57)	
Payments to Suppliers	(1,008,866.32)	(39,007.43)		(441,083.92)	(1,813.78)	(1,490,771.45)	(138,527.05)
Net Cash Provided by (used for) Operating Activities	(1,918,415.66)	(10,148.52)	(4,535.84)	75,896.79	7,312.45	(1,849,890.78)	(1,400.28)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:							
State Sources	17,925.12					17,925.12	
Federal Sources	825,583.01					825,583.01	
Operating Subsidies and Transfers to Other Funds	1,608,670.04	(14,509.79)		(313,088.51)		1,281,071.74	2,390.33
Net Cash Provided by (used for) Non-Capital Financing Activities	2,452,178.17	(14,509.79)	-	(313,088.51)	-	2,124,579.87	2,390.33
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:							
Purchases of Capital Assets	(72,388.00)			(6,290.89)		(78,678.89)	
Net Cash Used for Capital and Related Financing Activities	(72,388.00)	-	-	(6,290.89)	-	(78,678.89)	-
CASH FLOWS FROM INVESTING ACTIVITIES:							
Interest and Dividends	11,232.29			7,048.85		18,281.14	
Net Cash Provided by (used for) Investing Activities	11,232.29	-	-	7,048.85	-	18,281.14	-
Net Increase (Decrease) in Cash and Cash Equivalents	472,606.80	(24,658.31)	(4,535.84)	(236,433.76)	7,312.45	214,291.34	990.05
Cash and Cash Equivalents, July 1	623,624.14	392,887.32	16,023.22	641,297.22	146,470.01	1,820,301.91	4,794.61
Cash and Cash Equivalents, June 30	<u>\$ 1,096,230.94</u>	<u>\$ 368,229.01</u>	<u>\$ 11,487.38</u>	<u>\$ 404,863.46</u>	<u>\$ 153,782.46</u>	<u>\$ 2,034,593.25</u>	<u>\$ 5,784.66</u>

(Continued)

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
 Proprietary Funds
 Statement of Cash Flows
 For the Fiscal Year Ended June 30, 2018

	Business-Type Activities - Enterprise Funds					Total Enterprise	Governmental Activities
	Food Service	Child Care Program	Tele- Comm	Center for the Performing Arts	Drivers Education		Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:							
Operating Income (Loss)	\$ (1,928,902.38)	\$ (14,177.66)	\$ 1,454.79	\$ 295.82	\$ 3,470.80	\$ (1,937,858.63)	\$ (2,775.32)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:							
Depreciation and Net Amortization	25,433.43	2,150.03		10,771.00	6,090.42	44,444.88	
(Increase) Decrease in Inventories	(9,896.78)					(9,896.78)	
(Increase) Decrease in Accounts Receivable	(5,693.56)	(28.00)	1,410.00	15,962.56		11,651.00	
Increase (Decrease) in Accounts Payable	(8,583.51)	1,391.70				(7,191.81)	2,499.12
Increase (Decrease) in Accrued Salaries and Benefits	(2,203.00)	515.41	(800.63)	1,042.24	(2,248.77)	(3,694.75)	(1,124.08)
Increase (Decrease) in Deposits Payable				41,475.00		41,475.00	
Increase (Decrease) in Unearned Revenue	2,984.59					2,984.59	
Increase (Decrease) in Compensated Absences Payable	(478.61)			6,350.17		5,871.56	
Total Adjustments	<u>10,486.72</u>	<u>4,029.14</u>	<u>(5,990.63)</u>	<u>75,600.97</u>	<u>3,841.65</u>	<u>87,967.85</u>	<u>1,375.04</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (1,918,415.66)</u>	<u>\$ (10,148.52)</u>	<u>\$ (4,535.84)</u>	<u>\$ 75,896.79</u>	<u>\$ 7,312.45</u>	<u>\$ (1,849,890.78)</u>	<u>\$ (1,400.28)</u>

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

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT

Fiduciary Funds

Statement of Fiduciary Net Position

June 30, 2018

	Private-Purpose Trust Funds		Agency Funds		
	Unemployment Compensation	Scholarship Fund	Student Activity	Vendors/ Bidders	Payroll
ASSETS:					
Cash and Cash Equivalents	\$ 1,258,068.73	\$ 22,126.71	\$ 417,792.65	\$ 3,953.00	\$ 2,032,251.23
Total Assets	<u>1,258,068.73</u>	<u>22,126.71</u>	<u>\$ 417,792.65</u>	<u>\$ 3,953.00</u>	<u>\$ 2,032,251.23</u>
LIABILITIES:					
Accounts Payable	20,468.08				
Deposits Payable				\$ 3,953.00	
Interfund Accounts Payable					\$ 1,710,591.51
Payable to Student Groups			\$ 417,792.65		
Payroll Deductions and Withholdings					<u>321,659.72</u>
Total Liabilities	<u>20,468.08</u>	<u>-</u>	<u>\$ 417,792.65</u>	<u>\$ 3,953.00</u>	<u>\$ 2,032,251.23</u>
NET POSITION:					
Held in Trust for:					
Unemployment Claims	1,237,600.65				
Scholarships		<u>22,126.71</u>			
Total Net Position	<u>\$ 1,237,600.65</u>	<u>\$ 22,126.71</u>			

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

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
 Fiduciary Funds
 Statement of Changes in Fiduciary Net Position
 For the Fiscal Year Ended June 30, 2018

	<u>Private-Purpose Trust Funds</u>	
	<u>Unemployment Compensation Trust</u>	<u>Scholarship Fund</u>
ADDITIONS:		
Contributions:		
Employee Salary Deductions	\$ 129,251.76	
Investment Earnings:		
Interest	14,104.21	\$ 151.92
Total Additions	143,355.97	151.92
DEDUCTIONS:		
Scholarships		500.00
Unemployment Claims	34,509.01	
Total Deductions	34,509.01	500.00
Change in Net Position	108,846.96	(348.08)
Net Position, July 1	1,128,753.69	22,474.79
Net Position, June 30	\$ 1,237,600.65	\$ 22,126.71

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

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2018

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Township of Washington School District (the "School District") have been prepared to conform with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant of these policies.

Description of the Financial Reporting Entity

The School District is a Type II district located in the County of Gloucester, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students in grades K-12 at the School District's eleven schools. The School District has an approximate enrollment at June 30, 2018 of 7,270.

The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board *Codification of Governmental Accounting and Financial Reporting Standards*, is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The financial statements include all funds of the School District over which the Board exercises operating control.

Component Units

In evaluating how to define the School District for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, and GASB Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. Blended component units, although legally separate entities, are in-substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and / or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Component Units (Cont'd)**

Based upon the application of these criteria, the School District has no component units.

Government-wide and Fund Financial Statements

The School District's basic financial statements consist of government-wide statements, and fund financial statements which provide a more detailed level of financial information.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. It is the policy of the School District to not allocate indirect expenses to functions in the statement of activities. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes and other items not properly included among program revenues are reported instead as general revenues.

In regards to the fund financial statements, the School District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Fund financial statements report detailed information about the School District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a single column. Internal service funds are aggregated and presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Property taxes are recognized as revenues in the year for which they are levied. The Gloucester County Board of Taxation is responsible for the assessment of properties, and the respective municipal tax collector is responsible for the collection of property taxes. Assessments are certified and property taxes are levied on January 1. Property tax payments are due February 1, May 1, August 1 and November 1. Unpaid property taxes are considered delinquent the following January 1 and are then subject to municipal lien. In accordance with New Jersey State Statute, the School District is entitled to receive moneys under an established payment schedule, and any unpaid amount is considered as an accounts receivable. The governing body of each municipality is required to pay over to the School District, within forty (40) days after the beginning of the school year, twenty percent (20%) of the moneys from school tax due. Thereafter, but prior to the last day of the school year, the municipality must pay the balance of moneys from school tax due for school purposes in such amounts as requested, with certain limitations, from time to time by the School District, within thirty days after each request.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are deemed both available and measurable. Available means when revenues are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal year. Measurable means that the amount of revenue can be determined. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, tuition, reimbursable-type grants, and interest associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the School District.

The School District reports the following major governmental funds:

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

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, ad valorem tax revenues, and appropriated fund balance. Expenditures are those which 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.

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 expenditures for specified purposes other than debt service or capital projects.

Capital Projects Fund - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures 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 New Jersey Economic Development Authority grants, temporary notes, serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, or from the general fund by way of transfers from capital outlay or the capital reserve account.

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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

Proprietary funds are used to account for the School District's ongoing organizations and activities, which are operated and financed in a manner similar to those found in the private sector. The measurement focus is upon the determination of net income. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for internal service funds include salaries and claims paid. All items not meeting this definition are reported as nonoperating revenues and expenses.

The School District reports the following major proprietary funds:

Enterprise Funds

Food Service Fund - This fund accounts for the financial transactions related to the food service operations of the School District.

Child Care Program Fund - This fund accounts for financial activity related to providing day care services for School District employee's children during school.

Telecommunications Fund - This fund accounts for a student run enterprise.

Center for Performing Arts Fund - This fund accounts for the financial activity related to performances at the School District's Center for the Performing Arts.

Drivers Education - This fund accounts for financial activities related to providing driver's education for students.

Internal Service Funds

Internal service funds are used to account for the financing of goods and services provided by one department to another on a cost reimbursement basis. The School District maintains two internal service funds, one for paper, and another for printing.

Additionally, the School District reports the following fund types:

Fiduciary funds are used to account for assets held by the School District on behalf of outside related organizations or on behalf of other funds within the School District. The fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds.

The School District maintains the following fiduciary funds:

Agency Funds - Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and / or other funds (i.e., payroll and student activities). The School District retains no equity interest in these funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District maintains the following agency funds: student activity fund, vendor bid account, and payroll fund.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

The School District maintains the following fiduciary funds (cont'd):

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

New Jersey Unemployment Compensation Insurance Trust Fund - Revenues consist of contributions that have been included in the annual budget of the School District, employee payroll withholdings, and interest income. Expenditures represent claims incurred for unemployment.

Scholarship Fund - Revenues consist of donations and interest income. Expenditures represent scholarships to students.

As a general rule, the effect of internal/interfund activity has been eliminated from the government-wide financial statements.

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

Budgets / Budgetary Control

Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds, and are submitted to the county office of education. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012, to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2(f)1. Transfers of appropriations may be made by school board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only, and the special revenue fund. N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. 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 budgetary basis. The budgetary basis differs from GAAP in that the budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Budgets / Budgetary Control (Cont'd)**

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

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting, as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule, to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances - governmental funds. Note that the School District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows the modified accrual basis of accounting, with the exception of the aforementioned revenue recognition policy for the one or more June state aid payments.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to assign a portion of the applicable appropriation, is utilized for budgetary control purposes. Encumbrances are a component of fund balance 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 governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, are reflected on the balance sheet as unearned revenues at fiscal year-end.

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

Cash, Cash Equivalents and Investments

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

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

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Inventories**

Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out method.

The cost of inventories in the governmental fund financial statements is recorded as expenditures when purchased rather than when consumed.

Inventories recorded on the government-wide financial statements and in the proprietary fund types are recorded as expenses when consumed rather than when purchased.

Tuition Receivable

Tuition charges were established by the School District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

Prepaid Expenses

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2018. The School District had no prepaid expenses for the fiscal year ended June 30, 2018.

In the governmental fund financial statements, however, payments for prepaid items are fully recognized as expenditures in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required (*non-allocation method*). This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

Short-Term Interfund Receivables / Payables

Short-term interfund receivables / payables (internal balances) represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund within the School District, and that are due within one year. Such balances are eliminated in the statement of net position to minimize the grossing up of internal balances, thus leaving a net amount due between the governmental and business-type activities that are eliminated in the total government column. Balances with fiduciary activities are not considered to be internal balances; therefore, such balances appear on the statement of net position as accounts receivable.

Capital Assets

Capital assets represent the cumulative amount of capital assets owned by the School District. Purchased capital assets are recorded as expenditures in the governmental fund financial statements and are capitalized at cost on the government-wide statement of net position and proprietary fund statement of net position. In the case of gifts or contributions, such capital assets are recorded at acquisition value at the time received.

The School District's capitalization threshold is \$2,000.00. Other costs incurred for repairs and maintenance is expensed as incurred. All reported capital assets, except land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	15 Years
Buildings and Improvements	3 - 15 Years
Equipment	3 - 15 Years

The School District does not possess any infrastructure assets.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Deferred Outflows and Deferred Inflows of Resources**

The statement of net position reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources, reported after total assets, represents a reduction of net position that applies to a future period(s) and will be recognized as an outflow of resources (expense) at that time. Deferred inflows of resources, reported after total liabilities, represents an acquisition of net position that applies to a future period(s) and will be recognized as an inflow of resources (revenue) at that time.

Transactions are classified as deferred outflows of resources and deferred inflows of resources only when specifically prescribed by the Governmental Accounting Standards Board (GASB) standards. The School District is required to report the following as deferred outflows of resources and deferred inflows of resources:

Defined Benefit Pension Plans - The difference between expected (actuarial) and actual experience, changes in actuarial assumptions, net difference between projected (actuarial) and actual earnings on pension plan investments, changes in the School District's proportion of expenses and liabilities to the pension as a whole, differences between the School District's pension contribution and its proportionate share of contributions, and the School District's pension contributions subsequent to the pension valuation measurement date.

In addition, the School District reports the following as deferred outflows of resources:

Loss on Refunding of Debt - The loss on refunding arose from the issuance of refunding bonds, which is amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense.

Tuition Payable

Tuition charges for the fiscal years ended June 30, 2018 and 2017 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

Unearned Revenue

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

Compensated Absences

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

The School District uses the vesting method to calculate the compensated absences amount. The entire compensated absence liability, including the employer's share of applicable taxes, is reported on the government-wide financial statements. The portion related to employees in the proprietary funds is recorded at the fund level. The current portion is the amount estimated to be used in the following fiscal year. Expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of employee resignations and retirements. Compensated absences not recorded at the fund level represent a reconciling item between the fund level and government-wide presentations.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Accrued Liabilities and Long-Term Obligations**

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

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 Teachers' Pension and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), and additions to/deductions from TPAF's and PERS' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Bond Discounts / Premiums

Bond discounts / premiums arising from the issuance of long-term debt (bonds) are amortized over the life of the bonds, in systematic and rational method, as a component of interest expense. Bond discounts / premiums are presented as an adjustment of the face amount of the bonds on the government-wide statement of net position and on the proprietary fund statement of net position.

Net Position

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

Net Investment in Capital Assets - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

Restricted - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Unrestricted - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Fund Balance**

The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

Restricted - The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

Assigned - The assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. Such authority of the business administrator is established by way of a formal job description for the position and standard operating procedures, approved by the Board of Education.

Unassigned - The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the School District to spend restricted fund balances first. Moreover, when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

Interfund Activity

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Accounting Estimates**

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

Impact of Recently Issued Accounting Principles**Recently Issued and Adopted Accounting Pronouncements**

The School District implemented the following GASB Statements for the fiscal year ended June 30, 2018:

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The adoption of this Statement had a material impact on the basic financial statements of the School District.

Statement No. 85, *Omnibus 2017*. This Statement addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The adoption of this Statement had no impact on the basic financial statements of the School District.

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements that will become effective for the School District for fiscal years ending after June 30, 2018:

Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The Statement will become effective for the School District in the fiscal year ending June 30, 2020. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the School District.

Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Statement will become effective for the School District in the fiscal year ending June 30, 2021. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the School District.

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, and student activity funds, or funds that may pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of June 30, 2018, the School District's bank balances of \$22,448,045.27 were exposed to custodial credit risk as follows: \$20,607,152.21 was insured by FDIC and GUDPA, and \$1,840,893.06 was uninsured and uncollateralized.

New Jersey Cash Management Fund - During the fiscal year, the School District participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At June 30, 2018, the School District's deposits with the New Jersey Cash Management Fund were \$118.20.

Held in Trust - The School District has entered into purchase agreements with several banking institutions for the acquisition of equipment and supplies. In accordance with the requirements of the purchase agreements, the acquisition amount of the equipment and supplies is to be deposited into an escrow account under terms satisfactory to the lending bank. These escrow accounts are opened for the purpose of fully funding the purchase agreement and providing a mechanism for the application of such amounts to the purchase of and payment for the equipment and supplies. Deposits held in trust of the School District are not subject to custodial credit risk as defined above. At June 30, 2018, the School District's deposits held in trust were \$1,360,637.90.

Note 3: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District by inclusion of \$1.00 on November 20, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long Range Facilities Plan ("LRFP"). Upon submission of the LRFP to the Department, a school district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A school district may also appropriate additional amounts when the express approval of the voters has been obtained by either 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. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Note 3: CAPITAL RESERVE ACCOUNT (CONT'D)

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		\$ 2,731,616.21
Increased by:		
Interest Earnings	\$ 13,805.13	
Deposits:		
Unexpended Balance of Projects	46,098.78	
Board Resolution (June 26, 2018)	<u>1,500,000.00</u>	
		<u>1,559,903.91</u>
		4,291,520.12
Decreased by:		
Withdrawals:		
Board Resolution (September 26, 2017)	80,000.00	
Board Resolution (March 22, 2018)	<u>2,651,000.00</u>	
Total Withdrawals		<u>2,731,000.00</u>
Ending Balance, June 30, 2018		<u>\$ 1,560,520.12</u>

The June 30, 2018 capital reserve balance does not exceed the LRFP balance of local support costs of uncompleted projects. The withdrawals from the capital reserve were for use in Department of Education approved facilities projects, consistent with the School District's LRFP.

Note 4: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2018 consisted of various miscellaneous accounts and intergovernmental awards / grants. All receivables are considered collectible in full due to the stable condition of state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey.

Accounts receivable as of fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

Fund	Accounts Receivable Type							Total Government-Wide
	Federal Awards	State Awards	Local Awards	Tuition	Special Events	Total Funds	Fiduciary Fund	
Governmental Activities:								
General	\$ 9,316.12	\$ 2,043,877.06	\$ 6,776,209.68	\$ 458,223.44	\$ 69,088.88	\$ 9,356,715.18	\$ 1,710,591.51	\$ 11,067,306.69
Special Revenue	603,140.00		25,972.95			629,112.95		629,112.95
Capital Projects		<u>87,573.07</u>				<u>87,573.07</u>		<u>87,573.07</u>
Total Governmental Activities	<u>612,456.12</u>	<u>2,131,450.13</u>	<u>6,802,182.63</u>	<u>458,223.44</u>	<u>69,088.88</u>	<u>10,073,401.20</u>	<u>1,710,591.51</u>	<u>11,783,992.71</u>
Business-Type Activities (Enterprise Funds):								
Food Service	210,889.78	5,442.07			10,518.83	226,850.68		226,850.68
Childcare					28.00	28.00		28.00
Telecommunications					700.00	700.00		700.00
Center for Performing Arts					65,730.00	65,730.00		65,730.00
Total Business-Type Activities	<u>210,889.78</u>	<u>5,442.07</u>	<u>-</u>	<u>-</u>	<u>76,976.83</u>	<u>293,308.68</u>	<u>-</u>	<u>293,308.68</u>
Total Accounts Receivable	<u>\$ 823,345.90</u>	<u>\$ 2,136,892.20</u>	<u>\$ 6,802,182.63</u>	<u>\$ 458,223.44</u>	<u>\$ 146,065.71</u>	<u>\$ 10,366,709.88</u>	<u>\$ 1,710,591.51</u>	<u>\$ 12,077,301.39</u>

Note 5: INVENTORY

Of the \$25,945.14 of Inventory recorded at June 30, 2018 in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, \$11,424.16 consisted of food and \$14,520.98 consisted of supplies.

Note 6: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2018 is as follows:

	<u>Balance</u> <u>July 1, 2017</u>	<u>Increases</u>	<u>Decreases/</u> <u>Transfers</u>	<u>Balance</u> <u>June 30, 2018</u>
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 5,590,700.00			\$ 5,590,700.00
Construction in Progress	1,018,831.38	\$ 4,264,180.57	\$ (1,747,237.22)	3,535,774.73
Total Capital Assets, not being Depreciated	<u>6,609,531.38</u>	<u>4,264,180.57</u>	<u>(1,747,237.22)</u>	<u>9,126,474.73</u>
Capital Assets, being Depreciated:				
Land Improvements	3,944,529.05	123,036.28	693,387.89	4,760,953.22
Buildings and Improvements	137,667,483.01	468,795.58	7,915,957.59	146,052,236.18
Equipment	20,819,606.00	1,716,589.79	(7,591,334.56)	14,944,861.23
Total Capital Assets, being Depreciated	<u>162,431,618.06</u>	<u>2,308,421.65</u>	<u>1,018,010.92</u>	<u>165,758,050.63</u>
Total Capital Assets, Cost	<u>169,041,149.44</u>	<u>6,572,602.22</u>	<u>(729,226.30)</u>	<u>174,884,525.36</u>
Less Accumulated Depreciation for:				
Land Improvements	(2,149,306.03)	(232,153.15)	(41.79)	(2,381,500.97)
Buildings and Improvements	(72,204,494.21)	(4,340,678.10)	(351,585.40)	(76,896,757.71)
Equipment	(8,406,767.23)	(1,322,312.13)	911,474.12	(8,817,605.24)
Total Accumulated Depreciation	<u>(82,760,567.47)</u>	<u>(5,895,143.38) *</u>	<u>559,846.93</u>	<u>(88,095,863.92)</u>
Total Capital Assets, being Depreciated, Net	<u>79,671,050.59</u>	<u>(3,586,721.73)</u>	<u>1,577,857.85</u>	<u>77,662,186.71</u>
Governmental Activities Capital Assets, Net	<u>\$ 86,280,581.97</u>	<u>\$ 677,458.84</u>	<u>\$ (169,379.37)</u>	<u>\$ 86,788,661.44</u>
	<u>Balance</u> <u>July 1, 2017</u>	<u>Increased</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2018</u>
Business-Type Activities:				
Capital Assets, being Depreciated:				
Equipment	\$ 1,502,478.70	\$ 78,678.89	\$ 276,401.99	\$ 1,857,559.58
Less Accumulated Depreciation	(1,273,922.57)	(44,444.88) *	(131,686.84)	(1,450,054.29)
Business-Type Activities Capital Assets, Net	<u>\$ 228,556.13</u>	<u>\$ 34,234.01</u>	<u>\$ 144,715.15</u>	<u>\$ 407,505.29</u>

Note 6: CAPITAL ASSETS (CONT'D)

* Depreciation expense was charged to functions / programs of the School District as follows:

Governmental Activities:

Instruction Regular Programs	\$ 839,384.71
Instruction Special Programs	7,337.25
Support Services Students	20,038.96
Support Services General Administration	3,236,971.79
Support Services Plant Operations and Maintenance	1,254,078.76
Support Services Pupil Transportation	537,331.91

Total Depreciation Expense - Governmental Activities	<u>\$ 5,895,143.38</u>
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Business-Type Activities:

Food Service	\$ 25,433.43
Center for Performing Arts	10,771.00
Drivers Education	6,090.42
Childcare	2,150.03

Total Depreciation Expense - Business-Type Activities	<u>\$ 44,444.88</u>
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Note 7: LONG-TERM LIABILITIES

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

	<u>Balance</u> <u>July 1, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2018</u>	<u>Due within</u> <u>One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 12,655,000.00		\$ (815,000.00)	\$ 11,840,000.00	\$ 845,000.00
Unamortized Premium	646,063.55		(63,519.98)	582,543.57	-
Total Bonds Payable	<u>13,301,063.55</u>	<u>-</u>	<u>(878,519.98)</u>	<u>12,422,543.57</u>	<u>845,000.00</u>
Other Liabilities:					
Obligations under Capital Lease		\$ 268,326.60	(53,665.32)	214,661.28	53,665.32
Purchase Agreements Payable	10,930,577.92	4,350,000.00	(4,476,787.16)	10,803,790.76	3,919,517.38
Compensated Absences	7,446,723.43	2,702,436.14	(2,615,979.12)	7,533,180.45	599,429.93
Net Pension Liability	60,082,838.00	15,033,999.00	(28,590,801.00)	46,526,036.00	-
Total Other Liabilities	<u>78,460,139.35</u>	<u>22,354,761.74</u>	<u>(35,737,232.60)</u>	<u>65,077,668.49</u>	<u>4,572,612.63</u>
Governmental Activities Long-Term Liabilities	<u>\$ 91,761,202.90</u>	<u>\$ 22,354,761.74</u>	<u>\$ (36,615,752.58)</u>	<u>\$ 77,500,212.06</u>	<u>\$ 5,417,612.63</u>

Bonds payable are generally liquidated by the debt service fund, while obligations under purchase agreements payable and net pension liability are liquidated by the general fund. Compensated absences will be paid from the fund from which the employees' salaries are paid.

Note 7: LONG-TERM LIABILITIES (CONT'D)

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

	<u>Balance</u> <u>July 1, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2018</u>	<u>Due within</u> <u>One Year</u>
Business-Type Activities:					
Other Liabilities:					
Compensated Absences Payable	\$ 143,068.32	\$ 83,735.33	\$ (77,863.77)	\$ 148,939.88	\$ 10,765.00
Business-Type Activities Long-Term Liabilities	<u>\$ 143,068.32</u>	<u>\$ 83,735.33</u>	<u>\$ (77,863.77)</u>	<u>\$ 148,939.88</u>	<u>\$ 10,765.00</u>

Compensated absences are liquidated by the food service enterprise fund.

Bonds Payable - Bonds and loans are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the School District are general obligation bonds.

On April 3, 2012, the School District issued \$7,205,000.00 of School Refunding Bonds, Series 2012, to advance refund and redeem all of the School District's outstanding callable School Bonds, Series 2005, maturing in the years 2015 through and including 2023. The bonds originally carried rates ranging between 2.00% to 4.00% with a final maturity in 2023.

On December 12, 2016, the School District issued \$7,550,000.00 in general obligation refunding bonds with a variable interest rate of 3.25% to 4.00% to currently refund \$7,840,000.00 of outstanding callable School Refunding Bonds, Series 2007 with an interest rate of 4.0%. These refunding bonds have a final maturity in 2030.

Principal and interest due on bonds outstanding is as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 845,000.00	\$ 392,200.00	\$ 1,237,200.00
2020	865,000.00	375,300.00	1,240,300.00
2021	880,000.00	355,837.50	1,235,837.50
2022	885,000.00	333,837.50	1,218,837.50
2023	920,000.00	309,500.00	1,229,500.00
2024-2028	5,325,000.00	990,900.00	6,315,900.00
2029-2030	<u>2,120,000.00</u>	<u>103,025.00</u>	<u>2,223,025.00</u>
Total	11,840,000.00	<u>\$ 2,860,600.00</u>	<u>\$ 14,700,600.00</u>
Unamortized Premium	<u>582,543.57</u>		
	<u>\$ 12,422,543.57</u>		

Bonds Authorized but not Issued - As of June 30, 2018, the School District had no authorizations to issue additional bonded debt.

Purchase Agreements Payable - The School District has entered into eight purchase agreements with several banking institutions for the purchase of textbooks, buses, and energy efficiency upgrades. These agreements are for terms from three to fifteen years, and range in interest rates from .94% to 2.55%.

Note 7: LONG-TERM LIABILITIES (CONT'D)

Purchase Agreements Payable (Cont'd) - The following is a schedule of the future minimum payments under these eight agreements at June 30, 2018:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 3,919,517.38	\$ 153,583.53	\$ 4,073,100.91
2020	2,566,769.35	105,258.31	2,672,027.66
2021	1,974,531.19	69,950.66	2,044,481.85
2022	1,033,980.97	44,975.11	1,078,956.08
2023	134,594.68	32,077.56	166,672.24
2024-2028	703,074.50	108,029.50	811,104.00
2029-2031	471,322.69	18,806.69	490,129.38
Total	<u>\$ 10,803,790.76</u>	<u>\$ 532,681.36</u>	<u>\$ 11,336,472.12</u>

Obligations under Capital Lease - On May 17, 2018, the School District entered into a capital lease arrangement for a hyper-converged infrastructure, with a total cost of \$268,326.60. The capital lease is for a term of five years. Capital leases are depreciated in a manner consistent with the School District's depreciation policy for owned assets.

The following is a schedule of the future minimum lease payments under the capital leases and the present value of the net minimum lease payments at June 30, 2018:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2019	\$ 53,665.32
2020	53,665.32
2021	53,665.32
2022	53,665.32
Total	<u>\$ 214,661.28</u>

Compensated Absences - As previously stated, compensated absences will be paid from the fund from which the employees' salaries are paid. Refer to note 14 for a description of the School District's policy.

Net Pension Liability - For details on the net pension liability, refer to note 9. The School District's annual required contribution to the Public Employees' Retirement System is budgeted and paid from the general fund on an annual basis.

Note 8: OPERATING LEASES

At June 30, 2018, the School District had operating lease agreements in effect for copy machines and mail machines. The present value of the future minimum rental payments under the operating lease agreements are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2019	\$ 60,188.00
2020	2,388.00
2021	2,388.00
2022	597.00
	<u>\$ 65,561.00</u>

Rental payments under operating leases for the fiscal year ended June 30, 2018 were \$138,720.00.

Note 9: PENSION PLANS

A substantial number of the School District's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), which are administered by the New Jersey Division of Pensions and Benefits (the "Division"). In addition, several School District employees participate in the Defined Contribution Retirement Program, which is a defined contribution pension plan. This plan is administered by Prudential Financial for the Division. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements, required supplementary information and detailed information about the PERS and TPAF plan's fiduciary net position which can be obtained by writing to or at the following website:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<http://www.nj.gov/treasury/pensions/gasb-notices.shtml>

General Information about the Pension Plans**Plan Descriptions**

Teachers' Pension and Annuity Fund - The Teachers' Pension and Annuity Fund is a cost-sharing multiple-employer defined benefit pension plan, with a special funding situation, which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. 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's designated purpose is to provide retirement benefits, death, disability and medical benefits to certain qualified members. Membership in the TPAF is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, who have titles that are unclassified, professional and certified. The TPAF's Board of Trustees is primarily responsible for the administration of the TPAF.

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the School District, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS.

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions**

Teachers' Pension and Annuity Fund - 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:

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 21, 2010
- 4 Members who were eligible to enroll after May 21, 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 tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 before age 65 with 30 years or more 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.

Public Employees' Retirement System - 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 the PERS.

The membership tiers for PERS are the same as previously noted for TPAF.

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 tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more 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.

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

Defined Contribution Retirement Program - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and nonforfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and nonforfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Contributions

Teachers' Pension and Annuity Fund - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.34% in State fiscal year 2018. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The State's contribution is based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. For fiscal year 2017, the State's pension contribution was less than the actuarial determined amount.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the School District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, *Accounting and Financial Reporting for Pensions*.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2018 was 10.86% of the School District's covered payroll, of which 0.00% of payroll was required from the School District and 100.00% of payroll was required from the State of New Jersey. The School District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2018 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2017, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2018 was \$6,392,918.00, and was paid by April 1, 2018. School District employee contributions to the pension plan during the fiscal year ended June 30, 2018 were \$4,370,767.71.

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over seven years beginning in July 2012. The member contribution rate was 7.34% in State fiscal year 2018. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) was 10%. Employer contribution amounts are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Public Employees' Retirement System (Cont'd) - The School District's contractually required contribution rate for the fiscal year ended June 30, 2018 was 15.25% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2017, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2018 was \$2,138,960.00, and was paid by April 1, 2018. School District employee contributions to the pension plan during the fiscal year ended June 30, 2018 were \$1,038,767.03.

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

For the fiscal year ended June 30, 2018, employee contributions totaled \$221,317.60, and the School District recognized pension expense, which equaled the required contributions, of \$120,123.98. Forfeitures during the fiscal year totaled \$18,347.07.

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

Teachers' Pension and Annuity Fund - At June 30, 2018, the School District was not required to report a liability for its proportionate share of the net pension liability because of a 100% special funding situation by the State of New Jersey.

The State's proportionate share of net pension liability, attributable to the School District is as follows:

School District's Proportionate Share of Net Pension Liability	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the School District	383,853,627.00
	<u>\$ 383,853,627.00</u>

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. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2017. For the June 30, 2017 measurement date, the School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At June 30, 2017, the School District proportion was 0.00% due to the 100% special funding situation with the State of New Jersey. For the June 30, 2017 measurement date, the State's proportionate share of the TPAF net pension liability associated with the School District was .5693163722%, which was a decrease of .0056142512% from its proportion measured as of June 30, 2016.

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Teachers' Pension and Annuity Fund (Cont'd) - For the fiscal year ended June 30, 2018, the School District recognized \$26,591,436.00 in pension expense and revenue, in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2017 measurement date.

Public Employees' Retirement System - At June 30, 2018, the School District reported a liability of \$46,526,036.00 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. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2017. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2017 measurement date, the School District's proportion was .1998678313%, which was a decrease of .0029973167% from its proportion measured as of June 30, 2016.

For the fiscal year ended June 30, 2018, the School District recognized pension expense of \$3,007,513.00, in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2017 measurement date.

At June 30, 2018, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 1,095,528.00	\$ -
Changes of Assumptions	9,373,393.00	9,339,028.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	316,811.00	-
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	139,555.00	1,355,022.00
School District Contributions Subsequent to the Measurement Date	2,138,960.00	-
	<u>\$ 13,064,247.00</u>	<u>\$ 10,694,050.00</u>

\$2,138,960.00, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the fiscal year ending June 30, 2019.

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Public Employees' Retirement System (Cont'd) - Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2019	\$ 746,938.00
2020	1,304,456.00
2021	728,118.00
2022	(1,520,176.00)
2023	(1,028,099.00)
	<u>\$ 231,237.00</u>

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

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

Note 9: PENSION PLANS (CONT'D)**Actuarial Assumptions**

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. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>TPAF</u>	<u>PERS</u>
Inflation	2.25%	2.25%
Salary Increases:		
2012-2021	Varies Based on Experience	-
Through 2026	-	1.65% - 4.15% Based on Age
Thereafter	Varies Based on Experience	2.65% - 5.15% Based on Age
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2012 - June 30, 2015	July 1, 2011 - June 30, 2014

For TPAF, 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-year average of Social Security data from 1953 to 2013.

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

Note 9: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)**

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

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

Discount Rate - The discount rates used to measure the total pension liability at June 30, 2017 were 4.25% and 5.00% for TPAF and PERS, respectively. For TPAF and PERS, the respective single blended discount rates were 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 rates for TPAF and PERS assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined amount for TPAF and PERS and the local employers contributed 100% of the actuarially determined amount for PERS. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2036 for TPAF and 2040 for PERS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2036 for TPAF and 2040 for PERS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Note 9: PENSION PLANS (CONT'D)**Sensitivity of School District's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

Teachers' Pension and Annuity Fund (TPAF) - As previously mentioned, TPAF, has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2017, the pension plans measurement date, attributable to the School District is \$0, and the State of New Jersey's proportionate share of the net pension liability, attributable to the School District, using a discount rate of 4.25%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	1% Decrease <u>(3.25%)</u>	Current Discount Rate <u>(4.25%)</u>	1% Increase <u>(5.25%)</u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	<u>456,030,150.00</u>	<u>383,853,627.00</u>	<u>324,394,294.00</u>
	<u>\$ 456,030,150.00</u>	<u>\$ 383,853,627.00</u>	<u>\$ 324,394,294.00</u>

Public Employees' Retirement System (PERS) - The following presents the School District's proportionate share of the net pension liability at June 30, 2017, the plans measurement date, calculated using a discount rate of 5.00%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	1% Decrease <u>(4.00%)</u>	Current Discount Rate <u>(5.00%)</u>	1% Increase <u>(6.00%)</u>
School District's Proportionate Share of the Net Pension Liability	<u>\$ 57,718,706.00</u>	<u>\$ 46,526,036.00</u>	<u>\$ 37,201,156.00</u>

Pension Plan Fiduciary Net Position

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the respective fiduciary net position of the TPAF and PERS and additions to/deductions from TPAF and PERS's respective fiduciary net position have been determined on the same basis as they are reported by TPAF and PERS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about TPAF and PERS, please refer to the plan's Comprehensive Annual Financial Report (CAFR) which can be found at <http://www.nj.gov/treasury/pensions/gasb-notices.shtml>.

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN****General Information about the OPEB Plan**

Plan Description and Benefits Provided - The State Health Benefit Local Education Retired Employees Plan (the "OPEB Plan") is a multiple-employer defined benefit OPEB plan, with a special funding situation, that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75 - *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*. The OPEB Plan is administered by the State of New Jersey Division of Pensions and Benefits (the "Division") and is part of the New Jersey State Health Benefits Program (SHBP). The Division issues a publically available financial report that includes financial statements and required supplementary information which can be obtained by writing to or at the following website:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<https://www.nj.gov/treasury/pensions/financial-reports.shtml>

The OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

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

Employees Covered by Benefit Terms - At June 30, 2018, the entire State Health Benefit Local Education Retired Employees OPEB Plan consisted of the following members.

Active Plan Members	223,747
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	142,331
Inactive Plan Members Entitled to but Not Yet Receiving Benefit Payments	-
	<hr/>
	366,078
	<hr/> <hr/>

Total Non-Employer OPEB Liability

The State of New Jersey, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to the OPEB Plan for qualified retired TPAF, PERS, PFRS and ABP participants. The School District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the statement of net position. The State's proportionate share of the net OPEB liability associated with the School District as of June 30, 2018 was \$380,290,467.00. Since the OPEB liability associated with the School District is 100% attributable to the State, the OPEB liability will be referred to as the total non-employer OPEB liability.

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Total Non-Employer OPEB Liability (Cont'd)**

The total non-employer OPEB liability was measured as of June 30, 2017, and was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. The total non-employer OPEB liability as of June 30, 2016 was determined by an actuarial valuation as of June 30, 2016. For the June 30, 2017 measurement date, the State's proportionate share of the non-employer OPEB Plan liability associated with the School District was .7089701495%, which was a decrease of .0018588225% from its proportion measured as of June 30, 2016.

Actuarial Assumptions and Other Inputs - The actuarial assumptions and other inputs vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation at June 30, 2016 used the following actuarial assumptions, applied to all periods in the measurement:

Salary Increases -

	<u>TPAF/ABP</u> ⁽¹⁾	<u>PERS</u> ⁽²⁾	<u>PFRS</u> ⁽²⁾
Through 2026	1.55% - 4.55%	2.15% - 4.15%	2.10% - 8.98%
Thereafter	2.00% - 5.45%	3.15% - 5.15%	3.10% - 9.98%

(1) Based on years of service

(2) Based on age

Inflation Rate - 2.50%.

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

Experience Studies - 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.

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

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

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Total Non-Employer OPEB Liability (Cont'd)**

Changes in the Total Non-Employer OPEB Liability - The below table summarizes the State's proportionate share of the change in the total non-employer OPEB liability associated with the School District:

Balance at June 30, 2017		\$ 411,085,077.00
Changes for the Year:		
Service Cost	\$ 13,623,063.00	
Interest Cost	11,984,134.00	
Changes in Assumptions	(47,917,818.00)	
Gross Benefit Payments	(8,808,334.00)	
Member Contributions	<u>324,345.00</u>	
Net Changes		<u>(30,794,610.00)</u>
Balance at June 30, 2018		<u><u>\$ 380,290,467.00</u></u>

There were no changes in benefit terms between the June 30, 2016 measurement date and the June 30, 2017 measurement date.

Changes of assumptions and other inputs reflect a change in the discount rate from 2.85% for the June 30, 2016 measurement date to 3.58% for the June 30, 2017 measurement date.

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2017, associated with the School District, using a discount rate of 3.58%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used is as follows:

	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 451,432,220.87</u>	<u>\$ 380,290,467.00</u>	<u>\$ 323,860,151.69</u>

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Healthcare Cost Trend Rates - The State's proportionate share of the total non-employer OPEB liability as of June 30, 2017, associated with the School District, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used is as follows:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 312,752,146.39</u>	<u>\$ 380,290,467.00</u>	<u>\$ 469,980,562.06</u>

Note 10: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Total Non-Employer OPEB Liability (Cont'd)**

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Non-Employer OPEB Liability - For the fiscal year ended June 30, 2018, the School District recognized \$20,305,689.00 in OPEB expense and revenue, in the government-wide financial statements, for the State's proportionate share of the OPEB Plan's OPEB expense, associated with the School District. This expense and revenue was based on the OPEB Plan's June 30, 2017 measurement date.

In accordance with GASBS No. 75, the School District's proportionate share of the OPEB liability is zero. As such, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources by the School District. However, at June 30, 2018, the State's proportionate share of the total non-employer OPEB liability's deferred outflows of resources and deferred inflows of resources, associated with School District, from the following sources are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Proportion	\$ -	\$ 849,433.00
Changes of Assumptions or Other Inputs	-	44,975,429.00
	<u>\$ -</u>	<u>\$ 45,824,862.00</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the State's proportionate share of the total non-employer OPEB liability, associated with the School District, will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	
2019	\$ (5,365,908.65)
2020	(5,365,908.65)
2021	(5,365,908.65)
2022	(5,365,908.65)
2023	(5,365,908.65)
Thereafter	(18,995,318.75)
	<u>\$ (45,824,862.00)</u>

Note 11: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2018, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs and non-contributory insurance, post-retirement medical costs, and long-term disability insurance were \$8,408,981.00, \$5,431,182.00, and \$9,696.00, respectively.

Note 12: RISK MANAGEMENT

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

New Jersey Unemployment Compensation Insurance - The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the School District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The School District is billed quarterly for amounts due to the State.

The following is a summary of the activity of the School District's private-purpose trust fund for the unemployment claims for the current and previous two fiscal years:

<u>Fiscal Year Ended June 30,</u>	<u>Employee Contributions</u>	<u>Interest Income</u>	<u>Claims Incurred</u>	<u>Ending Balance</u>
2018	\$ 129,251.76	\$ 14,104.21	\$ 34,509.01	\$ 1,237,600.65
2017	132,283.43	5,864.56	52,094.40	1,128,753.69
2016	127,230.44	3,576.06	97,796.54	1,042,700.10

Joint Insurance Fund - The School District is a member of the Gloucester, Cumberland, Salem School Districts Joint Insurance Fund (GCSSD JIF).

The Fund provides the School District with the following coverage, whereby a complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report:

Property (including crime and auto physical damage)
 General Liability
 Automobile Liability
 Workers' Compensation
 School Board Legal Liability
 Boiler and Machinery
 Pollution Legal Liability
 Student Accident Insurance

All members' contributions to the Fund, including a reserve for contingencies, are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Banking and Insurance may order additional assessments to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations.

Annual contributions, as determined by the Fund's Board of Trustees, are due within 30 days of the due date fixed by the Board of Trustees, but not later than February 1. Total contributions are recognized as earned revenue evenly over the fiscal contract period or period of risk, if different.

The Board of Trustees shall by majority vote levy upon the participants additional assessments whenever needed or so ordered by the Commissioner of Banking and Insurance to supplement the Fund's claim, loss retention or administrative accounts, after consideration of anticipated investment income, to assure the payment of the Fund's obligations. Supplemental contributions to cover a deficit are recognized as revenue upon approval whether or not actually received.

Effective July 1, 2001, the Fund joined the School Pool for Excess Liability Limits Joint Insurance Fund (the "SPELL"). The SPELL is a joint insurance fund formed to provide excess coverage for member school funds. Each member appoints two delegates to represent their respective joint insurance fund for the purpose of creating a governing body from which the board of trustees of the SPELL is elected.

Note 12: RISK MANAGEMENT (CONT'D)

Joint Insurance Fund (Cont'd) - The Fund could be subject to supplemental assessments in the event of deficiencies in the loss funds of the SPELL. If the assets of the SPELL were to be exhausted, its members would become jointly and severely liable for the SPELL's liabilities.

The SPELL can declare and refund surplus to its members upon approval by the State of New Jersey Department of Banking and Insurance.

Additional information regarding claims, coverages and deductibles can be found at <http://www.spelljif.com/gcssd-jif>.

Note 13: DEFERRED COMPENSATION

The School District offers its employees a choice of several 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 plan administrators are as follows:

Ameriprise
ASpire
AXA Equitable
Creative Financial Strategies (MetLife)
Lincoln Investment (The Faller Company LLC)
Syracusa Benefits Program
VALIC (AIG)
VOYA

Note 14: COMPENSATED ABSENCES

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

School District employees who are employed for ten months are entitled to ten paid sick leave days per fiscal school year. School District employees who are employed for twelve months are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. School District employees are entitled to two personal days which may not be carried forward to subsequent years. Vacation days not used during the year may not be accumulated and carried forward without supervisor approval. Benefits paid in any future year will be calculated according to formulas outlined in the School District's agreements with the various employee unions and included in the current years' budget.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2018, the liability for compensated absences reported on the government-wide statement of net position and on the proprietary fund statement of net position was \$7,533,180.45 and \$148,939.88, respectively.

Note 15: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2018 is as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 4,023,551.68	
Special Revenue		\$ 324,441.24
Capital Projects		313,374.09
Debt Service	0.26	
Proprietary:		
Enterprise	20,700.00	1,693,269.36
Internal Service		2,575.74
Fiduciary		1,710,591.51
Totals	<u>\$ 4,044,251.94</u>	<u>\$ 4,044,251.94</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2019, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

Interfund Transfers:

	<u>Transfer In</u>				<u>Total</u>
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Food Service Fund</u>	
<u>Transfer Out:</u>					
General Fund		\$ 2,580,217.52	\$ 0.26	\$ 1,102,525.47	\$ 3,682,743.25
Capital Projects Fund	\$ 70,782.48				70,782.48
Total Transfers In	<u>\$ 70,782.48</u>	<u>\$ 2,580,217.52</u>	<u>\$ 0.26</u>	<u>\$ 1,102,525.47</u>	<u>\$ 3,753,525.73</u>

Transfers were made during the fiscal year ended June 30, 2018 for the following purposes:

- the general fund budgeted and transferred \$1,102,525.47 to subsidize the operations of the food service enterprise fund;
- the general fund budgeted and transferred \$2,651,000.00 of capital reserve funds to the capital projects fund for approved capital projects;
- the general fund transferred \$.26 to the debt service fund to cover a rounding difference caused by a prior fiscal year budget utilization of fund balance of the debt service fund;
- the capital projects fund transferred \$24,683.70 of interest earned on deposits to the general fund; and
- the capital projects fund transferred \$46,098.78 to the general fund for completed and closed capital projects; and

Note 16: CONTINGENCIES

Grantor Agencies - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the School District expects such amount, if any, to be immaterial.

Note 16: CONTINGENCIES (CONT'D)

Litigation - The School District is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the School District, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Note 17: CONCENTRATIONS

The School District depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the School District is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

Note 18: COMMITMENTS

The School District had multiple construction projects ongoing as of the fiscal year ended June 30, 2018 that are to continue into the subsequent fiscal year(s). These projects, which are related to the capital projects fund, are as follows:

<u>Contract</u>	<u>Commitment Date</u>	<u>Amount Outstanding</u>
Straga Brothers	04/17/18	\$ 56,669.91
CM3 Building Solutions Inc.	02/24/17	61,974.86
CM3 Building Solutions Inc.	06/30/18	27,402.00
Laurant Construction Co, Inc.	07/01/17	44,844.80
Union Roofing	06/22/18	598,484.14
Union Roofing	06/22/18	430,550.70
Command Company, Inc.	06/30/18	191,650.01
Jersey Architectural Door & Supply Co.	06/30/18	55,532.00
		<u>\$ 1,467,108.42</u>

Note 19: FUND BALANCES**RESTRICTED**

As stated in note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District's fund balance are summarized as follows:

General Fund

For Legally Restricted Appropriations - In accordance with N.J.S.A. 18A:39-31, the School District has restricted \$10,110.00 and \$8,073.45 of school bus advertising revenue to be designated for utilization in the 2018-19 budget and the 2019-20 budget, respectively, to offset fuel costs.

Note 19: FUND BALANCES (CONT'D)**RESTRICTED (CONT'D)****General Fund (Cont'd)**

For Excess Surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of 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 years' budget. The excess fund balance at June 30, 2018 is \$435,650.97. Additionally, \$4,819,021.00 of excess fund balance generated during 2016-2017 has been restricted and designated for utilization in the 2018-2019 budget.

For Capital Reserve Account - As of June 30, 2018, the balance in the capital reserve account is \$1,560,520.12. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

Capital Projects Fund - As of June 30, 2018, \$3,212,640.68 of capital projects fund balance is restricted for future capital expenditures.

Debt Service Fund - In accordance with N.J.A.C. 6A:23A-8.6, a district board of education shall appropriate annually all debt service fund balances in the budget certified for taxes unless expressly authorized and documented by the voters in a bond referendum. The School District has \$2,284.00 of debt service fund balance at June 30, 2018.

COMMITTED

As stated in note 1, the committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which is the Board of Education. Specific commitments of the School District's fund balance are summarized as follows:

General Fund - As of June 30, 2018, the School District has committed \$1,227,491.08 of general fund balance for the acquisition of equipment and supplies. This fund balance represents the proceeds received from the various purchase agreements that the School District has entered, net of expenditures (see note 7).

ASSIGNED

As stated in note 1, the assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. Specific assignments of the School District's fund balance are summarized as follows:

General Fund

For Subsequent Year's Expenditures - The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2019 \$5,108,979.00 of general fund balance at June 30, 2018.

Other Purposes - As of June 30, 2017, the School District had \$2,256,456.35 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

Note 19: FUND BALANCES (CONT'D)**UNASSIGNED**

As stated in note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District's unassigned fund balance is summarized as follows:

General Fund - As of June 30, 2018, \$3,264,015.73 of general fund balance was unassigned.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II
BUDGETARY COMPARISON SCHEDULES**

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
GENERAL FUND
 Required Supplementary Information - Part II
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 84,702,621.00		\$ 84,702,621.00	\$ 84,702,621.00	
Tuition				392,811.79	\$ 392,811.79
Unrestricted Miscellaneous Revenue	444,793.00		444,793.00	845,291.23	400,498.23
Total - Local Sources	85,147,414.00	-	85,147,414.00	85,940,724.02	793,310.02
State Sources:					
Categorical Special Education Aid	4,519,182.00		4,519,182.00	4,519,182.00	
Equalization Aid	38,162,410.00		38,162,410.00	38,162,410.00	
Adjustment Aid	3,559,441.00	\$ (1,002,306.00)	2,557,135.00	2,557,135.00	
Categorical Security Aid	747,449.00		747,449.00	747,449.00	
Categorical Transportation Aid	2,909,313.00		2,909,313.00	2,909,313.00	
PARCC Readiness Aid	73,560.00		73,560.00	73,560.00	
Per Pupil Aid	73,560.00		73,560.00	73,560.00	
Professional Learning Community Aid	70,390.00		70,390.00	70,390.00	
Nonpublic School Transportation Aid				78,626.00	78,626.00
Tuition Reimbursements for Homeless Students				504,179.26	504,179.26
Extraordinary Special Education Costs Aid	900,000.00		900,000.00	1,357,198.00	457,198.00
Reimbursed TPAF Social Security Contributions (non-budgeted)				4,214,104.49	4,214,104.49
On-Behalf T.P.A.F. Pension Contributions (non-budgeted):					
Normal Cost and Non-Contributory Insurance				8,408,981.00	8,408,981.00
Post-Retirement Medical				5,431,182.00	5,431,182.00
Long-Term Disability Insurance				9,696.00	9,696.00
Total - State Sources	51,015,305.00	(1,002,306.00)	50,012,999.00	69,116,965.75	19,103,966.75
Federal Sources:					
Other Restricted Miscellaneous Revenues	92,000.00		92,000.00	96,743.66	4,743.66
Special Education Medicaid Initiative	144,561.00		144,561.00	198,987.13	54,426.13
Total - Federal Sources	236,561.00	-	236,561.00	295,730.79	59,169.79
Total Revenues	136,399,280.00	(1,002,306.00)	135,396,974.00	155,353,420.56	19,956,446.56

(Continued)

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
GENERAL FUND
 Required Supplementary Information - Part II
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES:					
GENERAL CURRENT EXPENSE:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Kindergarten	\$ 1,699,077.00	\$ (86,144.15)	\$ 1,612,932.85	\$ 1,612,932.84	\$ 0.01
Grades 1 - 5	10,687,375.00	79,511.00	10,766,886.00	10,636,814.84	130,071.16
Grades 6 - 8	9,081,852.00	55,369.18	9,137,221.18	9,038,607.57	98,613.61
Grades 9 - 12	11,244,834.00	17,107.44	11,261,941.44	11,119,138.69	142,802.75
Regular Programs - Home Instruction:					
Salaries of Teachers	145,270.00	(51,741.00)	93,529.00	93,529.00	
Purchased Professional - Educational Services	215,588.00	(16,137.00)	199,451.00	80,378.51	119,072.49
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	844,845.00	(30,000.00)	814,845.00	807,401.22	7,443.78
Purchased Professional - Educational Services	2,225,000.00	(4,000.00)	2,221,000.00	1,791,837.48	429,162.52
Purchased Technical Services	485,523.98	(5,886.00)	479,637.98	430,592.92	49,045.06
Other Purchased Services (400-500 Series)	3,261,416.97	(7,344.00)	3,254,072.97	3,088,993.40	165,079.57
General Supplies	1,313,089.53	1,895.00	1,314,984.53	1,104,954.81	210,029.72
Textbooks	25,968.20		25,968.20	17,922.64	8,045.56
Other Objects	31,800.00	1,342.00	33,142.00	31,342.00	1,800.00
Total Regular Programs	41,261,639.68	(46,027.53)	41,215,612.15	39,854,445.92	1,361,166.23
Special Education:					
Learning and/or Language Disabilities:					
Salaries of Teachers	1,425,583.00	(25,000.00)	1,400,583.00	1,378,650.21	21,932.79
Other Salaries for Instruction	135,020.00		135,020.00	102,963.96	32,056.04
General Supplies	9,860.00		9,860.00	9,710.17	149.83
Textbooks	2,115.00		2,115.00		2,115.00
Total - Learning and/or Language Disabilities	1,572,578.00	(25,000.00)	1,547,578.00	1,491,324.34	56,253.66

(Continued)

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
GENERAL FUND
 Required Supplementary Information - Part II
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Special Education (Cont'd):					
Behavioral Disabilities:					
Salaries of Teachers	\$ 374,757.00		\$ 374,757.00	\$ 356,794.80	\$ 17,962.20
Other Salaries for Instruction	38,433.00		38,433.00	36,248.80	2,184.20
General Supplies	5,220.00		5,220.00	5,042.19	177.81
Textbooks	580.00		580.00		580.00
Total - Behavioral Disabilities	<u>418,990.00</u>	<u>-</u>	<u>418,990.00</u>	<u>398,085.79</u>	<u>20,904.21</u>
Multiple Disabilities:					
Salaries of Teachers	650,212.00	\$ (38,575.40)	611,636.60	611,636.60	
Other Salaries for Instruction	74,185.00	(7,290.02)	66,894.98	56,988.30	9,906.68
General Supplies	19,500.00	(14,134.58)	5,365.42	5,306.14	59.28
Total - Multiple Disabilities	<u>743,897.00</u>	<u>(60,000.00)</u>	<u>683,897.00</u>	<u>673,931.04</u>	<u>9,965.96</u>
Resource Room/Center:					
Salaries of Teachers	7,936,922.00	(137,750.00)	7,799,172.00	7,706,117.84	93,054.16
Other Salaries for Instruction	280,033.00	(127,500.00)	152,533.00	106,911.12	45,621.88
Purchased Professional - Educational Services	200,000.00	(34,500.00)	165,500.00	159,004.50	6,495.50
Other Purchased Services (400-500 Series)	6,067.00		6,067.00	6,067.00	
General Supplies	17,724.00	80,570.00	98,294.00	95,785.39	2,508.61
Textbooks	3,495.00		3,495.00		3,495.00
Total - Resource Room/Center	<u>8,444,241.00</u>	<u>(219,180.00)</u>	<u>8,225,061.00</u>	<u>8,073,885.85</u>	<u>151,175.15</u>
Autism:					
Salaries of Teachers	<u>275,880.00</u>		<u>275,880.00</u>	<u>273,370.00</u>	<u>2,510.00</u>
Total - Autism	<u>275,880.00</u>	<u>-</u>	<u>275,880.00</u>	<u>273,370.00</u>	<u>2,510.00</u>

(Continued)

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
GENERAL FUND
 Required Supplementary Information - Part II
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Special Education (Cont'd):					
Preschool Disabilities - Part-time:					
Salaries of Teachers	\$ 405,894.00	\$ 14,329.00	\$ 420,223.00	\$ 420,223.00	
Other Salaries for Instruction	97,223.00		97,223.00	83,056.40	\$ 14,166.60
General Supplies	7,098.00		7,098.00	6,790.42	307.58
Total - Preschool Disabilities - Part-Time	510,215.00	14,329.00	524,544.00	510,069.82	14,474.18
Total - Special Education	11,965,801.00	(289,851.00)	11,675,950.00	11,420,666.84	255,283.16
Basic Skills/Remedial:					
Salaries of Teachers	2,677,254.00	(43,000.00)	2,634,254.00	2,590,848.51	43,405.49
Other Salaries for Instruction	275,823.00		275,823.00	246,797.53	29,025.47
General Supplies	26,300.00	3,000.00	29,300.00	28,958.25	341.75
Other Objects	300.00		300.00		300.00
Total - Basic Skills/Remedial	2,979,677.00	(40,000.00)	2,939,677.00	2,866,604.29	73,072.71
Bilingual Education:					
Salaries of Teachers	227,759.00	6,788.70	234,547.70	234,547.70	
Purchased Professional - Educational Services	3,500.00		3,500.00	3,500.00	
Other Purchased Services (400-500 Series)	18,462.00		18,462.00	18,461.90	0.10
General Supplies	4,700.00		4,700.00	453.04	4,246.96
Total - Bilingual Education	254,421.00	6,788.70	261,209.70	256,962.64	4,247.06
School Sponsored Cocurricular Activities - Instruction:					
Salaries	639,601.00		639,601.00	588,877.99	50,723.01
Purchased Services (300-500 Series)	3,900.00		3,900.00	1,298.04	2,601.96
Supplies and Materials	50,485.00	3,384.00	53,869.00	46,528.23	7,340.77
Other Objects	39,274.00	(384.00)	38,890.00	34,058.25	4,831.75
Total - School-Sponsored Activities - Instruction	733,260.00	3,000.00	736,260.00	670,762.51	65,497.49

(Continued)

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
GENERAL FUND
 Required Supplementary Information - Part II
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
School Sponsored Athletics - Instruction:					
Salaries	\$ 846,222.00	\$ 22,394.62	\$ 868,616.62	\$ 868,616.62	
Purchased Services (300-500 Series)	168,083.00	(21,894.62)	146,188.38	121,240.90	\$ 24,947.48
Supplies and Materials	94,920.00	13,597.00	108,517.00	103,830.76	4,686.24
Other Objects	37,465.00		37,465.00	33,308.50	4,156.50
Total - School-Sponsored Athletics - Instruction	1,146,690.00	14,097.00	1,160,787.00	1,126,996.78	33,790.22
Other Instructional Programs - Instruction:					
Salaries	57,235.00		57,235.00	33,590.49	23,644.51
Total - Other Instructional Programs - Instruction	57,235.00	-	57,235.00	33,590.49	23,644.51
Summer School - Instruction:					
Salaries of Teachers	132,487.00	(31,800.00)	100,687.00	77,723.24	22,963.76
Other Salaries of Instruction	98,147.00	(5,026.00)	93,121.00	62,142.92	30,978.08
Total - Summer School - Instruction	230,634.00	(36,826.00)	193,808.00	139,866.16	53,941.84
Alternative Education Programs - Instruction:					
Purchased Professional - Technical Services		310,000.00	310,000.00	310,000.00	
Total - Alternative Education Programs - Instruction	-	310,000.00	310,000.00	310,000.00	-
Total - Instruction	58,629,357.68	(78,818.83)	58,550,538.85	56,679,895.63	1,870,643.22
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	328,860.00	(310,000.00)	18,860.00		18,860.00
Tuition to Other LEAs Within the State - Special	72,492.00		72,492.00	44,394.78	28,097.22
Tuition to County Voc. School District - Regular	285,863.00	68,000.00	353,863.00	342,831.00	11,032.00

(Continued)

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
GENERAL FUND
 Required Supplementary Information - Part II
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures - Instruction (Cont'd):					
Tuition to CSSD & Regional Day Schools	\$ 1,709,600.00	\$ (36,500.00)	\$ 1,673,100.00	\$ 1,407,549.50	\$ 265,550.50
Tuition to Private School for the Disabled - W/I State	5,950,660.00	(198,958.00)	5,751,702.00	4,813,669.04	938,032.96
Tuition - State Facilities	99,679.00		99,679.00	99,679.00	
Total Undistributed Expenditures - Instruction	8,447,154.00	(477,458.00)	7,969,696.00	6,708,123.32	1,261,572.68
Undistributed Expenditures - Attendance and Social Work Services:					
Salaries	438,112.00		438,112.00	415,074.02	23,037.98
Purchased Professional - Technical Services	74,880.00	(6,640.00)	68,240.00	61,921.00	6,319.00
Other Purchased Services (400-500 Series)	3,932.00	6,640.00	10,572.00	1,665.83	8,906.17
Supplies and Materials	5,842.00		5,842.00	1,818.93	4,023.07
Other Objects	500.00		500.00		500.00
Total Undistributed Expenditures - Attendance and Social Work	523,266.00	-	523,266.00	480,479.78	42,786.22
Total Undistributed Expenditures - Health Services:					
Salaries	1,132,052.00		1,132,052.00	1,041,725.29	90,326.71
Purchased Professional - Technical Services	112,854.00		112,854.00	111,384.00	1,470.00
Other Purchased Services (400-500 Series)	48,600.00		48,600.00	44,894.00	3,706.00
Supplies and Materials	27,187.79	1,089.00	28,276.79	22,013.01	6,263.78
Other Objects	1,200.00		1,200.00	1,020.00	180.00
Total Undistributed Expenditures - Health Services	1,321,893.79	1,089.00	1,322,982.79	1,221,036.30	101,946.49
Undistributed Expenditures - Speech, OT, PT & Related Services:					
Salaries	1,683,728.00		1,683,728.00	1,670,246.11	13,481.89
Supplies and Materials	22,750.00		22,750.00	21,323.49	1,426.51
Total Undistributed Expenditures - Speech, OT, PT & Related Services	1,706,478.00	-	1,706,478.00	1,691,569.60	14,908.40

(Continued)

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
GENERAL FUND
 Required Supplementary Information - Part II
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures - Other Support Students - Extra Services					
Salaries	\$ 2,115,357.00		\$ 2,115,357.00	\$ 1,852,952.68	\$ 262,404.32
Purchased Professional - Educational Services		\$ 50,000.00	50,000.00	46,837.31	3,162.69
Total Undistributed Expenditures - Other Support Students - Extra Services	2,115,357.00	50,000.00	2,165,357.00	1,899,789.99	265,567.01
Undistributed Expenses - Guidance:					
Salaries of Other Professional Staff	2,714,696.00		2,714,696.00	2,668,512.09	46,183.91
Salaries of Secretarial and Clerical Assistants	174,494.00		174,494.00	157,974.00	16,520.00
Other Salaries	38,827.00	179.96	39,006.96	39,006.96	
Purchased Professional - Educational Services	67,988.00		67,988.00	46,150.85	21,837.15
Other Purchased Professional and Technical Services	84,300.00	(3,000.00)	81,300.00	73,177.73	8,122.27
Other Purchased Services (400-500 Series)	6,795.00	(376.40)	6,418.60	1,247.93	5,170.67
Supplies and Materials	51,670.00	77.50	51,747.50	36,524.39	15,223.11
Other Objects	229.00		229.00	229.00	
Total Undistributed Expenditures - Guidance	3,138,999.00	(3,118.94)	3,135,880.06	3,022,822.95	113,057.11
Undistributed Expenses - Child Study Teams:					
Salaries of Other Professional Staff	2,666,598.00	(2,118.56)	2,664,479.44	2,536,812.86	127,666.58
Salaries of Secretarial and Clerical Assistants	430,784.00	(1,537.92)	429,246.08	420,463.58	8,782.50
Other Salaries	67,314.00	3,656.48	70,970.48	70,970.48	
Purchased Professional - Educational Services	1,203,415.00	(165,668.30)	1,037,746.70	778,242.55	259,504.15
Other Purchased Professional and Technical Services	58,775.00		58,775.00	47,521.35	11,253.65
Other Purchased Services (400-500 Series)	56,525.00	(2,572.40)	53,952.60	34,833.60	19,119.00
Supplies and Materials	33,687.90		33,687.90	21,060.78	12,627.12
Other Objects	16,970.00	(1,872.00)	15,098.00	6,606.59	8,491.41
Total Undistributed Expenditures - Child Study Teams	4,534,068.90	(170,112.70)	4,363,956.20	3,916,511.79	447,444.41

(Continued)

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
GENERAL FUND
 Required Supplementary Information - Part II
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	\$ 586,946.00		\$ 586,946.00	\$ 552,631.18	\$ 34,314.82
Salaries of Other Professional Staff	194,116.00	\$ (807.24)	193,308.76	161,984.65	31,324.11
Salaries of Secretarial and Clerical Assistants	279,475.00	807.24	280,282.24	280,282.24	
Salaries of Facilitators, Math and Literacy Coaches					
Purchased Professional - Educational Services	8,000.00		8,000.00	3,667.50	4,332.50
Other Purchased Professional and Technical Services	22,250.00		22,250.00		22,250.00
Other Purchased Services (400-500 Series)	14,569.00		14,569.00	8,756.25	5,812.75
Supplies and Materials	50,780.00	(1,342.00)	49,438.00	40,847.08	8,590.92
Other Objects	28,235.00		28,235.00	18,064.00	10,171.00
Total Undistributed Expenditures - Improvement Instructional Services	1,184,371.00	(1,342.00)	1,183,029.00	1,066,232.90	116,796.10
Undistributed Expenditures - Educational Media/Library:					
Salaries	1,153,597.00		1,153,597.00	1,144,187.70	9,409.30
Salaries of Technology Coordinators	57,537.00		57,537.00	56,780.16	756.84
Purchased Professional - Technical Services	94,241.00	4,257.00	98,498.00	97,959.84	538.16
Other Purchased Services (400-500 Series)	4,258.00		4,258.00	2,881.00	1,377.00
Supplies and Materials	137,411.96	1,763.00	139,174.96	131,036.47	8,138.49
Other Objects	950.00		950.00	734.00	216.00
Total Undistributed Expenditures - Educational Media/Library	1,447,994.96	6,020.00	1,454,014.96	1,433,579.17	20,435.79
Undistributed Expenditures - Instructional Staff Training Services:					
Salaries of Other Professional Staff	174,473.00		174,473.00	96,689.14	77,783.86
Purchased Professional - Educational Services	119,918.00	110,098.30	230,016.30	174,941.50	55,074.80
Other Purchased Services (400-500 Series)	40,919.00	1,000.00	41,919.00	23,310.45	18,608.55
Supplies and Materials	10,518.00	(135.00)	10,383.00	7,210.93	3,172.07
Total Undistributed Expenditures - Instructional Staff Training Services	345,828.00	110,963.30	456,791.30	302,152.02	154,639.28

(Continued)

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
GENERAL FUND
 Required Supplementary Information - Part II
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures - Support Services General Administration:					
Salaries	\$ 395,859.00	\$ (2,700.00)	\$ 393,159.00	\$ 392,097.94	\$ 1,061.06
Legal Services	255,000.00	146,287.00	401,287.00	370,203.47	31,083.53
Audit Fees	87,000.00	(5,000.00)	82,000.00	77,350.00	4,650.00
Architect and Engineering Services	86,500.00	20,000.00	106,500.00	106,329.41	170.59
Other Purchased Professional Services	25,000.00	31,937.00	56,937.00	56,936.89	0.11
Purchased Technical Services	500.00		500.00	156.00	344.00
Communications/Telephone	282,143.00	(59,146.21)	222,996.79	153,502.91	69,493.88
Miscellaneous Purchased Services (400-500)	27,700.00	(10,000.00)	17,700.00	9,807.47	7,892.53
General Supplies	20,758.99	2,096.21	22,855.20	15,038.63	7,816.57
BOE In-House Training/Meeting Supplies	3,500.00		3,500.00	3,408.00	92.00
Judgments Against the School District	25,000.00	3,250.00	28,250.00	28,250.00	
Miscellaneous Expenditures	7,610.00	(3,500.00)	4,110.00	3,675.00	435.00
BOE Membership Dues and Fees	29,000.00		29,000.00	26,662.70	2,337.30
Total Undistributed Expenditures - Support Services General Administration	1,245,570.99	123,224.00	1,368,794.99	1,243,418.42	125,376.57
Undistributed Expenditures - Support Services School Administration:					
Salaries of Principals/Assist. Principals/Program Directors	2,732,098.00	63,434.74	2,795,532.74	2,795,527.77	4.97
Salaries of Other Professional Staff	1,419,674.00	579,613.26	1,999,287.26	1,419,447.30	579,839.96
Salaries of Secretarial and Clerical Assistants	2,137,231.00		2,137,231.00	2,102,848.95	34,382.05
Purchased Professional - Technical Services	103,575.00		103,575.00	96,373.89	7,201.11
Other Purchased Services (400-500 Series)	39,860.00	6,017.76	45,877.76	36,039.85	9,837.91
Supplies and Materials	28,500.00	(3,086.26)	25,413.74	25,089.03	324.71
Other Objects	34,500.00		34,500.00	25,854.90	8,645.10
Total Undistributed Expenditures - Support Services School Administration	6,495,438.00	645,979.50	7,141,417.50	6,501,181.69	640,235.81

(Continued)

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
GENERAL FUND
 Required Supplementary Information - Part II
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures - Central Services:					
Salaries	\$ 1,690,278.00		\$ 1,690,278.00	\$ 1,662,166.86	\$ 28,111.14
Purchased Professional Services	41,000.00		41,000.00	18,209.00	22,791.00
Purchased Technical Services	163,950.00	\$ (7,380.00)	156,570.00	129,983.51	26,586.49
Miscellaneous Purchased Services (400-500)	133,140.00	(25.00)	133,115.00	63,710.64	69,404.36
Supplies and Materials	49,800.00	238,640.00	288,440.00	22,776.62	265,663.38
Miscellaneous Expenditures	18,610.00	25.00	18,635.00	9,101.77	9,533.23
Total Undistributed Expenditures - Central Services	<u>2,096,778.00</u>	<u>231,260.00</u>	<u>2,328,038.00</u>	<u>1,905,948.40</u>	<u>422,089.60</u>
Undistributed Expenditures - Admin. Info. Technology:					
Salaries	674,939.00		674,939.00	648,771.89	26,167.11
Purchased Technical Services	329,778.00		329,778.00	241,346.43	88,431.57
Other Purchased Services (400-500 Series)	285,355.00		285,355.00	274,020.62	11,334.38
Supplies and Materials	38,059.41	100,000.00	138,059.41	49,212.57	88,846.84
Other Objects	835.00		835.00	250.00	585.00
Total Undistributed Expenditures - Admin. Info. Technology	<u>1,328,966.41</u>	<u>100,000.00</u>	<u>1,428,966.41</u>	<u>1,213,601.51</u>	<u>215,364.90</u>
Undistributed Expenditures - Required Maint. for School Facilities:					
Salaries	1,043,828.00		1,043,828.00	980,080.94	63,747.06
Cleaning, Repair, and Maintenance Services	533,800.00	(450.00)	533,350.00	263,576.59	269,773.41
General Supplies	238,800.00	500.00	239,300.00	103,224.52	136,075.48
Total Undistributed Expenditures - Required Maint. for School Facilities	<u>1,816,428.00</u>	<u>50.00</u>	<u>1,816,478.00</u>	<u>1,346,882.05</u>	<u>469,595.95</u>
Undistributed Expenditures - Custodial Services:					
Salaries	3,066,228.00		3,066,228.00	2,953,088.90	113,139.10
Salaries of Non-Instructional Aides	460,898.00		460,898.00	431,794.24	29,103.76
Purchased Professional - Technical Services	133,635.00	20,000.00	153,635.00	121,773.50	31,861.50
Cleaning, Repair, and Maintenance Services	402,869.00	64,773.00	467,642.00	311,886.48	155,755.52
Other Purchased Property Services	725,831.00	30,000.00	755,831.00	701,173.36	54,657.64

(Continued)

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
GENERAL FUND
 Required Supplementary Information - Part II
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures - Custodial Services (Cont'd):					
Insurance	\$ 489,175.00		\$ 489,175.00	\$ 432,681.00	\$ 56,494.00
Miscellaneous Purchased Services	10,000.00		10,000.00	500.00	9,500.00
General Supplies	474,465.00	\$ 107,444.00	581,909.00	445,381.43	136,527.57
Energy (Natural Gas)	466,500.00	135,554.82	602,054.82	572,091.47	29,963.35
Energy (Electricity)	2,938,773.00	(135,554.82)	2,803,218.18	2,308,765.41	494,452.77
Other Objects	27,000.00		27,000.00	13,847.50	13,152.50
Total - Custodial Services	9,195,374.00	222,217.00	9,417,591.00	8,292,983.29	1,124,607.71
Undistributed Expenditures - Care and Upkeep of Grounds:					
Salaries	370,674.00		370,674.00	348,244.11	22,429.89
Cleaning, Repair, and Maintenance Services	160,735.00	33,500.00	194,235.00	180,423.79	13,811.21
General Supplies	84,000.00	(12,398.00)	71,602.00	69,420.49	2,181.51
Other Objects	700.00		700.00	480.00	220.00
Total Undistributed Expenditures - Care and Upkeep of Grounds	616,109.00	21,102.00	637,211.00	598,568.39	38,642.61
Undistributed Expenditures - Security:					
Salaries	242,324.00	6,346.86	248,670.86	247,235.86	1,435.00
Purchased Professional - Technical Services	1,000.00	7,380.00	8,380.00	7,620.00	760.00
Cleaning, Repair, and Maintenance Services	24,158.00	(4,218.92)	19,939.08	17,657.76	2,281.32
General Supplies	19,661.25	(2,127.94)	17,533.31	12,925.84	4,607.47
Other Objects		5,000.00	5,000.00	5,000.00	
Total Undistributed Expenditures - Security	287,143.25	12,380.00	299,523.25	290,439.46	9,083.79
Undistributed Expenditures - Student Transportation Services:					
Salaries for Pupil Transportation (Between Home & School) - Regular	1,938,843.00		1,938,843.00	1,886,409.62	52,433.38
Salaries for Pupil Transportation (Between Home & School) - Special Ed	109,312.00		109,312.00	101,140.36	8,171.64

(Continued)

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
GENERAL FUND
 Required Supplementary Information - Part II
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures - Student Transportation Services (Cont'd):					
Salaries for Pupil Transportation (Other Than Between Home & School)		\$ 59,540.71	\$ 59,540.71	\$ 56,112.31	\$ 3,428.40
Management Fee - ESC & CTSA Transportation Program	\$ 183,916.00	(23,000.00)	160,916.00	155,672.48	5,243.52
Other Purchased Professional and Technical Services	14,920.00		14,920.00	9,898.98	5,021.02
Cleaning, Repair, and Maintenance Services	39,767.45		39,767.45	38,427.84	1,339.61
Lease Purchase Payments - School Buses	602,567.00		602,567.00	601,573.69	993.31
Contracted Services - Aid in Lieu of Payments - Non Public Schools	181,220.00	35,000.00	216,220.00	211,950.60	4,269.40
Contracted Services (Between Home & School) - Vendor	300,000.00	61,000.72	361,000.72	346,521.11	14,479.61
Contracted Services (Other than Between Home & School) - Vendor	391,260.00	(92,308.56)	298,951.44	204,388.13	94,563.31
Contracted Services (Special Ed Students) - Vendors	2,139,752.28	92,986.15	2,232,738.43	2,016,389.92	216,348.51
Miscellaneous Purchased Services - Transportation	77,517.00		77,517.00	74,311.10	3,205.90
General Supplies	7,050.00		7,050.00	7.45	7,042.55
Transportation Supplies	543,526.15	(40,040.30)	503,485.85	492,159.22	11,326.63
Other Objects	5,760.00	928.95	6,688.95	3,728.55	2,960.40
Total Undistributed Expenditures - Student Transportation Services	6,535,410.88	94,107.67	6,629,518.55	6,198,691.36	430,827.19
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	1,935,006.00	(66,000.00)	1,869,006.00	1,768,170.86	100,835.14
Other Retirement Contributions - PERS	2,019,610.00	66,000.00	2,085,610.00	1,991,918.80	93,691.20
Workmen's Compensation	1,195,671.00		1,195,671.00	1,162,343.00	33,328.00
Health Benefits	18,925,842.00	(993,500.00)	17,932,342.00	16,989,227.72	943,114.28
Tuition Reimbursement	240,000.00		240,000.00	235,531.01	4,468.99
Other Employee Benefits	2,636,715.00	(235,000.00)	2,401,715.00	2,195,588.19	206,126.81
Unused Sick Payment to Terminated/Retired Staff	500,000.00	235,000.00	735,000.00	733,497.33	1,502.67
Total Unallocated Benefits - Employee Benefits	27,452,844.00	(993,500.00)	26,459,344.00	25,076,276.91	1,383,067.09
Undistributed Expenditures - Transfer to Charter Schools	147,245.00	105,958.00	253,203.00	219,640.00	33,563.00

(Continued)

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
GENERAL FUND
 Required Supplementary Information - Part II
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES (CONT'D):					
GENERAL CURRENT EXPENSE (CONT'D):					
Undistributed Expenditures- Non-budgeted:					
On-behalf TPAF Pension Contributions:					
Normal Cost and Non-Contributory Insurance				\$ 8,408,981.00	\$ (8,408,981.00)
Post-Retirement Medical				5,431,182.00	(5,431,182.00)
Long-Term Disability Insurance				9,696.00	(9,696.00)
Total On-behalf TPAF Pension Contributions	-	-	-	13,849,859.00	(13,849,859.00)
Undistributed Expenditures - Non-budgeted					
Reimbursed TPAF Social Security Contributions	-	-	-	4,214,104.49	(4,214,104.49)
Total Undistributed Expenses	\$ 81,982,718.18	\$ 78,818.83	\$ 82,061,537.01	92,693,892.79	(10,632,355.78)
Total Current Expense	140,612,075.86	-	140,612,075.86	149,373,788.42	(8,761,712.56)
CAPITAL OUTLAY:					
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	105,360.00	140,167.60	245,527.60	87,340.98	158,186.62
Construction Services	4,563,280.00	(1,062,473.60)	3,500,806.40	1,371,120.23	2,129,686.17
Assessment for Debt Service on SDA Funding	182,956.00		182,956.00	182,956.00	
Total - Facilities Acquisition and Construction Services	4,851,596.00	(922,306.00)	3,929,290.00	1,641,417.21	2,287,872.79
Assets Acquired Under Capital Leases (Non-Budgeted):					
Undistributed Expenditures:					
Lease Purchase Agreement - Principal	-	-	-	268,326.60	(268,326.60)
Total Capital Outlay	4,851,596.00	(922,306.00)	3,929,290.00	1,909,743.81	2,019,546.19
Total Expenditures	145,463,671.86	(922,306.00)	144,541,365.86	151,283,532.23	(6,742,166.37)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,064,391.86)	(80,000.00)	(9,144,391.86)	4,069,888.33	13,214,280.19

(Continued)

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
GENERAL FUND
 Required Supplementary Information - Part II
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Other Financing Sources (Uses):					
Transfer Out - Enterprise Funds	\$ (1,250,574.04)		\$ (1,250,574.04)	\$ (1,102,525.47)	\$ 148,048.57
Transfer Out - Capital Reserve to Capital Projects Fund		\$ (2,651,000.00)	(2,651,000.00)	(2,651,000.00)	
Transfer Out - Debt Service				(0.26)	(0.26)
Transfer In - Capital Projects Fund (Interest Earned on Capital Projects Fund)				24,683.70	24,683.70
Transfer In - Capital Projects Fund (Unexpended Capital Projects-Capital Reserve)				46,098.78	46,098.78
Capital Leases (Non-Budgeted)				268,326.60	268,326.60
Total - Other Financing Sources (Uses)	<u>(1,250,574.04)</u>	<u>(2,651,000.00)</u>	<u>(3,901,574.04)</u>	<u>(3,414,416.65)</u>	<u>487,157.39</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(10,314,965.90)</u>	<u>(2,731,000.00)</u>	<u>(13,045,965.90)</u>	<u>655,471.68</u>	<u>13,701,437.58</u>
Fund Balances, July 1	<u>21,582,811.94</u>	<u>-</u>	<u>21,582,811.94</u>	<u>21,582,811.94</u>	<u>-</u>
Fund Balances, June 30	<u>\$ 11,267,846.04</u>	<u>\$ (2,731,000.00)</u>	<u>\$ 8,536,846.04</u>	<u>\$ 22,238,283.62</u>	<u>\$ 13,701,437.58</u>
Recapitulation:					
Restricted:					
Capital Reserve				\$ 1,560,520.12	
Excess Surplus - Current Year				5,211,107.97	
Excess Surplus - Prior Year - Designated for Subsequent Year's Expenditures				4,819,021.00	
Legal Reserve - 50% School Bus Advertising Revenue; Offset to Fuel Costs - Current Year				8,073.45	
Legal Reserve - 50% School Bus Advertising Revenue; Offset to Fuel Costs - Prior Year				10,110.00	
Assigned:					
Year-End Encumbrances				2,256,456.35	
Designated for Subsequent Year's Expenditures:					
2018-19 Budget				5,108,979.00	
Unassigned				3,264,015.73	
				<u>22,238,283.62</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Proceeds from Purchasing Agreements (Net of Expenditures)				1,227,491.08	
Last State Aid Payments Not Recognized on GAAP Basis				(4,775,457.00)	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 18,690,317.70</u>	

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
SPECIAL REVENUE FUND
 Required Supplementary Information - Part II
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Revenue from Local Sources	-	\$ 279,422.00	\$ 279,422.00	\$ 226,557.51	\$ (52,864.49)
State Sources:					
Nonpublic Aid	\$ 38,967.00	7,650.00	46,617.00	15,239.94	(31,377.06)
Total - State Sources	38,967.00	7,650.00	46,617.00	15,239.94	(31,377.06)
Federal Sources:					
E.S.E.A.:					
Title I	401,450.00	188,569.00	590,019.00	521,136.40	(68,882.60)
Title II - Part A	114,823.00	45,072.00	159,895.00	138,420.52	(21,474.48)
Title III	8,720.00	4,817.00	13,537.00	11,807.03	(1,729.97)
Title III - Immigrant	2,515.00	2,247.00	4,762.00	4,070.25	(691.75)
Title IV		10,000.00	10,000.00	8,712.00	(1,288.00)
I.D.E.A. Part B:					
Basic	1,367,846.00	839,593.00	2,207,439.00	1,961,034.14	(246,404.86)
Preschool	83,015.00	17,684.00	100,699.00	100,699.00	
Carl D. Perkins Vocational and Technical Education Act of 1998 - Secondary	32,138.00	7,982.00	40,120.00	39,961.48	(158.52)
Temporary Emergency Impact Aid		53,177.00	53,177.00	53,177.00	
Total - Federal Sources	2,010,507.00	1,169,141.00	3,179,648.00	2,839,017.82	(340,630.18)
Total Revenues	2,049,474.00	1,456,213.00	3,505,687.00	3,080,815.27	(424,871.73)

(Continued)

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
SPECIAL REVENUE FUND
 Required Supplementary Information - Part II
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	\$ 321,642.00	\$ (7,726.50)	\$ 313,915.50	\$ 300,991.09	\$ 12,924.41
Other Salaries for Instruction	326,881.00	(7,834.00)	319,047.00	300,378.55	18,668.45
Purchased Professional Technical Services	243,737.00	4,229.55	247,966.55	182,390.00	65,576.55
Purchased Professional Educational Services	21,892.00	12,615.00	34,507.00	7,494.96	27,012.04
Other Purchased Services		408.67	408.67	408.67	
Tuition	253,482.00	383,960.00	637,442.00	637,442.00	
General Supplies	146,323.00	287,101.29	433,424.29	354,538.75	78,885.54
Textbooks	2,940.00	(858.00)	2,082.00	1,748.35	333.65
Other Objects		1,000.00	1,000.00		1,000.00
Total Instruction	<u>1,316,897.00</u>	<u>672,896.01</u>	<u>1,989,793.01</u>	<u>1,785,392.37</u>	<u>204,400.64</u>
Support Services:					
Salaries	166,494.00	60,639.00	227,133.00	189,821.29	37,311.71
Other Salaries for Instruction	7,390.00	(7,390.00)			
Personal Services--Employee Benefits	79,188.00	26,033.00	105,221.00	97,755.24	7,465.76
Purchased Professional Technical Services	363,617.00	403,673.00	767,290.00	708,418.61	58,871.39
Purchased Professional Educational Services	5,580.00	(1,894.00)	3,686.00	3,686.00	
Miscellaneous Purchased Services	16,308.00	16,092.00	32,400.00	9,937.02	22,462.98
Travel		1,509.29	1,509.29	964.83	544.46
General Supplies	64,000.00	218,723.27	282,723.27	195,009.18	87,714.09
Other Objects		10,500.00	10,500.00	8,410.00	2,090.00
Total Support Services	<u>702,577.00</u>	<u>727,885.56</u>	<u>1,430,462.56</u>	<u>1,214,002.17</u>	<u>216,460.39</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment	30,000.00	12,950.88	42,950.88	38,940.18	4,010.70
Non-Instructional Equipment		42,480.55	42,480.55	42,480.55	
Total Facilities Acquisition and Construction Services	<u>30,000.00</u>	<u>55,431.43</u>	<u>85,431.43</u>	<u>81,420.73</u>	<u>4,010.70</u>
Total Expenditures	<u>2,049,474.00</u>	<u>1,456,213.00</u>	<u>3,505,687.00</u>	<u>3,080,815.27</u>	<u>424,871.73</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
 Required Supplementary Information - Part II
 Budgetary Comparison Schedule
 Note to Required Supplementary Information
 For the Fiscal Year Ended June 30, 2018

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) "revenues" from the budgetary comparison schedules	\$ 155,353,420.56	\$ 3,080,815.27
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		26,752.38
Interest Earned on Purchasing Agreement Bank Accounts - Cash Held in Trust	24,310.72	
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	4,865,670.00	
State aid payments recognized as revenue for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(4,775,457.00)</u>	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 155,467,944.28</u>	<u>\$ 3,107,567.65</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 151,283,532.23	\$ 3,080,815.27
Differences - Budget to GAAP:		
Financing Agreement Expenditures	4,908,514.60	
Encumbrances for goods or services ordered but not received are reported in the year the orders are placed for budgetary purposes, but in the year the goods or services are received for financial reporting purposes.		<u>26,752.38</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u>\$ 156,192,046.83</u>	<u>\$ 3,107,567.65</u>

**REQUIRED SUPPLEMENTARY INFORMATION
PART III**

**SCHEDULES RELATED TO ACCOUNTING
AND REPORTING FOR PENSIONS**

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
 Required Supplementary Information - Part III
 Schedule of the School District's Proportionate Share of the Net Pension Liability
 Public Employees' Retirement System (PERS)
 Last Five Plan Years

	Measurement Date Ending June 30,				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.1998678313%	0.2028651480%	0.2062558337%	0.2047312625%	0.2101052308%
School District's Proportionate Share of the Net Pension Liability	\$ 46,526,036.00	\$ 60,082,838.00	\$ 46,300,302.00	\$ 38,331,292.00	\$ 40,155,284.00
School District's Covered Payroll (Plan Measurement Period)	\$ 14,624,796.00	\$ 14,827,220.00	\$ 15,187,024.00	\$ 15,117,748.00	\$ 15,563,348.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	318.13%	405.22%	304.87%	253.55%	258.01%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.10%	40.14%	47.93%	52.08%	48.72%

This schedule is presented to illustrate the requirement to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
 Required Supplementary Information - Part III
 Schedule of the School District's Pension Contributions
 Public Employees' Retirement System (PERS)
 Last Five Fiscal Years

	Fiscal Year Ended June 30,				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 2,138,960.00	\$ 1,851,562.00	\$ 1,802,225.00	1,773,247.00	\$ 1,687,775.00
Contributions in Relation to the Contractually Required Contribution	<u>(2,138,960.00)</u>	<u>(1,851,562.00)</u>	<u>(1,802,225.00)</u>	<u>(1,773,247.00)</u>	<u>(1,687,775.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll (Fiscal Year)	\$ 14,030,222.00	\$ 13,658,385.00	\$ 13,549,985.00	\$ 13,915,294.00	\$ 14,025,261.00
Contributions as a Percentage of School District's Covered Payroll	15.25%	13.56%	13.30%	12.74%	12.03%

This schedule is presented to illustrate the requirement to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
 Required Supplementary Information - Part III
 Schedule of the School District's Proportionate Share of the Net Pension Liability
 Teachers' Pension and Annuity Fund (TPAF)
 Last Five Plan Years

	Measurement Date Ending June 30,				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability Associated with the School District	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the School District	<u>383,853,627.00</u>	<u>452,277,035.00</u>	<u>335,380,820.00</u>	<u>298,420,346.00</u>	<u>291,372,670.00</u>
	<u><u>\$ 383,853,627.00</u></u>	<u><u>\$ 452,277,035.00</u></u>	<u><u>\$ 335,380,820.00</u></u>	<u><u>\$ 298,420,346.00</u></u>	<u><u>\$ 291,372,670.00</u></u>
School District's Covered Payroll (Plan Measurement Period)	\$ 67,573,936.00	\$ 68,827,112.00	\$ 68,546,704.00	\$ 62,681,564.00	\$ 64,809,200.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	568.05%	657.12%	489.27%	476.09%	449.59%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	25.41%	22.33%	28.71%	33.64%	33.76%

This schedule is presented to illustrate the requirement to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
Required Supplementary Information - Part III
Schedule of School District's Pension Contributions
Teachers' Pension and Annuity Fund (TPAF)
Last Ten Fiscal Years

This schedule is not applicable.

The School District is not required to make any contributions towards TPAF.

There is a special funding situation where the State of New Jersey pays 100% of the required contributions.

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
Notes to Required Supplementary Information - Part III
For the Fiscal Year Ended June 30, 2018

Teachers' Pension and Annuity Fund (TPAF)

Changes in Benefit Terms

None

Changes in Assumptions

For 2017, the discount rate changed to 4.25% and the long-term expected rate of return changed to 7.00%. For 2016, the discount rate changed to 3.22% and the long-term expected rate of return changed to 7.65% from 7.90%. Further, the demographic assumptions were revised to reflect those recommended on the basis of the July 1, 2012 - June 30, 2015 experience study. For 2015, the discount rate changed to 4.13%. For 2014, the discount rate was at 4.68%.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms

None

Changes in Assumptions

For 2017, the discount rate changed to 5.00% and the long-term rate of return changed to 7.00%. For 2016, the discount rate changed to 3.98%, the long-term expected rate of return changed to 7.65% from 7.90%, demographic assumptions were revised in accordance with the results of the July 1, 2011 - June 30, 2014 experience study and the mortality improvement scale incorporated the plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter. For 2015, the discount rate changed to 4.90%. In addition, the social security wage base was set at \$118,500 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at \$265,000 for 2015, increasing 3.00% per annum, compounded annually. For 2014, the discount rate was 5.39%.

**REQUIRED SUPPLEMENTARY INFORMATION
PART IV**

**SCHEDULE RELATED TO ACCOUNTING
AND REPORTING FOR POSTEMPLOYMENT BENEFITS**

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
 Required Supplementary Information - Part IV
 Schedule of Changes in the School District's
 Total OPEB Liability and Related Ratios
 Last Plan Year

	Measurement Date Ended <u>June 30,</u> <u>2017</u>
<hr/>	
Total Non-Employer OPEB Liability - State's Proportionate Share of the <u>Total OPEB Liability Associated with the School District</u>	
Changes for the Year:	
Service Cost	\$ 13,623,063.00
Interest Cost	11,984,134.00
Changes in Assumptions	(47,917,818.00)
Gross Benefit Payments	(8,808,334.00)
Member Contributions	<u>324,345.00</u>
Net Change in Total Non-Employer OPEB Liability	(30,794,610.00)
Total Non-Employer OPEB Liability - July 1	<u>411,085,077.00</u>
Total Non-Employer OPEB Liability - June 30	<u>\$ 380,290,467.00</u>
School District's Covered Payroll (Plan Measurement Period)	<u>\$ 70,258,624.00</u>
State's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District as a Percentage of Covered Payroll	541.27%

This schedule is presented to illustrate the requirement to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
Notes to Required Supplementary Information - Part IV
For the Fiscal Year Ended June 30, 2018

Changes in Benefit Terms

None

Changes in Assumptions

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

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
SPECIAL REVENUE FUND
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2018

	E.S.E.A						NJ Non-Public Nursing Services Aid	Total Brought Forward
	Total	Title I	Title II Part A	Title III	Title III Immigrant	Title IV		
REVENUES:								
Federal Sources	\$ 2,839,017.82	\$ 521,136.40	\$ 138,420.52	\$ 11,807.03	\$ 4,070.25	\$ 8,712.00		\$ 2,154,871.62
State Sources	15,239.94						\$ 3,686.00	11,553.94
Local Sources	226,557.51							226,557.51
Total Revenues	\$ 3,080,815.27	\$ 521,136.40	\$ 138,420.52	\$ 11,807.03	\$ 4,070.25	\$ 8,712.00	\$ 3,686.00	\$ 2,392,983.07
EXPENDITURES:								
Instruction:								
Salaries of Teachers	\$ 300,991.09	\$ 212,208.00		\$ 688.00				\$ 88,095.09
Other Salaries for Instruction	300,378.55	71,215.80		8,579.00				220,583.75
Purchased Professional Technical Services	182,390.00							182,390.00
Purchased Professional Educational Services	7,494.96							7,494.96
Other Purchased Services	408.67							408.67
Tuition	637,442.00							637,442.00
General Supplies	354,538.75	128,597.23		1,100.00	\$ 1,340.99			223,500.53
Textbooks	1,748.35							1,748.35
Total Instruction	1,785,392.37	412,021.03	-	10,367.00	1,340.99	-	-	1,361,663.35
Support Services:								
Salaries	189,821.29	5,848.50			2,108.00	\$ 3,000.00		178,864.79
Personal Services - Employee Benefits	97,755.24	63,656.00		708.93	161.26			33,229.05
Purchased Professional Technical Services	708,418.61	15,150.00	\$ 104,000.00			4,800.00		584,468.61
Purchased Professional Educational Services	3,686.00						\$ 3,686.00	
Miscellaneous Purchased Services	9,937.02	2,224.49	4,679.00	731.10	460.00			1,842.43
Travel	964.83							964.83
General Supplies	195,009.18	9,426.48	29,741.52			912.00		154,929.18
Other Objects	8,410.00	8,410.00						
Total Support Services	1,214,002.17	104,715.47	138,420.52	1,440.03	2,729.26	8,712.00	3,686.00	954,298.89
Facilities Acquisition and Construction Services:								
Instructional Equipment	38,940.18	4,399.90						34,540.28
Non-Instructional Equipment	42,480.55							42,480.55
Total Facilities Acquisition and Construction Services	81,420.73	4,399.90	-	-	-	-	-	77,020.83
Total Expenditures	\$ 3,080,815.27	\$ 521,136.40	\$ 138,420.52	\$ 11,807.03	\$ 4,070.25	\$ 8,712.00	\$ 3,686.00	\$ 2,392,983.07

(Continued)

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
SPECIAL REVENUE FUND
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2018

	Total Carried Forward	I. D. E. A. Part B		NJ Non-Public Security Aid	Carl D. Perkins Vocational and Technical Education Act of 1988-Secondary	Temporary Emergency Impact Aid	Total Brought Forward
		Basic	Preschool				
REVENUES:							
Federal Sources	\$ 2,154,871.62	\$ 1,961,034.14	\$ 100,699.00		\$ 39,961.48	\$ 53,177.00	
State Sources	11,553.94			\$ 1,443.00			\$ 10,110.94
Local Sources	226,557.51						226,557.51
Total Revenues	\$ 2,392,983.07	\$ 1,961,034.14	\$ 100,699.00	\$ 1,443.00	\$ 39,961.48	\$ 53,177.00	\$ 236,668.45
EXPENDITURES:							
Instruction:							
Salaries of Teachers	\$ 88,095.09	\$ 31,069.59			\$ 3,848.50	\$ 53,177.00	
Other Salaries for Instruction	220,583.75	220,583.75					
Purchased Professional Technical Services	182,390.00	176,252.00			1,588.00		\$ 4,550.00
Purchased Professional Educational Services	7,494.96						7,494.96
Other Purchased Services	408.67				292.00		116.67
Tuition	637,442.00	565,547.00	\$ 71,895.00				
General Supplies	223,500.53	144,059.37			6,772.22		72,668.94
Textbooks	1,748.35						1,748.35
Total Instruction	1,361,663.35	1,137,511.71	71,895.00	-	12,500.72	53,177.00	86,578.92
Support Services:							
Salaries	178,864.79	178,864.79					
Other Salaries for Instruction							
Personal Services - Employee Benefits	33,229.05	32,934.64			294.41		
Purchased Professional Technical Services	584,468.61	555,664.61	28,804.00				
Purchased Professional Educational Services							
Miscellaneous Purchased Services	1,842.43			\$ 1,443.00			399.43
Travel	964.83						964.83
General Supplies	154,929.18	50,768.99			1,706.74		102,453.45
Other Objects							
Total Support Services	954,298.89	818,233.03	28,804.00	1,443.00	2,001.15	-	103,817.71
Facilities Acquisition and Construction Services:							
Instructional Equipment	34,540.28	5,289.40			25,459.61		3,791.27
Non-Instructional Equipment	42,480.55						42,480.55
Total Facilities Acquisition and Construction Services	77,020.83	5,289.40	-	-	25,459.61	-	46,271.82
Total Expenditures	\$ 2,392,983.07	\$ 1,961,034.14	\$ 100,699.00	\$ 1,443.00	\$ 39,961.48	\$ 53,177.00	\$ 236,668.45

(Continued)

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
SPECIAL REVENUE FUND
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2018

	Total Carried Forward	N.J. Nonpublic Auxiliary Services, Ch. 192, L. 1977		N.J. Nonpublic Handicapped Services, Ch. 193, L. 1977		NJ Non-Public Textbook Aid	NJ Non-Public Technology Aid	Miscellaneous Local Grants
		Compensatory Education	Transportation and Maintenance	Examination and Classification	Corrective Speech			
REVENUES:								
Federal Sources								
State Sources	\$ 10,110.94	\$ 2,834.56	\$ 399.43	\$ 2,546.24	\$ 1,964.16	\$ 1,748.35	\$ 618.20	
Local Sources	226,557.51							\$ 226,557.51
Total Revenues	\$ 236,668.45	\$ 2,834.56	\$ 399.43	\$ 2,546.24	\$ 1,964.16	\$ 1,748.35	\$ 618.20	\$ 226,557.51
EXPENDITURES:								
Instruction:								
Salaries of Teachers								
Other Salaries for Instruction								
Purchased Professional Technical Services	\$ 4,550.00							\$ 4,550.00
Purchased Professional Educational Services	7,494.96	\$ 2,834.56		\$ 2,546.24	\$ 1,964.16			150.00
Other Purchased Services	116.67							116.67
Tuition								
General Supplies	72,668.94						\$ 618.20	72,050.74
Textbooks	1,748.35					\$ 1,748.35		
Total Instruction	86,578.92	2,834.56	-	2,546.24	1,964.16	1,748.35	618.20	76,867.41
Support Services:								
Salaries								
Personal Services - Employee Benefits								
Purchased Professional Technical Services								
Purchased Professional Educational Services								
Miscellaneous Purchased Services	399.43		\$ 399.43					
Travel	964.83							964.83
General Supplies	102,453.45							102,453.45
Other Objects								
Total Support Services	103,817.71	-	399.43	-	-	-	-	103,418.28
Facilities Acquisition and Construction Services:								
Instructional Equipment	3,791.27							3,791.27
Non-Instructional Equipment	42,480.55							42,480.55
Total Facilities Acquisition and Construction Services	46,271.82	-	-	-	-	-	-	46,271.82
Total Expenditures	\$ 236,668.45	\$ 2,834.56	\$ 399.43	\$ 2,546.24	\$ 1,964.16	\$ 1,748.35	\$ 618.20	\$ 226,557.51

CAPITAL PROJECTS FUND

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Summary Schedule of Project Expenditures
 For the Fiscal Year Ended June 30, 2018

Project Title/Issue	Appropriations	Expenditures to Date		Unexpended Balance June 30, 2018
		Prior Years	Current Year	
(a) Washington Township High School - Science Labs	\$ 828,853.00	\$ 750,099.69	\$ 22,083.40	\$ 56,669.91
(b) Chestnut Ridge Middle School - Interior Doors	36,437.09	36,437.09		
(c) Orchard Valley Middle School - Interior Doors	36,443.91	36,443.91		
(d) District-Wide Locks	200,000.00		10,329.14	189,670.86
(e) Thomas Jefferson Elementary School - HVAC	19,200.00			19,200.00
(f) Wedgwood Elementary School - Parking Lot	238,992.89	27,085.08	211,907.81	
(g) Hurffville Elementary School - HVAC	43,000.00			43,000.00
(h) Washington Township High School - Roof (Lower & Center for Performing Arts)	364,536.07	333,056.27	31,479.8	
(i) Washington Township High School - Install Doors	50,000.00			50,000.00
(j) Washington Township High School - Vestibule	366,815.51	192,462.78	174,352.73	
(k) Washington Township High School - Turf Field	454,395.00	25,000.00	419,395.00	10,000.00
(l) Washington Township High School - Roof	317,800.00	687.50	29,035.28	288,077.22
(m) Chestnut Ridge Middle School - Roof	1,200,000.00	34,857.20	795,855.84	369,286.96
(n) Bunker Hill Middle School - Roof	1,551,000.00		406,065.86	1,144,934.14
(o) Washington Township High School - Roof (11/12)	815,000.00		21,027.30	793,972.70
(p) Washington Township High School - Tennis Court	225,000.00		7,743.32	217,256.68
(q) Orchard Valley Middle School - Doors	28,390.00			28,390.00
(r) Washington Township High School - Doors	31,610.00			31,610.00
	<u>\$ 6,807,473.47</u>	<u>\$ 1,436,129.52</u>	<u>\$ 2,129,275.48</u>	<u>\$ 3,242,068.47</u>
Recapitulation:				
Restricted for Capital Projects:				
Year-End Encumbrances				\$ 1,467,108.42
Designated for Subsequent Year's Expenditures				<u>1,774,960.05</u>
				<u>\$ 3,242,068.47</u>
Reconciliation to Governmental Funds Statements (GAAP):				
Restricted for Capital Projects				\$ 3,242,068.47
NJ Schools Development Authority Projects Revenue Not Recognized on GAAP Basis				<u>(29,427.79)</u>
Fund Balance per Governmental Funds (GAAP)				<u>\$ 3,212,640.68</u>

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
CAPITAL PROJECTS FUND
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2018

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Revenues:	
Interest Earned on Deposits	\$ 24,683.70
Expenditures:	
Other Purchased Professional and Technical Services	162,264.94
Construction Services	1,967,010.54
Total Expenditures	2,129,275.48
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,104,591.78)
Other Financing Sources and (Uses):	
Transfer from Capital Reserve	2,651,000.00
Transfers to General Fund:	
Transfers from Capital Reserve	(46,098.78)
Interest Earned on Deposits	(24,683.70)
Total Other Financing Sources (Uses)	2,580,217.52
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	475,625.74
Fund Balance, July 1	2,766,442.73
Fund Balance, June 30	\$ 3,242,068.47
Recapitulation:	
Restricted for Capital Projects:	
Year-End Encumbrances	\$ 1,467,108.42
Designated for Subsequent Year's Expenditures	1,774,960.05
	\$ 3,242,068.47
Reconciliation to Governmental Funds Statements (GAAP):	
Restricted for Capital Projects	\$ 3,242,068.47
NJ Schools Development Authority Projects Revenue not Recognized on GAAP Basis	(29,427.79)
Fund Balance per Governmental Funds (GAAP)	\$ 3,212,640.68

Note: For F-2 exhibits, SDA Grant awards are recognized as revenue and encumbrances are not included in expenditures.

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 Washington Township High School - Science Labs
 From Inception and for the Fiscal Year Ended June 30, 2018

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - SCC/SDA Grant	\$ 430,963.00		\$ 430,963.00	\$ 430,963.00
Transfer from Capital Reserve	397,890.00		397,890.00	397,890.00
Total Revenues	<u>828,853.00</u>	<u>-</u>	<u>828,853.00</u>	<u>828,853.00</u>
Expenditures and Other Financing Uses:				
Other Purchased Professional and Technical Services	83,053.26	\$ 10,000.00	93,053.26	93,053.26
Construction Services	667,046.43	12,083.40	679,129.83	735,799.74
Total Expenditures	<u>750,099.69</u>	<u>22,083.40</u>	<u>772,183.09</u>	<u>828,853.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 78,753.31</u>	<u>\$ (22,083.40)</u>	<u>\$ 56,669.91</u>	<u>-</u>
 Additional Project Information:				
Project Number	5500-010-05-0ARU			
Grant Date	12/22/05			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 1,002,706.00			
Additional Authorized Cost	(173,853.00)			
Revised Authorized Cost	\$ 828,853.00			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	93.16%			
Original Target Completion Date	08/25/06			
Revised Target Completion Date	08/31/18			

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 Chestnut Ridge Middle School - Interior Doors
 From Inception and for the Fiscal Year Ended June 30, 2018

	<u>Prior Years</u>	<u>Current Year</u>	<u>Other Financing Uses</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:					
Transfer from Capital Reserve	\$ 37,750.00	-	\$ 1,312.91	\$ 36,437.09	\$ 36,437.09
Expenditures and Other Financing Uses:					
Construction Services	36,437.09	-	-	36,437.09	36,437.09
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,312.91</u>	<u>-</u>	<u>\$ 1,312.91</u>	<u>-</u>	<u>-</u>
Additional Project Information:					
Project Number	N/A				
Grant Date	N/A				
Bond Authorization Date	N/A				
Bonds Authorized	N/A				
Bonds Issued	N/A				
Original Authorized Cost	\$ 37,750.00				
Additional Authorized Cost	(1,312.91)				
Revised Authorized Cost	\$ 36,437.09				
Percentage Increase over Original Authorized Cost	0.00%				
Percentage Completion	100.00%				
Original Target Completion Date	12/31/16				
Revised Target Completion Date	12/31/17				

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 Orchard Valley Middle School - Interior Doors
 From Inception and for the Fiscal Year Ended June 30, 2018

	<u>Prior Years</u>	<u>Current Year</u>	<u>Other Financing Uses</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:					
Transfer from Capital Reserve	<u>\$ 37,750.00</u>	<u>-</u>	<u>\$ 1,306.09</u>	<u>\$ 36,443.91</u>	<u>\$ 36,443.91</u>
Expenditures and Other Financing Uses:					
Construction Services	<u>36,443.91</u>	<u>-</u>	<u>-</u>	<u>36,443.91</u>	<u>36,443.91</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,306.09</u>	<u>-</u>	<u>\$ 1,306.09</u>	<u>-</u>	<u>-</u>
 Additional Project Information:					
Project Number	N/A				
Grant Date	N/A				
Bond Authorization Date	N/A				
Bonds Authorized	N/A				
Bonds Issued	N/A				
Original Authorized Cost	\$ 37,750.00				
Additional Authorized Cost	(1,306.09)				
Revised Authorized Cost	\$ 36,443.91				
Percentage Increase over Original Authorized Cost	0.00%				
Percentage Completion	100.00%				
Original Target Completion Date	12/31/16				
Revised Target Completion Date	12/31/17				

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 District-Wide Locks
 From Inception and for the Fiscal Year Ended June 30, 2018

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Transfer from Capital Reserve	\$ 200,000.00	-	\$ 200,000.00	\$ 200,000.00
Expenditures and Other Financing Uses:				
Construction Services	-	\$ 10,329.14	10,329.14	200,000.00
Excess (Deficiency) of Revenues Over (Under) Expenditures				
	<u>\$ 200,000.00</u>	<u>\$ (10,329.14)</u>	<u>\$ 189,670.86</u>	<u>-</u>
 Additional Project Information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 200,000.00			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 200,000.00			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	5.16%			
Original Target Completion Date	12/31/17			
Revised Target Completion Date	08/31/18			

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 Thomas Jefferson Elementary School - HVAC
 From Inception and for the Fiscal Year Ended June 30, 2018

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Transfers	\$ (35,800.00)		\$ (35,800.00)	\$ (35,800.00)
Transfer from Capital Reserve	55,000.00		55,000.00	55,000.00
	<u>19,200.00</u>	<u>-</u>	<u>19,200.00</u>	<u>19,200.00</u>
Expenditures and Other Financing Uses:				
Construction Services	-	-	-	19,200.00
	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,200.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures				
	<u>\$ 19,200.00</u>	<u>-</u>	<u>\$ 19,200.00</u>	<u>-</u>
Additional Project Information:				
Project Number		N/A		
Grant Date		N/A		
Bond Authorization Date		N/A		
Bonds Authorized		N/A		
Bonds Issued		N/A		
Original Authorized Cost	\$ 55,000.00			
Additional Authorized Cost	(35,800.00)			
Revised Authorized Cost	\$ 19,200.00			
Percentage Increase over Original Authorized Cost		0.00%		
Percentage Completion		0.00%		
Original Target Completion Date		12/31/17		
Revised Target Completion Date		08/31/18		

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 Wedgwood Elementary School - Parking Lot
 From Inception and for the Fiscal Year Ended June 30, 2018

	<u>Prior Years</u>	<u>Current Year</u>	<u>Other Financing Uses</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:					
Transfers	\$ 30,564.00			\$ 30,564.00	\$ 30,564.00
Transfer from Capital Reserve	165,000.00		\$ 10,871.11	154,128.89	154,128.89
Transfer from Capital Outlay	54,300.00			54,300.00	54,300.00
Total Revenues	<u>249,864.00</u>	<u>-</u>	<u>10,871.11</u>	<u>238,992.89</u>	<u>238,992.89</u>
Expenditures and Other Financing Uses:					
Other Purchased Professional and Technical Services	27,085.08	\$ 3,470.85		30,555.93	30,555.93
Construction Services		208,436.96		208,436.96	208,436.96
Total Expenditures	<u>27,085.08</u>	<u>211,907.81</u>	<u>-</u>	<u>238,992.89</u>	<u>238,992.89</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 222,778.92</u>	<u>\$ (211,907.81)</u>	<u>\$ 10,871.11</u>	<u>-</u>	<u>-</u>
Additional Project Information:					
Project Number					N/A
Grant Date					N/A
Bond Authorization Date					N/A
Bonds Authorized					N/A
Bonds Issued					N/A
Original Authorized Cost	\$ 219,300.00				
Additional Authorized Cost	19,692.89				
Revised Authorized Cost	\$ 238,992.89				
Percentage Increase over Original Authorized Cost		8.98%			
Percentage Completion		100.00%			
Original Target Completion Date		12/31/17			
Revised Target Completion Date		N/A			

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 Hurffville Elementary School - HVAC
 From Inception and for the Fiscal Year Ended June 30, 2018

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Transfers	\$ (17,000.00)		\$ (17,000.00)	\$ (17,000.00)
Transfer from Capital Reserve	60,000.00		60,000.00	60,000.00
Total Revenues	43,000.00	-	43,000.00	43,000.00
Expenditures and Other Financing Uses:				
Construction Services	-	-	-	43,000.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 43,000.00	-	\$ 43,000.00	-
Additional Project Information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 60,000.00			
Additional Authorized Cost	(17,000.00)			
Revised Authorized Cost	\$ 43,000.00			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	0.00%			
Original Target Completion Date	12/31/17			
Revised Target Completion Date	10/31/18			

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 Washington Township High School - Roof (Lower & Center for Performing Arts)
 From Inception and for the Fiscal Year Ended June 30, 2018

	<u>Prior Years</u>	<u>Current Year</u>	<u>Other Financing Uses</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:					
Transfers	\$ (67,859.00)			\$ (67,859.00)	\$ (67,859.00)
Transfer from Capital Reserve	444,000.00		\$ 11,604.93	432,395.07	432,395.07
Total Revenues	376,141.00	-	11,604.93	364,536.07	364,536.07
Expenditures and Other Financing Uses:					
Other Purchased Professional and Technical Services	24,262.57	\$ 4,977.50		29,240.07	29,240.07
Construction Services	308,793.70	26,502.30		335,296.00	335,296.00
Total Expenditures	333,056.27	31,479.80	-	364,536.07	364,536.07
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 43,084.73	\$ (31,479.80)	\$ 11,604.93	-	-
Additional Project Information:					
Project Number					N/A
Grant Date					N/A
Bond Authorization Date					N/A
Bonds Authorized					N/A
Bonds Issued					N/A
Original Authorized Cost	\$ 444,000.00				
Additional Authorized Cost	(79,463.93)				
Revised Authorized Cost	\$ 364,536.07				
Percentage Increase over Original Authorized Cost					0.00%
Percentage Completion					100.00%
Original Target Completion Date					12/31/17
Revised Target Completion Date					N/A

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 Washington Township High School - Install Doors
 From Inception and for the Fiscal Year Ended June 30, 2018

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Transfer from Capital Reserve	<u>\$ 50,000.00</u>	<u>-</u>	<u>\$ 50,000.00</u>	<u>\$ 50,000.00</u>
Expenditures and Other Financing Uses:				
Construction Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,000.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u><u>\$ 50,000.00</u></u>	<u><u>-</u></u>	<u><u>\$ 50,000.00</u></u>	<u><u>-</u></u>
 Additional Project Information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 50,000.00			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 50,000.00			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	0.00%			
Original Target Completion Date	12/31/17			
Revised Target Completion Date	08/31/18			

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 Washington Township High School - Vestibule
 From Inception and for the Fiscal Year Ended June 30, 2018

	<u>Prior Years</u>	<u>Current Year</u>	<u>Other Financing Uses</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:					
Transfers	\$ 7,819.25			\$ 7,819.25	\$ 7,819.25
Transfer from Capital Reserve	380,000.00		\$ 21,003.74	358,996.26	358,996.26
Total Revenues	387,819.25	-	21,003.74	366,815.51	366,815.51
Expenditures and Other Financing Uses:					
Other Purchased Professional and Technical Services	28,522.52	\$ 3,405.05		31,927.57	31,927.57
Construction Services	163,940.26	170,947.68		334,887.94	334,887.94
Total Expenditures	192,462.78	174,352.73	-	366,815.51	366,815.51
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 195,356.47	\$ (174,352.73)	\$ 21,003.74	-	-
Additional Project Information:					
Project Number					N/A
Grant Date					N/A
Bond Authorization Date					N/A
Bonds Authorized					N/A
Bonds Issued					N/A
Original Authorized Cost	\$ 380,000.00				
Additional Authorized Cost	(13,184.49)				
Revised Authorized Cost	\$ 366,815.51				
Percentage Increase over Original Authorized Cost					0.00%
Percentage Completion					100.00%
Original Target Completion Date					12/31/17
Revised Target Completion Date					N/A

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 Washington Township High School - Turf Field
 From Inception and for the Fiscal Year Ended June 30, 2018

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Transfers	\$ 44,395.00		\$ 44,395.00	\$ 44,395.00
Transfer from Capital Outlay	410,000.00		410,000.00	410,000.00
Total Revenues	<u>454,395.00</u>	<u>-</u>	<u>454,395.00</u>	<u>454,395.00</u>
Expenditures and Other Financing Uses:				
Other Purchased Professional and Technical Services	25,000.00		25,000.00	25,000.00
Construction Services		\$ 419,395.00	419,395.00	429,395.00
Total Expenditures	<u>25,000.00</u>	<u>419,395.00</u>	<u>444,395.00</u>	<u>454,395.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 429,395.00</u>	<u>\$ (419,395.00)</u>	<u>\$ 10,000.00</u>	<u>-</u>
Additional Project Information:				
Project Number		N/A		
Grant Date		N/A		
Bond Authorization Date		N/A		
Bonds Authorized		N/A		
Bonds Issued		N/A		
Original Authorized Cost	\$ 410,000.00			
Additional Authorized Cost	44,395.00			
Revised Authorized Cost	\$ 454,395.00			
Percentage Increase over Original Authorized Cost		10.83%		
Percentage Completion		97.80%		
Original Target Completion Date		12/31/17		
Revised Target Completion Date		08/31/18		

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 Washington Township High School - Roof
 From Inception and for the Fiscal Year Ended June 30, 2018

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Transfer from Capital Reserve	\$ 317,800.00		\$ 317,800.00	\$ 317,800.00
Expenditures and Other Financing Uses:				
Other Purchased Professional and Technical Services	687.50	\$ 29,035.28	29,722.78	30,000.00
Construction Services				287,800.00
Total Expenditures	687.50	29,035.28	29,722.78	317,800.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 317,112.50</u>	<u>\$ (29,035.28)</u>	<u>\$ 288,077.22</u>	<u>-</u>
Additional Project Information:				
Project Number				N/A
Grant Date				N/A
Bond Authorization Date				N/A
Bonds Authorized				N/A
Bonds Issued				N/A
Original Authorized Cost	\$ 317,800.00			
Additional Authorized Cost				-
Revised Authorized Cost	\$ 317,800.00			
Percentage Increase over Original Authorized Cost				0.00%
Percentage Completion				9.35%
Original Target Completion Date				12/31/17
Revised Target Completion Date				10/31/18

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 Chestnut Ridge Middle School - Roof
 From Inception and for the Fiscal Year Ended June 30, 2018

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Transfer from Capital Reserve	\$ 1,200,000.00		\$ 1,200,000.00	\$ 1,200,000.00
Expenditures and Other Financing Uses:				
Other Purchased Professional and Technical Services	34,857.20	\$ 43,960.64	78,817.84	87,138.23
Construction Services		751,895.20	751,895.20	1,112,861.77
Total Expenditures	34,857.20	795,855.84	830,713.04	1,200,000.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 1,165,142.80	\$ (795,855.84)	\$ 369,286.96	-
Additional Project Information:				
Project Number		N/A		
Grant Date		N/A		
Bond Authorization Date		N/A		
Bonds Authorized		N/A		
Bonds Issued		N/A		
Original Authorized Cost	\$ 1,200,000.00			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 1,200,000.00			
Percentage Increase over Original Authorized Cost		0.00%		
Percentage Completion		69.23%		
Original Target Completion Date		12/31/17		
Revised Target Completion Date		10/31/18		

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 Bunker Hill Middle School - Roof
 From Inception and for the Fiscal Year Ended June 30, 2018

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Transfer from Capital Reserve	-	\$ 1,551,000.00	\$ 1,551,000.00	\$ 1,551,000.00
Expenditures and Other Financing Uses:				
Other Purchased Professional and Technical Services		38,645.00	38,645.00	237,000.00
Construction Services		367,420.86	367,420.86	1,314,000.00
Total Expenditures	-	406,065.86	406,065.86	1,551,000.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	\$ 1,144,934.14	\$ 1,144,934.14	-
Additional Project Information:				
Project Number		N/A		
Grant Date		N/A		
Bond Authorization Date		N/A		
Bonds Authorized		N/A		
Bonds Issued		N/A		
Original Authorized Cost	\$ 1,551,000.00			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 1,551,000.00			
Percentage Increase over Original Authorized Cost		0.00%		
Percentage Completion		26.18%		
Original Target Completion Date		10/31/18		
Revised Target Completion Date		N/A		

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 Washington Township High School - Roof (11/12)
 From Inception and for the Fiscal Year Ended June 30, 2018

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Transfer from Capital Reserve	-	\$ 815,000.00	\$ 815,000.00	\$ 815,000.00
Expenditures and Other Financing Uses:				
Other Purchased Professional and Technical Services		21,027.30	21,027.30	140,000.00
Construction Services				675,000.00
Total Expenditures	-	21,027.30	21,027.30	815,000.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	\$ 793,972.70	\$ 793,972.70	-
Additional Project Information:				
Project Number		N/A		
Grant Date		N/A		
Bond Authorization Date		N/A		
Bonds Authorized		N/A		
Bonds Issued		N/A		
Original Authorized Cost		\$ 815,000.00		
Additional Authorized Cost		-		
Revised Authorized Cost		\$ 815,000.00		
Percentage Increase over Original Authorized Cost		0.00%		
Percentage Completion		2.58%		
Original Target Completion Date		10/31/18		
Revised Target Completion Date		N/A		

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 Washington Township High School - Tennis Court
 From Inception and for the Fiscal Year Ended June 30, 2018

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Transfer from Capital Reserve	-	\$ 225,000.00	\$ 225,000.00	\$ 225,000.00
Expenditures and Other Financing Uses:				
Other Purchased Professional and Technical Services		7,743.32	7,743.32	15,000.00
Construction Services				210,000.00
Total Expenditures	-	7,743.32	7,743.32	225,000.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	\$ 217,256.68	\$ 217,256.68	-
Additional Project Information:				
Project Number		N/A		
Grant Date		N/A		
Bond Authorization Date		N/A		
Bonds Authorized		N/A		
Bonds Issued		N/A		
Original Authorized Cost		\$ 225,000.00		
Additional Authorized Cost		-		
Revised Authorized Cost		\$ 225,000.00		
Percentage Increase over Original Authorized Cost		0.00%		
Percentage Completion		3.44%		
Original Target Completion Date		08/31/18		
Revised Target Completion Date		N/A		

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
CAPITAL PROJECTS FUND
Schedule of Project Revenues, Expenditures, Project Balance and Project Status
Orchard Valley Middle School - Doors
From Inception and for the Fiscal Year Ended June 30, 2018

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Transfer from Capital Reserve	-	\$ 28,390.00	\$ 28,390.00	\$ 28,390.00
Expenditures and Other Financing Uses:				
Construction Services	-	-	-	28,390.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	\$ 28,390.00	\$ 28,390.00	-
Additional Project Information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 28,390.00			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 28,390.00			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	0.00%			
Original Target Completion Date	11/15/18			
Revised Target Completion Date	N/A			

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
CAPITAL PROJECTS FUND
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status
 Washington Township High School - Doors
 From Inception and for the Fiscal Year Ended June 30, 2018

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Transfer from Capital Reserve	-	\$ 31,610.00	\$ 31,610.00	\$ 31,610.00
Expenditures and Other Financing Uses:				
Construction Services	-	-	-	31,610.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	\$ 31,610.00	\$ 31,610.00	-
Additional Project Information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 31,610.00			
Additional Authorized Cost	-			
Revised Authorized Cost	\$ 31,610.00			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	0.00%			
Original Target Completion Date	11/15/18			
Revised Target Completion Date	N/A			

PROPRIETARY FUNDS

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
PROPRIETARY FUNDS
 Business-Type Activities - Enterprise Funds
 Combining Statement of Net Position
 June 30, 2018

	<u>Food Service</u>	<u>Child Care Program</u>	<u>Tele- Comm</u>	<u>Center for the Performing Arts</u>	<u>Drivers Education</u>	<u>Total</u>
ASSETS:						
Current Assets:						
Cash and Cash Equivalents	\$ 1,096,230.94	\$ 368,229.01	\$ 11,487.38	\$ 404,863.46	\$ 153,782.46	\$ 2,034,593.25
Intergovernmental Accounts Receivable:						
State	5,442.07					5,442.07
Federal	210,889.78					210,889.78
Other Accounts Receivable	10,518.83	28.00	700.00	65,730.00		76,976.83
Interfund Accounts Receivable	3,600.00		17,100.00			20,700.00
Inventories	25,945.14					25,945.14
Total Current Assets	<u>1,352,626.76</u>	<u>368,257.01</u>	<u>29,287.38</u>	<u>470,593.46</u>	<u>153,782.46</u>	<u>2,374,547.07</u>
Noncurrent Assets:						
Equipment	1,471,457.16	37,999.90		299,377.51	48,725.01	1,857,559.58
Less Accumulated Depreciation	<u>(1,190,470.87)</u>	<u>(13,595.31)</u>		<u>(234,822.17)</u>	<u>(11,165.94)</u>	<u>(1,450,054.29)</u>
Total Noncurrent Assets	<u>280,986.29</u>	<u>24,404.59</u>	<u>-</u>	<u>64,555.34</u>	<u>37,559.07</u>	<u>407,505.29</u>
Total Assets	<u>1,633,613.05</u>	<u>392,661.60</u>	<u>29,287.38</u>	<u>535,148.80</u>	<u>191,341.53</u>	<u>2,782,052.36</u>

(Continued)

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
PROPRIETARY FUNDS
 Business-Type Activities - Enterprise Funds
 Combining Statement of Net Position
 June 30, 2018

	<u>Food Service</u>	<u>Child Care Program</u>	<u>Tele- Comm</u>	<u>Center for the Performing Arts</u>	<u>Drivers Education</u>	<u>Total</u>
LIABILITIES:						
Current Liabilities:						
Compensated Absences Payable	\$ 10,765.00					\$ 10,765.00
Accounts Payable	21,811.51	\$ 1,501.26				23,312.77
Interfund Accounts Payable	1,161,670.87	157,316.56		\$ 374,281.93		1,693,269.36
Accrued Salaries and Benefits	650.00	3,431.76	\$ 1,461.87	11,281.88	\$ 5,100.00	21,925.51
Deposits Payable				43,467.00		43,467.00
Unearned Revenue	54,933.95					54,933.95
Total Current Liabilities	<u>1,249,831.33</u>	<u>162,249.58</u>	<u>1,461.87</u>	<u>429,030.81</u>	<u>5,100.00</u>	<u>1,847,673.59</u>
Noncurrent Liabilities:						
Compensated Absences Payable	122,358.12	-	-	15,816.76	-	138,174.88
Total Liabilities	<u>1,372,189.45</u>	<u>162,249.58</u>	<u>1,461.87</u>	<u>444,847.57</u>	<u>5,100.00</u>	<u>1,985,848.47</u>
NET POSITION:						
Net Investment in Capital Assets	280,986.29	24,404.59		64,555.34	37,559.07	407,505.29
Unrestricted (Deficit)	(19,562.69)	206,007.43	27,825.51	25,745.89	148,682.46	388,698.60
Total Net Position	<u>\$ 261,423.60</u>	<u>\$ 230,412.02</u>	<u>\$ 27,825.51</u>	<u>\$ 90,301.23</u>	<u>\$ 186,241.53</u>	<u>\$ 796,203.89</u>

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
PROPRIETARY FUNDS
 Business-Type Activities - Enterprise Funds
 Combining Statement of Revenues, Expenses and Changes in Fund Net Position
 For the Fiscal Year Ended June 30, 2018

	<u>Food Service</u>	<u>Child Care Program</u>	<u>Tele- Comm</u>	<u>Center for the Performing Arts</u>	<u>Drivers Education</u>	<u>Total</u>
OPERATING REVENUES:						
Charges for Services:						
Daily Sales - Reimbursable Programs	\$ 733,105.80					\$ 733,105.80
Daily Sales - Non-Reimbursable Programs	510,961.29					510,961.29
Other Activity Income			\$ 12,410.00			12,410.00
Admissions				\$ 362,688.39		362,688.39
Special Functions	47,975.06					47,975.06
Tuition		\$ 128,350.10				128,350.10
Rentals				158,975.00		158,975.00
Registration					\$ 63,450.00	63,450.00
Miscellaneous	3,939.38			50,209.80		54,149.18
Total Operating Revenues	1,295,981.53	128,350.10	12,410.00	571,873.19	63,450.00	2,072,064.82
OPERATING EXPENSES:						
Salaries	1,231,327.28	99,978.60	10,955.21	113,372.28	52,075.00	1,507,708.37
Employee Benefits	968,716.96			6,350.17		975,067.13
Repairs and Maintenance	29,743.48			14,667.23	808.78	45,219.49
Other Purchased Services	45,678.78	77.73		384,123.91	975.00	430,855.42
Communications/Telephone/Electric				33,636.45		33,636.45
Rental of Buildings		30,354.74				30,354.74
General Supplies	78,585.66	9,357.61		3,919.51	30.00	91,892.78
Depreciation	25,433.43	2,150.03		10,771.00	6,090.42	44,444.88
Cost of Sales - Reimbursable Programs	572,675.47					572,675.47
Cost of Sales - Non-Reimbursable Programs	267,853.99					267,853.99
Miscellaneous	4,868.86	609.05		4,736.82		10,214.73
Total Operating Expenses	3,224,883.91	142,527.76	10,955.21	571,577.37	59,979.20	4,009,923.45
Operating Income (Loss)	(1,928,902.38)	(14,177.66)	1,454.79	295.82	3,470.80	(1,937,858.63)

(Continued)

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
PROPRIETARY FUNDS
 Business-Type Activities - Enterprise Funds
 Combining Statement of Revenues, Expenses and Changes in Fund Net Position
 For the Fiscal Year Ended June 30, 2018

	<u>Food Service</u>	<u>Child Care Program</u>	<u>Tele- Comm</u>	<u>Center for the Performing Arts</u>	<u>Drivers Education</u>	<u>Total</u>
NONOPERATING REVENUES (EXPENSES):						
State Sources:						
State School Lunch Program	\$ 19,289.33					\$ 19,289.33
Federal Sources:						
National School Lunch Program	625,461.19					625,461.19
National School Breakfast Program	119,307.10					119,307.10
Special Milk Program	607.29					607.29
Food Distribution Program	111,512.07					111,512.07
Interest and Investment Revenue	11,232.29			\$ 7,048.85		18,281.14
Total Nonoperating Revenues (Expenses)	<u>887,409.27</u>	<u>-</u>	<u>-</u>	<u>7,048.85</u>		<u>894,458.12</u>
Income (Loss) before Contributions and Transfers	<u>(1,041,493.11)</u>	<u>\$ (14,177.66)</u>	<u>\$ 1,454.79</u>	<u>7,344.67</u>	<u>\$ 3,470.80</u>	<u>(1,043,400.51)</u>
Capital Contributions - Governmental Activities	144,715.15					144,715.15
Transfer In - General Fund	1,102,525.47					1,102,525.47
Total Contributions and Transfers	<u>1,247,240.62</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,247,240.62</u>
Change in Net Position	205,747.51	(14,177.66)	1,454.79	7,344.67	3,470.80	203,840.11
Net Position, July 1	<u>55,676.09</u>	<u>244,589.68</u>	<u>26,370.72</u>	<u>82,956.56</u>	<u>182,770.73</u>	<u>592,363.78</u>
Net Position, June 30	<u>\$ 261,423.60</u>	<u>\$ 230,412.02</u>	<u>\$ 27,825.51</u>	<u>\$ 90,301.23</u>	<u>\$ 186,241.53</u>	<u>\$ 796,203.89</u>

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
PROPRIETARY FUNDS
 Business-Type Activities - Enterprise Funds
 Combining Statement of Cash Flows
 For the Fiscal Year Ended June 30, 2018

	<u>Food Service</u>	<u>Child Care Program</u>	<u>Tele- Comm</u>	<u>Center for the Performing Arts</u>	<u>Drivers Education</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES:						
Receipts from Customers	\$ 1,293,176.51	\$ 128,322.10	\$ 7,220.00	\$ 629,310.75	\$ 63,450.00	\$ 2,121,479.36
Payments to Employees	(1,233,530.28)	(99,463.19)	(11,755.84)	(112,330.04)	(54,323.77)	(1,511,403.12)
Payments for Employee Benefits	(969,195.57)					(969,195.57)
Payments to Suppliers	<u>(1,008,866.32)</u>	<u>(39,007.43)</u>		<u>(441,083.92)</u>	<u>(1,813.78)</u>	<u>(1,490,771.45)</u>
Net Cash Provided by (used for) Operating Activities	<u>(1,918,415.66)</u>	<u>(10,148.52)</u>	<u>(4,535.84)</u>	<u>75,896.79</u>	<u>7,312.45</u>	<u>(1,849,890.78)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:						
State Sources	17,925.12					17,925.12
Federal Sources	825,583.01					825,583.01
Operating Subsidies and Transfers to Other Funds	<u>1,608,670.04</u>	<u>(14,509.79)</u>		<u>(313,088.51)</u>		<u>1,281,071.74</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>2,452,178.17</u>	<u>(14,509.79)</u>	<u>-</u>	<u>(313,088.51)</u>	<u>-</u>	<u>2,124,579.87</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Purchases of Capital Assets	<u>(72,388.00)</u>	<u>-</u>	<u>-</u>	<u>(6,290.89)</u>		<u>(78,678.89)</u>
Net Cash Used for Capital and Related Financing Activities	<u>(72,388.00)</u>	<u>-</u>	<u>-</u>	<u>(6,290.89)</u>	<u>-</u>	<u>(78,678.89)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:						
Interest and Dividends	<u>11,232.29</u>	<u>-</u>	<u>-</u>	<u>7,048.85</u>	<u>-</u>	<u>18,281.14</u>
Net Cash Provided by (used for) Investing Activities	<u>11,232.29</u>	<u>-</u>	<u>-</u>	<u>7,048.85</u>	<u>-</u>	<u>18,281.14</u>
Net Increase (Decrease) in Cash and Cash Equivalents	472,606.80	(24,658.31)	(4,535.84)	(236,433.76)	7,312.45	214,291.34
Cash and Cash Equivalents, July 1	<u>623,624.14</u>	<u>392,887.32</u>	<u>16,023.22</u>	<u>641,297.22</u>	<u>146,470.01</u>	<u>1,820,301.91</u>
Cash and Cash Equivalents, June 30	<u>\$ 1,096,230.94</u>	<u>\$ 368,229.01</u>	<u>\$ 11,487.38</u>	<u>\$ 404,863.46</u>	<u>\$ 153,782.46</u>	<u>\$ 2,034,593.25</u>

(Continued)

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
PROPRIETARY FUNDS
 Business-Type Activities - Enterprise Funds
 Combining Statement of Cash Flows
 For the Fiscal Year Ended June 30, 2018

	<u>Food Service</u>	<u>Child Care Program</u>	<u>Tele- Comm</u>	<u>Center for the Performing Arts</u>	<u>Drivers Education</u>	<u>Totals</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating Income (Loss)	\$ (1,928,902.38)	\$ (14,177.66)	\$ 1,454.79	\$ 295.82	\$ 3,470.80	\$ (1,937,858.63)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:						
Depreciation	25,433.43	2,150.03		10,771.00	6,090.42	44,444.88
(Increase) Decrease in Inventories	(9,896.78)					(9,896.78)
(Increase) Decrease in Accounts Receivable	(5,693.56)	(28.00)	1,410.00	15,962.56		11,651.00
(Increase) Decrease in Interfund Accounts Receivable			(6,600.00)			(6,600.00)
(Increase) Decrease in Prepaid Expenses	8,924.16					8,924.16
Increase (Decrease) in Accounts Payable	(8,583.51)	1,391.70				(7,191.81)
Increase (Decrease) in Accrued Salaries and Benefits	(2,203.00)	515.41	(800.63)	1,042.24	(2,248.77)	(3,694.75)
Increase (Decrease) in Deposits Payable				41,475.00		41,475.00
Increase (Decrease) in Unearned Revenue	2,984.59					2,984.59
Increase (Decrease) in Compensated Absences Payable	(478.61)			6,350.17		5,871.56
Total Adjustments	<u>10,486.72</u>	<u>4,029.14</u>	<u>(5,990.63)</u>	<u>75,600.97</u>	<u>3,841.65</u>	<u>87,967.85</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (1,918,415.66)</u>	<u>\$ (10,148.52)</u>	<u>\$ (4,535.84)</u>	<u>\$ 75,896.79</u>	<u>\$ 7,312.45</u>	<u>\$ (1,849,890.78)</u>

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
PROPRIETARY FUNDS
 Governmental Activities - Internal Service Funds
 Combining Statement of Net Position
 June 30, 2018

	<u>Paper Supplies</u>	<u>District Printing</u>	<u>Total</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 29.60	\$ 5,755.06	\$ 5,784.66
Total Current Assets	<u>29.60</u>	<u>5,755.06</u>	<u>5,784.66</u>
Total Assets	<u>29.60</u>	<u>5,755.06</u>	<u>5,784.66</u>
LIABILITIES:			
Current Liabilities:			
Accounts Payable	29.60	2,469.52	2,499.12
Interfund Accounts Payable		2,575.74	2,575.74
Accrued Salaries and Benefits		<u>709.80</u>	<u>709.80</u>
Total Current Liabilities	<u>29.60</u>	<u>5,755.06</u>	<u>5,784.66</u>
Total Liabilities	<u>29.60</u>	<u>5,755.06</u>	<u>5,784.66</u>
NET POSITION:			
Unrestricted	<u>-</u>	<u>-</u>	<u>-</u>
Total Net Position	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
PROPRIETARY FUNDS
 Governmental Activities - Internal Service Funds
 Combining Statement of Revenues, Expenses and Changes in Fund Net Position
 For the Fiscal Year Ended June 30, 2018

	<u>Paper Supplies</u>	<u>District Printing</u>	<u>Total</u>
OPERATING REVENUES:			
Charges for Services:			
Services Provided to Other Funds	\$ 131,579.59	\$ 14,120.50	\$ 145,700.09
Total Operating Revenues	<u>131,579.59</u>	<u>14,120.50</u>	<u>145,700.09</u>
OPERATING EXPENSES:			
Salaries		7,449.24	7,449.24
General Supplies	131,579.59	9,446.58	141,026.17
Total Operating Expenses	<u>131,579.59</u>	<u>16,895.82</u>	<u>148,475.41</u>
Operating Income (Loss)	<u>-</u>	<u>(2,775.32)</u>	<u>(2,775.32)</u>
Change in Net Position	-	(2,775.32)	(2,775.32)
Net Position, July 1	<u>-</u>	<u>2,775.32</u>	<u>2,775.32</u>
Net Position, June 30	<u>-</u>	<u>-</u>	<u>-</u>

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
PROPRIETARY FUNDS
 Governmental Activities - Internal Service Funds
 Combining Statement of Cash Flows
 For the Fiscal Year Ended June 30, 2018

	<u>Paper Supplies</u>	<u>District Printing</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Customers	\$ 131,579.59	\$ 14,120.50	\$ 145,700.09
Payments to Employees		(8,573.32)	(8,573.32)
Payments to Suppliers	(131,549.99)	(6,977.06)	(138,527.05)
Net Cash Provided by (used for) Operating Activities	<u>29.60</u>	<u>(1,429.88)</u>	<u>(1,400.28)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Transfers to Other Funds		<u>2,390.33</u>	<u>2,390.33</u>
Net Cash Provided by Non-Capital Financing Activities	<u>-</u>	<u>2,390.33</u>	<u>2,390.33</u>
Net Increase in Cash and Cash Equivalents	29.60	960.45	990.05
Cash and Cash Equivalents, July 1	<u>-</u>	<u>4,794.61</u>	<u>4,794.61</u>
Cash and Equivalents, June 30	<u>\$ 29.60</u>	<u>\$ 5,755.06</u>	<u>\$ 5,784.66</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)			
by Operating Activities:			
Operating Income (Loss)		\$ (2,775.32)	\$ (2,775.32)
Adjustments to Reconcile Operating Income (Loss) to Net Cash			
Provided by (used for) Operating Activities:			
Increase (Decrease) in Accounts Payable	\$ 29.60	2,469.52	2,499.12
Increase (Decrease) in Accrued Salaries and Benefits		(1,124.08)	(1,124.08)
Total Adjustments	<u>29.60</u>	<u>1,345.44</u>	<u>1,375.04</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ 29.60</u>	<u>\$ (1,429.88)</u>	<u>\$ (1,400.28)</u>

FIDUCIARY FUNDS

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
FIDUCIARY FUNDS
Combining Statement of Fiduciary Net Position
June 30, 2018

	<u>Private-Purpose Trust Funds</u>		<u>Agency Funds</u>			<u>Total</u>
	<u>Unemployment Compensation Trust</u>	<u>Scholarship Fund</u>	<u>Student Activity</u>	<u>Vendors/ Bidders</u>	<u>Payroll</u>	
ASSETS:						
Cash and Cash Equivalents	\$ 1,258,068.73	\$ 22,126.71	\$ 417,792.65	\$ 3,953.00	\$ 2,032,251.23	\$ 3,734,192.32
Total Assets	<u>1,258,068.73</u>	<u>22,126.71</u>	<u>\$ 417,792.65</u>	<u>\$ 3,953.00</u>	<u>\$ 2,032,251.23</u>	<u>3,734,192.32</u>
LIABILITIES:						
Accounts Payable	20,468.08					20,468.08
Deposits Payable				\$ 3,953.00		3,953.00
Interfund Accounts Payable					\$ 1,710,591.51	1,710,591.51
Payable to Student Groups			\$ 417,792.65			417,792.65
Payroll Deductions and Withholdings					321,659.72	321,659.72
Total Liabilities	<u>20,468.08</u>	<u>-</u>	<u>\$ 417,792.65</u>	<u>\$ 3,953.00</u>	<u>\$ 2,032,251.23</u>	<u>2,474,464.96</u>
NET POSITION:						
Held in Trust for:						
Unemployment Claims	1,237,600.65					1,237,600.65
Scholarships		22,126.71				22,126.71
Total Net Position	<u>\$ 1,237,600.65</u>	<u>\$ 22,126.71</u>				<u>\$ 1,259,727.36</u>

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
FIDUCIARY FUNDS
 Combining Statement of Changes in Fiduciary Net Position
 For the Fiscal Year Ended June 30, 2018

	<u>Private-Purpose Trust Funds</u>		
	<u>Unemployment Compensation Trust</u>	<u>Scholarship Fund</u>	<u>Total</u>
ADDITIONS:			
Contributions:			
Employee Salary Deductions	\$ 129,251.76		\$ 129,251.76
Investment Earnings:			
Interest	<u>14,104.21</u>	<u>\$ 151.92</u>	<u>14,256.13</u>
Total Additions	<u>143,355.97</u>	<u>151.92</u>	<u>143,507.89</u>
DEDUCTIONS:			
Scholarships		500.00	500.00
Unemployment Claims	<u>34,509.01</u>		<u>34,509.01</u>
Total Deductions	<u>34,509.01</u>	<u>500.00</u>	<u>35,009.01</u>
Change in Net Position	108,846.96	(348.08)	108,498.88
Net Position, July 1	<u>1,128,753.69</u>	<u>22,474.79</u>	<u>1,151,228.48</u>
Net Position, June 30	<u>\$ 1,237,600.65</u>	<u>\$ 22,126.71</u>	<u>\$ 1,259,727.36</u>

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
FIDUCIARY FUNDS
 Student Activity Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2018

	<u>Balance</u> <u>June 30, 2017</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2018</u>
ELEMENTARY SCHOOLS:				
Bells Elementary School	\$ 2,366.14	\$ 14,326.16	\$ 12,533.50	\$ 4,158.80
Birches Elementary School	1,391.25	11,753.70	7,553.08	5,591.87
Grenloch Elementary School	11.22	2,218.31	2,207.00	22.53
Hurffville Elementary School	883.05	11,486.89	6,405.68	5,964.26
Thomas Jefferson Elementary School	473.52	10,325.48	9,123.50	1,675.50
Wedgwood Elementary School	1,146.01	13,953.47	13,635.77	1,463.71
Whitman Elementary School	4,791.70	12,372.71	8,435.34	8,729.07
Total Elementary Schools	<u>11,062.89</u>	<u>76,436.72</u>	<u>59,893.87</u>	<u>27,605.74</u>
MIDDLE SCHOOLS:				
Bunker Hill School	23,755.33	58,733.04	61,653.24	20,835.13
Chestnut Ridge School	40,497.12	90,600.32	86,940.99	44,156.45
Orchard Valley School	49,580.49	83,154.02	88,751.12	43,983.39
Total Middle Schools	<u>113,832.94</u>	<u>232,487.38</u>	<u>237,345.35</u>	<u>108,974.97</u>
HIGH SCHOOLS:				
Washington Township High School	<u>269,895.13</u>	<u>1,500,645.12</u>	<u>1,489,328.31</u>	<u>281,211.94</u>
Total All Schools	<u>\$ 394,790.96</u>	<u>\$ 1,809,569.22</u>	<u>\$ 1,786,567.53</u>	<u>\$ 417,792.65</u>

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
FIDUCIARY FUNDS
Payroll Agency Fund Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2018

	<u>Balance</u> <u>June 30, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>
ASSETS:				
Cash and Cash Equivalents	\$ 3,339,630.18	\$ 92,027,089.54	\$ 93,334,468.49	\$ 2,032,251.23
Total Assets	<u>\$ 3,339,630.18</u>	<u>\$ 92,027,089.54</u>	<u>\$ 93,334,468.49</u>	<u>\$ 2,032,251.23</u>
LIABILITIES:				
Net Payroll, Payroll Deductions and Withholdings	\$ 1,147,642.08	\$ 92,027,089.54	\$ 92,853,071.90	\$ 321,659.72
Interfund Accounts Payable: Due to General Fund	<u>2,191,988.10</u>	<u></u>	<u>481,396.59</u>	<u>1,710,591.51</u>
Total Liabilities	<u>\$ 3,339,630.18</u>	<u>\$ 92,027,089.54</u>	<u>\$ 93,334,468.49</u>	<u>\$ 2,032,251.23</u>

LONG-TERM DEBT

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
Schedule of Serial Bonds
For the Fiscal Year Ended June 30, 2018

	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Maturity Date</u>	<u>Principle Amount</u>	<u>Interest Rate</u>	<u>Balance June 30, 2017</u>	<u>Paid by Budget Appropriation</u>	<u>Balance June 30, 2018</u>
Refunding Bonds, Series 2012	04/03/12	\$ 7,205,000.00	03/01/19	\$ 845,000.00	2.00%			
			03/01/20	865,000.00	2.25%			
			03/01/21	880,000.00	2.50%			
			03/01/22	885,000.00	2.75%			
			03/01/23	920,000.00	3.00%	\$ 5,210,000.00	\$ 815,000.00	\$ 4,395,000.00
Refunding Bonds, Series 2016	12/28/16	7,550,000.00	03/01/24	1,000,000.00	4.00%			
			03/01/25	1,065,000.00	4.00%			
			03/01/26	1,090,000.00	4.00%			
			03/01/27	1,090,000.00	4.00%			
			03/01/28	1,080,000.00	4.00%			
			03/01/29	1,070,000.00	3.25%			
			03/01/30	1,050,000.00	3.25%	<u>7,445,000.00</u>		<u>7,445,000.00</u>
						<u>\$ 12,655,000.00</u>	<u>\$ 815,000.00</u>	11,840,000.00
Unamortized Premium								<u>582,543.57</u>
Total Serial Bonds Payable								<u>\$ 12,422,543.57</u>

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
 Schedule of Obligations under Capital Leases
 For the Fiscal Year Ended June 30, 2018

<u>Series</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	<u>Amount of Original Issue</u>		<u>Interest Rate Payable</u>	<u>Amount Outstanding June 30, 2017</u>	<u>Issued</u>	<u>Retired</u>	<u>Amount Outstanding June 30, 2018</u>
			<u>Principal</u>	<u>Interest</u>					
Hyper Converged Infrastructure	05/17/18	5 Years	\$ 268,326.60	-	0.00%	-	\$ 268,326.60	\$ 53,665.32	\$ 214,661.28

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
DEBT SERVICE FUND
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,239,800.00		\$ 1,239,800.00	\$ 1,239,800.00	
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	424,800.00		424,800.00	424,800.00	
Redemption of Principal	815,000.00		815,000.00	815,000.00	
Total Expenditures	1,239,800.00	-	1,239,800.00	1,239,800.00	
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Other Financing Sources (Uses):					
Operating Transfers In:					
General Fund				0.26	\$ 0.26
Total Other Financing Sources (Uses)	-	-	-	0.26	0.26
Excess (Deficiency) of Revenues and Other Financing Sources (Uses) Over (Under) Expenditures	-	-	-	0.26	0.26
Fund Balance, July 1	2,283.74	-	2,283.74	2,283.74	-
Fund Balance, June 30	\$ 2,283.74	-	\$ 2,283.74	\$ 2,284.00	\$ 0.26
Restricted for:					
Debt Service - Designated for Subsequent Year's Expenditures				\$ 2,284.00	

STATISTICAL SECTION

FINANCIAL TRENDS INFORMATION

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

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
 Net Position by Component
 Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015 *</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Governmental Activities:										
Net Investment in Capital Assets	\$ 74,895,654.68	\$ 73,824,001.68	\$ 74,128,035.23	\$ 69,025,342.04	\$ 64,446,940.48	\$ 62,323,437.51	\$ 60,435,247.21	\$ 60,453,733.87	\$ 60,552,158.75	\$ 60,507,772.60
Restricted	10,046,016.22	10,927,450.34	9,501,039.83	10,538,941.84	11,927,692.82	10,527,028.29	8,022,759.07	4,538,516.56	5,410,889.68	6,744,753.75
Unrestricted (Deficit)	<u>(52,943,090.31)</u>	<u>(53,416,269.73)</u>	<u>(46,010,510.38)</u>	<u>(40,620,212.15)</u>	<u>(1,607,179.70)</u>	<u>(920,295.05)</u>	<u>(2,178,649.98)</u>	<u>(858,737.91)</u>	<u>(7,074,050.38)</u>	<u>(8,404,148.63)</u>
Total Governmental Activities Net Position	\$ 31,998,580.59	\$ 31,335,182.29	\$ 37,618,564.68	\$ 38,944,071.74	\$ 74,767,453.60	\$ 71,930,170.75	\$ 66,279,356.30	\$ 64,133,512.52	\$ 58,888,998.05	\$ 58,848,377.72
Business-type Activities:										
Net Investment in Capital Assets	\$ 407,505.29	\$ 228,556.13	\$ 136,468.48	\$ 143,373.67	\$ 136,136.00	\$ 133,639.63	\$ 176,297.66	\$ 393,503.49	\$ 446,394.05	\$ 511,764.69
Unrestricted	<u>388,698.60</u>	<u>363,807.65</u>	<u>369,275.87</u>	<u>600,337.97</u>	<u>651,523.70</u>	<u>752,496.69</u>	<u>618,592.96</u>	<u>561,098.68</u>	<u>321,412.22</u>	<u>190,133.23</u>
Total Business-type Activities Net Position	\$ 796,203.89	\$ 592,363.78	\$ 505,744.35	\$ 743,711.64	\$ 787,659.70	\$ 886,136.32	\$ 794,890.62	\$ 954,602.17	\$ 767,806.27	\$ 701,897.92
Government-wide:										
Net Investment in Capital Assets	\$ 75,303,159.97	\$ 74,052,557.81	\$ 74,264,503.71	\$ 69,168,715.71	\$ 64,583,076.48	\$ 62,457,077.14	\$ 60,611,544.87	\$ 60,847,237.36	\$ 60,998,552.80	\$ 61,019,537.29
Restricted	10,046,016.22	10,927,450.34	9,501,039.83	10,538,941.84	11,927,692.82	10,527,028.29	8,022,759.07	4,538,516.56	5,410,889.68	6,744,753.75
Unrestricted (Deficit)	<u>(52,554,391.71)</u>	<u>(53,052,462.08)</u>	<u>(45,641,234.51)</u>	<u>(40,019,874.18)</u>	<u>(955,656.00)</u>	<u>(167,798.36)</u>	<u>(1,560,057.02)</u>	<u>(297,639.23)</u>	<u>(6,752,638.16)</u>	<u>(8,214,015.40)</u>
Total Government-wide Net Position	\$ 32,794,784.48	\$ 31,927,546.07	\$ 38,124,309.03	\$ 39,687,783.38	\$ 75,555,113.30	\$ 72,816,307.07	\$ 67,074,246.92	\$ 65,088,114.69	\$ 59,656,804.32	\$ 59,550,275.64

* Amounts for the fiscal year 2015 include the implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. Balances prior to June 30, 2015 are shown as originally reported and have not been restated for this adoption.

Source: CAFR Exhibit A-1

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
 Changes in Net Position
 Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2018	2017	2016	2015 *	2014	2013	2012	2011	2010	2009
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 43,665,460.84	\$ 47,877,797.24	\$ 45,681,658.48	\$ 43,722,021.40	\$ 44,004,430.84	\$ 42,050,376.89	\$ 42,162,714.72	\$ 43,695,768.41	\$ 44,919,944.73	\$ 44,488,426.05
Special Education	11,434,216.18	11,449,680.78	11,407,742.78	11,564,327.49	11,141,900.52	10,493,192.58	10,060,166.77	9,724,995.77	9,787,644.22	9,329,619.75
Other Special Instruction	3,123,566.93	3,046,251.97	3,289,831.56	3,030,140.96	2,858,018.85	2,547,793.39	2,365,553.51	2,789,408.78	2,813,260.84	2,502,741.39
Other Instruction	2,273,925.95	1,860,189.94	1,843,804.83	1,774,257.44	1,735,106.22	1,692,158.85	1,637,331.97	1,485,034.34	1,665,929.36	1,544,359.78
Support Services:										
Tuition	6,708,123.32	7,064,431.94	7,338,018.71	7,245,843.72	7,028,827.24	7,238,858.59	7,004,602.42	7,025,817.29	7,036,003.77	6,023,732.04
Student and Instruction Related Services	16,291,469.43	15,551,182.02	14,622,128.37	14,586,188.19	14,697,982.66	14,698,725.64	13,962,117.38	13,486,238.14	14,680,979.36	13,186,655.14
Other Administrative Services	3,539,878.91	2,757,303.19	3,005,364.77	5,147,395.51	4,500,227.61	4,821,196.56	4,582,911.55	4,156,721.95	4,039,994.29	2,835,734.67
School Administrative Services	6,507,291.40	6,469,473.93	6,451,866.09	6,365,036.00	6,262,257.63	6,227,860.46	6,040,439.21	5,764,203.91	6,240,889.02	8,001,997.69
Plant Operations and Maintenance	12,732,108.67	11,999,622.78	10,573,489.78	10,114,755.15	10,534,499.72	10,541,146.01	10,561,820.62	9,962,421.94	9,814,795.92	9,907,778.47
Pupil Transportation	6,733,532.02	6,638,858.09	6,266,828.88	5,949,505.35	5,594,500.64	5,447,768.18	5,567,099.85	6,587,498.66	6,549,564.49	6,295,368.90
Unallocated Benefits	77,439,718.42	73,969,300.94	57,475,981.57	50,186,819.88	35,398,679.41	33,208,489.44	33,431,965.86	31,288,247.93	31,689,757.82	29,629,953.84
Transfer to Charter Schools	219,640.00	182,483.00	253,853.00	262,155.00	186,230.33	162,550.00	74,113.00	69,307.81	34,044.00	
Special Schools										64,844.70
Interest on Long-term Debt	449,905.88	429,140.76	574,693.25	850,570.58	953,351.89	959,295.12	1,377,367.54	1,590,547.50	1,629,558.52	1,753,383.03
Other Administrative Services						320,612.43				
Amortization of Bond Issuance Costs							40,871.32	37,681.06	37,681.06	55,032.23
Total Governmental Activities Expenses	191,118,837.95	189,295,716.58	168,785,262.07	160,799,016.67	144,896,013.56	140,410,024.14	138,869,075.72	137,663,893.49	140,940,047.40	135,619,627.68
Business-Type Activities:										
Food Service	3,224,883.91	3,395,003.50	3,253,463.19	3,228,535.95	3,350,498.35	3,184,209.69	3,371,602.00	3,461,415.69	3,973,127.99	3,894,990.21
Child Care Program	142,527.76	107,983.84	125,537.61	113,324.52	133,750.22	128,462.66	96,330.50	81,667.59	89,063.15	95,543.03
TeleCommunications	10,955.21	8,686.49	12,758.06	12,734.64	13,033.88	14,357.32	13,426.27	11,026.46	14,626.93	16,023.98
Center for the Performing Arts	571,577.37	576,569.28	602,394.27	546,548.84	541,744.37	588,632.41	437,446.61	371,797.71	137,882.85	175,282.98
Drivers Education	59,979.20	63,118.46	76,223.57	63,357.95	60,689.90	59,382.63	58,205.04	64,368.40	79,195.30	88,900.90
Tech Crew										4,192.54
Total Business-Type Activities Expense	4,009,923.45	4,151,361.57	4,070,376.70	3,964,501.90	4,099,716.72	3,975,044.71	3,977,010.42	3,990,275.85	4,293,896.22	4,274,933.64
Total District Expenses	\$ 195,128,761.40	\$ 193,447,078.15	\$ 172,855,638.77	\$ 164,763,518.57	\$ 148,995,730.28	\$ 144,385,068.85	\$ 142,846,086.14	\$ 141,654,169.34	\$ 145,233,943.62	\$ 139,894,561.32
Component Unit Expenses:										
Washington Township Live Arts ⁽¹⁾	-	-	-	-	-	-	-	-	\$ 9,528.00	\$ 170,607.03
Program Revenues:										
Governmental Activities:										
Charges for Services	\$ 145,700.09	\$ 155,277.47	\$ 155,053.75	\$ 192,321.20	\$ 163,207.95	\$ 192,050.20	\$ 191,032.91	\$ 232,720.14	\$ 227,647.85	\$ 212,974.59
Operating Grants and Contributions	54,147,072.41	46,562,687.79	33,269,464.60	27,658,156.59	13,995,741.00	15,039,055.87	13,385,439.79	12,886,398.30	13,112,739.47	11,964,334.46
Capital Grants and Contributions										10,560.00
Total Governmental Activities Program Revenues	54,292,772.50	46,717,965.26	33,424,518.35	27,850,477.79	14,158,948.95	15,231,106.07	13,576,472.70	13,119,118.44	13,340,387.32	12,187,869.05
Business-Type Activities:										
Charges for services:										
Food Service	1,295,981.53	1,281,384.84	1,233,533.68	1,279,490.82	1,433,997.37	1,625,864.21	1,848,745.20	2,026,790.51	2,147,889.92	2,329,771.26
Child Care Program	128,350.10	125,545.26	141,414.00	143,066.00	170,387.77	163,562.08	153,650.18	148,200.16	170,549.28	111,772.96
TeleCommunications	12,410.00	14,390.00	13,375.00	18,130.00	16,605.00	16,950.00	16,993.00	14,270.00	13,560.00	16,040.00
Center for the Performing Arts	571,873.19	598,415.37	592,139.03	574,494.04	546,878.07	641,805.17	387,992.23	379,909.65	138,993.50	104,223.88
Drivers Education	63,450.00	70,960.00	75,600.00	69,975.00	66,750.00	68,988.00	66,825.00	69,985.00	86,850.00	94,950.00
Tech Crew									2,966.34	4,192.54
Operating Grants and Contributions	876,176.98	903,105.86	840,980.56	886,925.12	820,318.58	800,580.21	815,177.50	755,096.48	790,312.21	669,190.37
Total Business-Type Activities Program Revenues	2,948,241.80	2,993,801.33	2,897,042.27	2,972,080.98	3,054,936.79	3,317,749.67	3,289,383.11	3,394,251.80	3,351,121.25	3,330,141.01
Total District Program Revenues	\$ 57,241,014.30	\$ 49,711,766.59	\$ 36,321,560.62	\$ 30,822,558.77	\$ 17,213,885.74	\$ 18,548,855.74	\$ 16,865,855.81	\$ 16,513,370.24	\$ 16,691,508.57	\$ 15,518,010.06
Component Unit Program Revenues:										
Washington Township Live Arts ⁽¹⁾	-	-	-	-	-	-	-	-	\$ 48,291.49	\$ 63,029.00

(Continued)

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
 Changes in Net Position
 Last Ten Fiscal Years (Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2018	2017	2016	2015 *	2014	2013	2012	2011	2010	2009
Net (Expense) / Revenue:										
Governmental Activities	\$ (136,826,065.45)	\$ (142,577,751.32)	\$ (135,360,743.72)	\$ (132,948,538.87)	\$ (130,737,064.61)	\$ (125,178,918.07)	\$ (125,292,603.02)	\$ (124,544,775.04)	\$ (127,599,660.08)	\$ (123,431,758.63)
Business-Type Activities	(1,061,681.65)	(1,157,560.24)	(1,173,334.43)	(992,420.92)	(1,044,779.93)	(657,295.04)	(687,627.31)	(596,024.05)	(942,774.97)	(944,792.63)
Total Government-wide Net Expense	\$ (137,887,747.10)	\$ (143,735,311.56)	\$ (136,534,078.15)	\$ (133,940,959.79)	\$ (131,781,844.54)	\$ (125,836,213.11)	\$ (125,980,230.33)	\$ (125,140,799.09)	\$ (128,542,435.05)	\$ (124,376,551.26)
Component Unit Net Expense										
Washington Township Live Arts ⁽¹⁾	-	-	-	-	-	-	-	-	\$ 38,763.49	\$ (107,578.03)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes	\$ 84,702,621.00	\$ 83,041,785.00	\$ 81,413,515.00	\$ 79,319,457.00	\$ 76,572,161.00	\$ 74,973,363.00	\$ 70,578,295.00	\$ 74,938,763.00	\$ 68,819,137.00	\$ 68,532,821.00
Property Taxes Levied for Debt Service	1,239,800.00	1,175,221.00	2,885,059.00	2,892,116.00	3,062,028.00	3,314,529.00	3,408,971.00	3,504,520.00	3,244,078.00	3,354,805.00
Federal and State Aid	51,290,651.46	52,206,591.64	53,333,737.74	55,018,059.95	52,494,962.97	52,220,072.16	54,633,003.06	51,292,616.88	55,869,670.95	53,065,224.16
Unrestricted Interest Earnings	348,728.99	172,441.60	103,867.77	87,490.12	105,291.43	254,184.63	108,823.74	42,214.27	97,811.12	287,728.58
Miscellaneous Income	1,179,567.14	1,074,343.18	1,195,110.16	902,184.52	1,934,751.85	880,533.89	840,494.87	918,563.29	595,508.71	338,138.69
Refund of Prior Year Revenue				(22,447.00)	(344.00)	(971.69)				
Cancellation of Prior Year Accounts Payable					344.00					
Cancellation of Prior Year Accounts Receivable				(1,453.51)	(25,000.89)	(26,790.69)	(34,751.00)	(98,051.63)		
Donation of Assets			34,316.24		18,410.00					
Gain/(Loss) on Disposal of Capital Assets	(24,664.22)	(129,975.63)	(7,749.28)	9,058.97	341,434.91	(47,038.39)	(2,695.00)	(8,205.28)	(1,196.76)	(289,977.22)
Transfers	(1,102,525.47)	(1,246,037.86)	(929,489.91)	(924,025.03)	(929,691.81)	(738,149.39)	(723,851.14)	(801,131.01)	(984,728.61)	(810,971.16)
Total Governmental Activities	137,634,178.90	136,294,368.93	138,028,366.72	137,280,441.02	133,574,347.46	130,829,732.52	128,808,290.53	129,789,289.52	127,640,280.41	124,477,769.05
Business-Type Activities:										
Unrestricted Interest Earnings	18,281.14	8,629.51	5,877.23	5,452.62	5,486.20	10,391.35	3,547.63	1,916.43	5,488.65	8,981.67
Miscellaneous Income					11,125.30					
Gain on Sale of Capital Assets		(10,487.70)					(758.06)			
Donation of Assets				19,327.50						
Accounts Receivable Canceled				(332.29)			(2,713.93)	(20,227.49)	(1,761.43)	
Transfers	1,102,525.47	1,246,037.86	929,489.91	924,025.03	929,691.81	738,149.39	723,851.14	801,131.01	1,004,956.10	766,713.16
Total Business-Type Activities	1,120,806.61	1,244,179.67	935,367.14	948,472.86	946,303.31	748,540.74	723,926.78	782,819.95	1,008,683.32	775,694.83
Total Government-wide	\$ 138,754,985.51	\$ 137,538,548.60	\$ 138,963,733.86	\$ 138,228,913.88	\$ 134,520,650.77	\$ 131,578,273.26	\$ 129,532,217.31	\$ 130,572,109.47	\$ 128,648,963.73	\$ 125,253,463.88
Component Unit:										
Washington Township Live Arts ⁽¹⁾	-	-	-	-	-	-	-	-	\$ 84,892.51	-
Change in Net Position:										
Governmental Activities	\$ 808,113.45	\$ (6,283,382.39)	\$ 2,667,623.00	\$ 4,331,902.14	\$ 2,837,282.85	\$ 5,650,814.45	\$ 3,515,687.51	\$ 5,244,514.47	\$ 40,620.33	\$ 1,046,010.42
Business-Type Activities	59,124.96	86,619.43	(237,967.29)	(43,948.06)	(98,476.62)	91,245.70	36,299.47	186,795.90	65,908.35	(169,097.80)
Total Government-Wide	\$ 867,238.41	\$ (6,196,762.96)	\$ 2,429,655.71	\$ 4,287,954.08	\$ 2,738,806.23	\$ 5,742,060.15	\$ 3,551,986.98	\$ 5,431,310.37	\$ 106,528.68	\$ 876,912.62
Component Unit:										
Washington Township Live Arts ⁽¹⁾	-	-	-	-	-	-	-	-	\$ 123,656.00	\$ (107,578.03)

⁽¹⁾ On June 28, 2010, the component unit was dissolved and absorbed by the School District as part of the District's Center for Performing Arts Enterprise Fund.

* Amounts for the fiscal year 2015 include the implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 2*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 1*. Balances prior to June 30, 2015 are shown as originally reported and have not been restated for this adopter.

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
Fund Balances, Governmental Funds
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011 ⁽¹⁾	2010	2009
General Fund:										
Reserved									\$ 5,392,092.95	\$ 3,725,229.60
Unreserved									354,621.92	2,078,606.92
Restricted	\$ 6,833,375.54	\$ 8,201,918.77	\$ 8,328,624.59	\$ 9,403,897.20	\$ 10,804,064.18	\$ 9,949,186.54	\$ 7,107,643.24	\$ 3,191,428.69		
Committed	1,227,491.08	1,761,694.96	3,271,515.20							
Assigned	7,365,435.35	5,042,383.65	6,592,319.88	4,393,655.42	3,527,314.29	4,266,115.78	4,668,322.92	4,587,078.88		
Unassigned	3,264,015.73	3,472,839.52	3,151,117.74	2,855,104.53	2,997,811.41	2,879,337.90	3,048,560.87	2,931,115.55		
Total General Fund	<u>\$ 18,690,317.70</u>	<u>\$ 18,478,836.90</u>	<u>\$ 21,343,577.41</u>	<u>\$ 16,652,657.15</u>	<u>\$ 17,329,189.88</u>	<u>\$ 17,094,640.22</u>	<u>\$ 14,824,527.03</u>	<u>\$ 10,709,623.12</u>	<u>\$ 5,746,714.87</u>	<u>\$ 5,803,836.52</u>
All Other Governmental Funds:										
Reserved										\$ 87,096.00
Unreserved, Reported in:										
Special Revenue Fund										21,200.29
Capital Projects Fund									\$ 347,629.76	325,387.00
Debt Service Fund									0.67	16,687.17
Restricted, Reported in:										
Capital Projects Fund	\$ 3,212,640.68	\$ 2,725,531.57	\$ 1,172,415.24	\$ 1,135,044.64	\$ 1,123,628.64	\$ 577,841.74	\$ 621,220.31	\$ 1,023,965.82		
Debt Service Fund	2,284.00	2,283.74	118,179.67	118,219.58	93,210.91	101,223.91	8,053.48	1.17		
Total All Other Governmental Funds	<u>\$ 3,214,924.68</u>	<u>\$ 2,727,815.31</u>	<u>\$ 1,290,594.91</u>	<u>\$ 1,253,264.22</u>	<u>\$ 1,216,839.55</u>	<u>\$ 679,065.65</u>	<u>\$ 629,273.79</u>	<u>\$ 1,023,966.99</u>	<u>\$ 347,630.43</u>	<u>\$ 450,370.46</u>

⁽¹⁾ GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, was implemented for the fiscal year ended June 30, 2011.

Source: CAFR Exhibit B-1

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
 Changes in Fund Balances, Governmental Funds
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues:										
Local Tax Levy	\$ 85,942,421.00	\$ 84,217,006.00	\$ 84,298,574.00	\$ 82,211,573.00	\$ 79,634,189.00	\$ 78,287,892.00	\$ 73,987,266.00	\$ 78,443,283.00	\$ 72,063,215.00	\$ 71,887,626.00
Tuition Charges	392,811.79	521,074.66	713,888.46	493,668.86	485,863.34	467,357.94	301,908.22	357,644.07	252,111.65	212,974.59
Miscellaneous Revenues	1,135,484.34	725,710.12	585,089.45	464,764.00	1,553,743.63	667,359.13	647,409.58	603,134.02	441,208.18	665,000.89
Federal Sources	3,146,859.81	3,108,658.13	3,102,332.72	3,088,982.11	2,981,360.17	3,092,404.70	5,083,007.86	4,304,305.60	10,679,835.87	2,869,571.91
State Sources	69,233,902.06	67,858,076.30	67,407,550.62	66,398,198.43	63,509,343.80	64,166,723.33	62,935,434.99	59,874,709.58	58,302,574.55	62,131,413.09
Total Revenue	159,851,479.00	156,430,525.21	156,107,435.25	152,657,186.40	148,164,499.94	146,681,737.10	142,955,026.65	143,583,076.27	141,738,945.25	137,766,586.48
Expenditures:										
Current:										
Instruction:										
Regular Instruction	42,826,076.13	45,405,756.49	43,502,804.50	41,477,267.50	41,586,757.08	41,029,832.78	41,128,268.03	41,269,223.25	42,609,720.45	42,563,393.53
Special Education Instruction	11,426,878.93	11,435,269.08	11,268,895.26	11,401,974.00	11,032,084.53	10,265,063.86	10,046,255.17	9,676,982.42	9,752,137.67	9,413,320.00
Other Special Instruction	3,123,566.93	3,046,251.97	3,289,831.56	3,030,140.96	2,858,018.85	2,547,793.39	2,365,553.51	2,789,408.78	2,813,260.84	2,557,792.66
Other Instruction	2,273,925.95	1,860,189.94	1,843,804.83	1,774,257.44	1,735,106.22	1,692,158.85	1,637,331.97	1,485,034.34	1,665,929.36	1,567,953.19
Support Services and Undistributed Costs:										
Tuition	6,708,123.32	7,064,431.94	7,338,018.71	7,245,843.72	7,028,827.24	7,238,858.59	7,004,602.42	7,025,817.29	7,036,003.77	6,023,732.04
Student and Instruction Related Services	16,271,430.47	15,529,738.96	14,588,340.15	14,550,703.43	14,661,286.22	14,647,269.23	13,921,953.19	13,427,204.87	14,617,753.71	13,474,646.69
Other Administrative Services	4,561,703.48	4,991,248.80	4,633,591.26	4,340,810.44	3,961,739.40	3,754,890.66	3,775,706.10	3,938,340.71	3,936,232.74	1,921,408.00
School Administrative Services	6,507,291.40	6,469,473.93	6,451,866.09	6,365,036.00	6,262,257.63	6,227,860.46	6,040,439.21	5,764,203.91	6,240,889.02	8,001,997.69
Plant Operations and Maintenance	11,531,695.23	11,030,683.83	9,669,756.60	9,301,939.78	9,630,638.36	9,251,479.89	9,011,523.94	9,480,172.89	9,410,527.43	9,551,466.26
Pupil Transportation	6,196,200.11	6,166,849.68	5,905,058.25	5,665,124.70	5,347,321.44	5,171,664.45	5,291,148.28	5,194,439.89	5,345,570.31	5,442,376.57
Unallocated Benefits	43,140,240.40	42,277,170.05	40,467,495.28	37,355,574.99	35,290,605.36	34,824,514.02	31,792,616.94	30,990,118.56	31,412,671.58	29,439,055.40
Capital Outlay	6,572,602.22	4,591,660.20	4,427,302.93	6,964,090.96	3,154,921.02	2,941,696.85	2,158,905.54	1,369,744.60	1,572,575.31	2,524,346.05
Special Schools										64,844.70
Charter Schools	219,640.00	182,483.00	253,853.00	262,155.00	186,230.33	162,550.00	74,113.00	69,307.81	34,044.00	
Debt Service:										
Principal	884,515.39	1,061,175.59	3,450,000.00	3,525,000.00	3,545,000.00	3,720,000.00	3,520,000.00	3,560,000.00	3,455,000.00	3,539,281.17
Interest and Other Charges	424,800.00	366,116.26	577,099.91	683,050.00	793,650.00	937,737.25	1,381,137.50	1,500,087.50	1,662,587.50	1,824,968.60
Total Expenditures	162,668,689.96	161,478,499.72	157,667,718.33	153,942,968.92	147,074,443.68	144,413,370.28	139,149,554.80	137,540,086.82	141,564,903.69	137,910,582.55
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	(2,817,210.96)	(5,047,974.51)	(1,560,283.08)	(1,285,782.52)	1,090,056.26	2,268,366.82	3,805,471.85	6,042,989.45	174,041.56	(143,996.07)
Other Financing Sources (Uses):										
Capital Leases (Non-budgeted)	268,326.60			1,593,600.00	636,960.00	817,450.00	673,341.00	495,438.00	650,825.37	2,031,203.65
Cancellation of Accounts Receivable				(1,453.51)	(25,000.89)	(26,790.69)	(34,751.00)	(98,051.63)		
Cancellation of Accounts Payable	#REF!				344.00					
Refund of Prior Year Revenue				(22,447.00)	(344.00)					
Refund of Prior Year Revenue						(971.69)				
Proceeds from Financing Agreements	4,350,000.00	4,768,500.00	6,168,000.00							
Proceeds from Issuance of Bonds		7,550,000.00				9,095,000.00	7,205,000.00			
Premium on Bonds Issued and Accrued Interest		538,172.45				435,264.50	249,107.35			
Payment to Refunding Bond Escrow Agent		(7,990,180.19)				(9,438,031.42)	(7,348,828.64)			
Costs of Issuance - Refunding Bonds						(92,233.08)	(105,278.71)			
Operating Transfers	(1,102,525.47)	(1,246,037.86)	(929,489.91)	(924,025.03)	(929,691.81)	(738,149.39)	(723,851.14)	(801,131.01)	(984,728.61)	(810,971.16)
Total Other Financing Sources (Uses)	#REF!	3,620,454.40	5,238,510.09	645,674.46	(317,732.70)	51,538.23	(85,261.14)	(403,744.64)	(333,903.24)	1,220,232.49
Net Change in Fund Balances	#REF!	\$ (1,427,520.11)	\$ 3,678,227.01	\$ (640,108.06)	\$ 772,323.56	\$ 2,319,905.05	\$ 3,720,210.71	\$ 5,639,244.81	\$ (159,861.68)	\$ 1,076,236.42
Debt Service as a Percentage of										
Noncapital Expenditures	0.8%	0.9%	2.6%	2.9%	3.0%	3.3%	3.6%	3.7%	3.7%	4.0%

Source: CAFR Exhibit B-2

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
 General Fund - Other Local and Federal Miscellaneous Revenue by Source
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)
Unaudited

	Fiscal Year Ended June 30,									
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Gate Receipts	\$ 16,099.00	\$ 17,159.00	\$ 21,954.00	\$ 17,387.00	\$ 18,687.00	\$ 21,711.00	\$ 18,901.00	\$ 22,021.00	\$ 23,511.00	\$ 23,933.00
Interest on Investments	324,045.29	157,960.68	98,931.95	85,314.55	94,170.10	235,812.79	100,583.63	41,127.00	95,121.98	287,728.58
Legal Settlement								38,500.00		43,633.31
Miscellaneous	22,173.52	12,034.72	7,970.37	527.57	23,745.48	11,854.16	89,315.56	153,390.42	30,455.85	159,004.03
Tuition	392,811.79	521,074.66	713,888.46	493,668.86	485,863.34	467,357.94	301,908.22	357,644.07	252,111.65	140,367.11
Accounts Payable Canceled	121,245.49	16,962.22	35,727.99	55,023.92	922,437.13					
Summer Programs						15,838.42				
FEMA			53,171.73						47,566.46	
Refund of Prior Year Expenditures	180,574.40	215,263.06	165,432.60	140,145.28	344,259.26	228,925.53	253,021.90	129,981.25	120,515.94	27,601.46
Rentals	158,568.44	127,472.76	126,135.59	109,400.39	98,632.23	67,241.38	47,263.43	26,151.00	29,142.85	33,984.60
ROTC Reimbursements	96,743.66	91,839.00	98,182.13	98,961.09	109,170.27	108,840.94	78,328.57	67,526.74	65,218.86	98,159.83
Sale of Equipment	6,438.20	5,172.50	6,688.15	2,790.51	745.25	4,460.00	2,516.60	7,003.00	2,440.00	1,175.00
School Bus Advertising	16,146.89	20,219.11	5,479.50	8,775.00	5,267.92	3,201.32				
Total Miscellaneous Revenues	<u>\$ 1,334,846.68</u>	<u>\$ 1,185,157.71</u>	<u>\$ 1,333,562.47</u>	<u>\$ 1,011,994.17</u>	<u>\$ 2,102,977.98</u>	<u>\$ 1,165,243.48</u>	<u>\$ 891,838.91</u>	<u>\$ 843,344.48</u>	<u>\$ 666,084.59</u>	<u>\$ 815,586.92</u>

Source: District Records

REVENUE CAPACITY INFORMATION

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

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
 Assessed Value and Actual Value of Taxable Property
 Last Ten Calendar Years
Unaudited

Year Ended Dec. 31	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ⁽¹⁾	Net Valuation Taxable	Real Property Exempt from Taxation	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ⁽²⁾
2018	\$ 54,273,100.00	\$ 3,400,109,200.00	\$ 4,819,600.00	\$ 733,249,300.00	\$ 6,727,900.00	\$ 58,445,900.00	\$ 4,257,625,000.00	\$ 4,422,553.00	\$ 4,262,047,553.00	\$ 468,530,600.00	\$ 4,697,867,171.00	\$ 2.027
2017	40,551,300.00	3,397,484,400.00	4,966,000.00	744,805,500.00	7,127,900.00	58,445,900.00	4,253,381,000.00	5,070,544.00	4,258,451,544.00	468,561,800.00	4,541,784,303.00	1.989
2016	38,031,000.00	3,384,306,100.00	5,021,900.00	727,653,800.00	9,203,400.00	68,105,000.00	4,232,321,200.00	5,208,364.00	4,237,529,564.00	468,561,800.00	4,464,944,825.00	1.959
2015	38,422,900.00	3,382,794,000.00	4,610,000.00	742,553,500.00	9,757,900.00	68,308,600.00	4,246,446,900.00	5,529,904.00	4,251,976,804.00	465,556,900.00	4,452,135,563.00	1.912
2014	37,005,500.00	3,385,410,500.00	5,561,200.00	722,086,100.00	10,194,500.00	68,658,600.00	4,228,916,400.00	5,424,948.00	4,234,341,348.00	494,659,200.00	4,457,590,808.00	1.857
2013 ⁽³⁾	37,156,900.00	3,389,076,100.00	6,145,900.00	733,075,800.00	10,445,300.00	69,942,000.00	4,245,842,000.00	7,355,354.00	4,253,197,354.00	496,223,700.00	4,517,814,429.00	2.972
2012	27,303,200.00	2,074,323,500.00	4,242,700.00	407,604,400.00	6,167,100.00	38,745,500.00	2,558,386,400.00	4,108,807.00	2,562,495,207.00	210,317,700.00	4,839,013,429.00	2.976
2011	29,217,300.00	2,077,552,800.00	4,517,700.00	401,196,200.00	6,167,100.00	38,745,500.00	2,557,396,600.00	3,687,083.00	2,561,083,683.00	205,110,900.00	5,146,702,757.00	2.925
2010	29,861,400.00	2,078,568,200.00	4,517,700.00	409,036,800.00	6,167,100.00	39,304,000.00	2,567,455,200.00	5,192,362.00	2,572,647,562.00	206,521,900.00	5,261,178,689.00	2.790
2009	31,578,200.00	2,092,663,100.00	5,223,900.00	403,761,300.00	6,167,100.00	39,674,000.00	2,579,067,600.00	4,206,655.00	2,583,274,255.00	193,936,900.00	5,324,251,858.00	2.680

⁽¹⁾ Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

⁽²⁾ Tax Rates are per \$100.00 of Assessed Valuation

⁽³⁾ Revaluation

Source: Gloucester County Board of Taxation

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
 Direct and Overlapping Property Tax Rates
 Last Ten Calendar Years
 (Rate per \$100 of Assessed Value)
Unaudited

Year Ended <u>Dec. 31</u>	<u>District Direct Rate</u>			<u>Overlapping Rates</u>			<u>Total Direct and Overlapping Tax Rate</u>
	<u>Basic Rate</u>	<u>General Obligation Debt Service</u>	<u>Total Direct School Tax Rate</u>	<u>Township of Washington</u>	<u>Township of Washington Fire District</u>	<u>Gloucester County</u>	
2018	\$ 1.998	\$ 0.029	\$ 2.027	\$ 0.702	\$ 0.138	\$ 0.737	\$ 3.604
2017	1.970	0.028	1.998	0.702	0.139	0.720	3.559
2016	1.941	0.048	1.989	0.703	0.140	0.706	3.538
2015	1.891	0.068	1.959	0.702	0.139	0.688	3.488
2014	1.842	0.070	1.912	0.681	0.131	0.654	3.378
2013 ⁽¹⁾	1.782	0.075	1.857	0.673	0.129	0.644	3.303
2012	2.841	0.131	2.972	1.080	0.207	1.041	5.300
2011	2.841	0.135	2.976	1.052	0.192	1.092	5.312
2010	2.794	0.131	2.925	1.041	0.196	1.129	5.291
2009	2.658	0.128	2.786	0.961	0.195	1.136	5.078

⁽¹⁾ Revaluation

Source: Municipal Tax Collector

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT

Principal Property Tax Payers
Current Year and Nine Years Ago
Unaudited

<u>Taxpayer</u>	<u>2018</u>			<u>2009</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
Turnersville Auto Mall	\$ 43,618,600.00	1	1.02%	\$ 25,423,400.00	1	0.98%
Virtua West Jersey	32,812,900.00	2	0.77%			
Society Hill Apartment Associates LP	28,469,200.00	3	0.67%			
Centro Bradley C/O Ryan LLC	20,140,000.00	4	0.47%			
Wal-Mart	20,007,800.00	5	0.47%	12,727,100.00	2	0.49%
BRE RC Cross Keys NJ LLC	19,660,200.00	6	0.46%			
Turnersville Interstate LLC	19,583,000.00	7	0.46%	7,491,700.00	9	0.29%
Washington Center LLC	14,866,300.00	8	0.35%	9,000,000.00	4	0.35%
WP Plaza	14,586,000.00	9	0.34%	9,000,000.00	4	0.35%
Lowes	14,200,000.00	10	0.33%	6,548,800.00	10	0.25%
Bradley Operating L.P.				12,274,700.00	3	0.48%
HD Dev. of Maryland				8,000,000.00	6	0.31%
Target				7,511,500.00	7	0.29%
Birches Reality				7,500,000.00	8	0.29%
Mill Pond Village				6,785,800.00	10	0.26%
Total	<u>\$ 227,944,000.00</u>		<u>5.35%</u>	<u>\$ 112,263,000.00</u>		<u>4.35%</u>

Source: Municipal Tax Assessor

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
 Property Tax Levies and Collections
 Last Ten Fiscal Years
Unaudited

<u>Fiscal Year Ended June 30,</u>	<u>School District Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u> ⁽¹⁾		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2018	\$ 85,942,421.00	\$ 79,166,211.32	92.12%	\$ 6,776,209.68
2017	84,217,006.00	84,217,006.00	100.00%	-
2016	84,298,574.00	84,298,574.00	100.00%	-
2015	82,211,573.00	82,211,573.00	100.00%	-
2014	79,634,189.00	79,634,189.00	100.00%	-
2013	78,287,892.00	78,287,892.00	100.00%	-
2012	73,987,266.00	68,108,094.03	92.05%	5,879,171.97
2011	78,443,283.00	75,700,884.04	96.50%	2,742,398.96
2010	72,063,215.00	72,063,215.00	100.00%	-
2009	71,887,626.00	71,887,626.00	100.00%	-

⁽¹⁾ 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: District Records

DEBT CAPACITY INFORMATION

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

TOWNSHIP OF WASHINGTON 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 ⁽²⁾	Per Capita ⁽³⁾
	General Obligation Bonds ⁽¹⁾	Capital Leases	Purchasing Agreements			
2018	\$ 11,840,000.00	\$ 214,661.28	\$ 10,803,790.76	\$ 22,858,452.04	Unavailable	\$ 477.73
2017	12,655,000.00	-	10,930,577.92	23,585,577.92	Unavailable	491.01
2016	13,870,000.00	-	10,281,944.41	24,151,944.41	1.01%	501.46
2015	17,320,000.00	-	2,355,187.18	19,675,187.18	0.83%	407.82
2014	20,845,000.00	-	1,519,824.07	22,364,824.07	0.99%	462.66
2013	24,390,000.00	-	1,514,203.81	25,904,203.81	1.18%	533.63
2012	28,225,000.00	-	1,433,947.55	29,658,947.55	1.37%	608.64
2011	31,325,000.00	-	1,605,970.25	32,930,970.25	1.55%	673.83
2010	34,885,000.00	-	1,909,166.23	36,794,166.23	1.79%	706.29
2009	38,340,000.00	-	2,088,309.60	40,428,309.60	1.87%	776.08

Sources:

- ⁽¹⁾ District Records
- ⁽²⁾ Personal income has been estimated based upon the municipal population and per capita personal income data provided by the NJ Dept. of Labor and Workforce Development
- ⁽³⁾ Per Capita calculation based upon population information provided by the NJ Dept. of Labor and Workforce Development

TOWNSHIP OF WASHINGTON 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 Assessed Valuation Taxable ⁽²⁾	Per Capita ⁽⁴⁾
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding ⁽¹⁾		
2018	\$ 11,840,000.00	-	\$ 11,840,000.00	0.28%	\$ 247.45
2017	12,655,000.00	-	12,655,000.00	0.30%	263.45
2016	13,870,000.00	-	13,870,000.00	0.33%	287.98
2015	17,320,000.00	-	17,320,000.00	0.41%	359.00
2014	20,845,000.00	-	20,845,000.00	0.49%	431.22
2013	24,390,000.00	-	24,390,000.00	0.57% ⁽³⁾	502.44
2012	28,225,000.00	-	28,225,000.00	1.10%	579.21
2011	31,325,000.00	-	31,325,000.00	1.22%	640.97
2010	34,885,000.00	-	34,885,000.00	1.36%	669.64
2009	38,340,000.00	-	38,340,000.00	1.48%	735.99

Sources:

- (1) District Records
 (2) Net Assessed Valuation provided by Abstract of Ratables, County Board of Taxation
 (3) Revaluation
 (4) Per Capita calculation based upon population information provided by the NJ Dept. of Labor and Workforce Development

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2017
Unaudited

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Washington Township</u>	<u>Debt Authorized but not Issued</u>
Municipal Debt: ⁽¹⁾					
Washington Township School District	\$ 12,655,000.00	\$ 12,655,000.00			
Washington Township	31,330,063.61		\$ 31,330,063.61	\$ 31,330,063.61	
	<u>43,985,063.61</u>	<u>12,655,000.00</u>	<u>31,330,063.61</u>	<u>31,330,063.61</u>	<u>-</u>
Overlapping Debt Apportioned to the Municipality:					
County of Gloucester: ⁽²⁾					
General:					
Bonds	229,045,000.00	8,624,000.00 ⁽⁴⁾	220,421,000.00	37,263,265.45 ⁽⁶⁾	
Bonds Issued by Other Public Bodies					
Guaranteed by the County	158,875,822.00	158,875,822.00 ⁽⁵⁾			
Washington Township Municipal Utilities Authority ⁽³⁾	7,805,000.00		7,805,000.00	7,805,000.00	
Washington Township Fire District ⁽³⁾	1,260,000.00		1,260,000.00	1,260,000.00	
	<u>396,985,822.00</u>	<u>167,499,822.00</u>	<u>229,486,000.00</u>	<u>46,328,265.45</u>	<u>-</u>
	<u>\$ 440,970,885.61</u>	<u>\$ 180,154,822.00</u>	<u>\$ 260,816,063.61</u>	<u>\$ 77,658,329.06</u>	<u>-</u>

Sources:

- (1) 2017 Annual Debt Statement
 (2) County's 2017 Annual Debt Statement
 (3) Entity's Audit Report
 (4) Includes County College Bonds
 (5) Deductible in accordance with N.J.S. 40:37A-80.
 (6) Such debt is allocated as a proportion of the Issuer's share of the total 2017 Net Valuation on which County taxes are apportioned, which is 16.91%.

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
 Legal Debt Margin Information
 Last Ten Fiscal Years
Unaudited

Legal Debt Margin Calculation for Fiscal Year 2018

	<u>Equalized Valuation Basis ⁽¹⁾</u>
2017	\$ 4,593,284,017
2016	4,519,296,530
2015	<u>4,479,846,925</u>
	<u>\$ 13,592,427,472</u>
Average equalized valuation of taxable property	<u>\$ 4,530,809,157</u>
Debt limit (3% of average equalization value) ⁽²⁾	\$ 135,924,275
Total Net Debt Applicable to Limit	<u>11,840,000</u>
Legal Debt Margin	<u>\$ 124,084,275</u>

	Fiscal Year Ended June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Debt limit	\$ 135,924,274.72	\$ 134,328,993.79	\$ 133,890,344.92	\$ 134,437,256.74	\$ 138,471,110.40	\$ 145,386,248.59	\$ 152,890,613.42	\$ 157,564,958.16	\$ 156,980,439.77	\$ 202,590,330.80
Total net debt applicable to limit ⁽³⁾	<u>11,840,000.00</u>	<u>12,655,000.00</u>	<u>13,870,000.00</u>	<u>17,320,000.00</u>	<u>20,845,000.00</u>	<u>24,390,000.00</u>	<u>28,225,000.00</u>	<u>31,325,000.00</u>	<u>34,885,000.00</u>	<u>38,340,000.00</u>
Legal debt margin	<u>\$ 124,084,274.72</u>	<u>\$ 121,673,993.79</u>	<u>\$ 120,020,344.92</u>	<u>\$ 117,626,110.40</u>	<u>\$ 117,626,110.40</u>	<u>\$ 120,996,248.59</u>	<u>\$ 124,665,613.42</u>	<u>\$ 126,239,958.16</u>	<u>\$ 122,095,439.77</u>	<u>\$ 164,250,330.80</u>
Total net debt applicable to the limit as a percentage of debt limit	8.71%	9.42%	10.36%	15.05%	15.05%	16.78%	18.46%	19.88%	22.22%	18.92%

Sources:

- (1) Equalized valuation bases were provided by the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.
- (2) Limit set by NJSA 18A:24-19 for a K through 12 district.
- (3) District Records

DEMOGRAPHIC AND ECONOMIC INFORMATION

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

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
 Demographic and Economic Statistics
 Last Ten Fiscal Years
Unaudited

<u>Year</u>	<u>Population</u> ⁽¹⁾	<u>Personal Income</u> ⁽²⁾	County of Gloucester <u>Per Capita Personal Income</u> ⁽³⁾	<u>Unemployment Rate</u> ⁽⁴⁾
2017	47,848	Unavailable	Unavailable	4.0%
2016	47,948	\$ 2,397,687,688.00	\$ 50,006.00	4.3%
2015	48,163	2,359,216,392.00	48,984.00	5.0%
2014	48,245	2,250,629,250.00	46,650.00	6.1%
2013	48,340	2,192,654,060.00	45,359.00	7.1%
2012	48,543	2,162,250,849.00	44,543.00	8.1%
2011	48,730	2,119,121,510.00	43,487.00	8.2%
2010	48,871	2,052,972,968.00	42,008.00	7.7%
2009	52,095	2,165,120,295.00	41,561.00	7.2%
2008	52,093	2,167,277,172.00	41,604.00	1.9%

Sources:

- (1) Population information provided by the NJ Dept. of Labor and Workforce Development
 (2) Personal income has been estimated based upon the municipal population and per capita personal income presented
 (3) Per Capita Personal Income data provided by the NJ Dept. of Labor and Workforce Development
 (4) Unemployment data provided by the NJ Dept. of Labor and Workforce Development

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
Principal Non-Governmental Employers
Current Year and Nine Years Ago
Unaudited

<u>Employer</u>	<u>2018</u>			<u>2009⁽¹⁾</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment⁽¹⁾</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>
Jefferson Hospital	700	1		1,200	5	
Walmart	385	2				
Virtua Health Care	300	3				
Home Depot	250	4				
Target	215	5				
Bottino's Shoprite	200	6				
Health Care Center at Washington Township	180	7				
Lowe's	150	8				
Kohl's	140	9				
Acme Markets	132	10				
Underwood Memorial Hospital				1,860	1	
Rowan University				1,300	4	
Direct Group				850	6	
U.S. Foodservices				800	7	
Missa Bay, LLC				750	9	
U.S. Postal Service				700	10	
	<u>2,652</u>		<u>-</u>	<u>7,460</u>		<u>-</u>

⁽¹⁾ information not available

Source: Township of Washington Officials

OPERATING INFORMATION

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

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
 Full-time Equivalent District Employees by Function/Program
 Last Ten Fiscal Years
Unaudited

Function/Program	Fiscal Year Ended June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Instruction	728.66	737.75	769.52	803.50	740.47	862.60	692.90	781.10	861.00	780.50
Support Services:										
Student and Instruction Related Services	354.18	339.81	302.02	273.60	270.14	269.70	243.80	239.90	248.00	243.60
Other Administrative Services	39.00	41.00	40.00	40.00	45.00	40.50	43.50	39.50	41.00	40.00
School Administrative Services	75.70	75.16	76.70	76.70	85.10	85.30	84.80	74.50	75.00	81.40
Plant Operations and Maintenance	121.20	120.30	115.08	125.90	81.44	116.10	117.50	116.90	114.00	115.50
Pupil Transportation	80.87	80.87	80.87	80.90	75.87	81.90	81.90	81.90	83.00	57.00
Special Schools	-	-	-	-	-	-	-	-	57.00	-
Food Service	55.00	55.00	55.00	55.00	51.00	55.00	55.00	57.00	57.00	62.00
Child Care Program	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80
Center for the Performing Arts	1.50	1.50	2.50	2.50	2.50	2.50	1.00	1.00	1.00	2.00
Total	<u>1,459.91</u>	<u>1,455.19</u>	<u>1,445.49</u>	<u>1,461.90</u>	<u>1,355.32</u>	<u>1,517.40</u>	<u>1,324.20</u>	<u>1,395.60</u>	<u>1,540.80</u>	<u>1,385.80</u>

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
 Operating Statistics
 Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High				
2018	7,270	\$ 154,786,772.35	\$ 21,291.17	16.32%	778	1:24	1:26	1:24	7,191	6,843	-2.00%	95.15%
2017	7,312	155,459,547.67	21,260.88	16.16%	779	1:24	1:26	1:24	7,259	6,916	-1.08%	95.53%
2016	7,325	149,213,315.49	20,370.42	11.29%	776	1:24	1:26	1:24	7,224	6,901	-1.56%	95.53%
2015	7,429	142,770,827.96	19,218.04	5.00%	690	1:24	1:26	1:24	7,338	7,032	-2.80%	95.83%
2014	7,626	139,580,872.66	18,303.29	7.63%	741	1:24	1:26	1:24	7,550	7,207	-3.17%	95.45%
2013	8,045	136,813,936.18	17,006.08	10.87%	769	1:24	1:26	1:24	7,797	7,417	-3.51%	95.13%
2012	8,347	132,089,511.76	15,824.79	3.17%	794	1:24	1:26	1:24	8,081	7,696	-2.21%	95.20%
2011	8,548	131,110,254.72	15,338.12	-0.30%	825	1:24	1:26	1:24	8,263	7,886	-2.81%	95.40%
2010	8,767	134,874,740.88	15,384.37	3.20%	923	1:24	1:26	1:24	8,502	8,140	-1.49%	95.80%
2009	8,722	130,021,986.73	14,907.36	3.55%	924	1:20	1:22	1:20	8,631	8,251	-2.47%	95.60%

Sources: District Records

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
 School Building Information
 Last Ten Fiscal Years
Unaudited

	Fiscal Year Ended June 30,									
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
School District Building:										
Elementary:										
Bells Elementary School (1967)										
Square Feet	62,617	62,617	62,617	62,617	62,617	62,617	62,617	62,617	62,617	62,617
Capacity (students)	675	675	675	675	675	675	675	675	675	675
Enrollment	437	447	476	499	526	557	563	573	567	566
Birches Elementary School (1968)										
Square Feet	62,411	62,411	62,411	62,411	62,411	62,411	62,411	62,411	62,411	62,411
Capacity (students)	675	675	675	675	675	675	675	675	675	675
Enrollment	446	451	455	466	467	497	497	512	528	514
Grenloch Terrace Early Childhood Center (1936)										
Square Feet	31,139	31,139	31,139	31,139	31,139	31,139	31,139	31,139	31,139	31,139
Capacity (students)	600	600	600	600	600	600	600	600	600	600
Enrollment	344	355	529	494	515	487	557	529	564	585
Hurffville Elementary School (1957)										
Square Feet	65,082	65,082	65,082	65,082	65,082	65,082	65,082	65,082	65,082	65,082
Capacity (students)	675	675	675	675	675	675	675	675	675	675
Enrollment	491	495	443	451	460	485	496	524	533	500
Thomas Jefferson Elementary School (1980)										
Square Feet	81,896	81,896	81,896	81,896	81,896	81,896	81,896	81,896	81,896	81,896
Capacity (students)	675	675	675	675	675	675	675	675	675	675
Enrollment	533	511	386	422	438	436	471	456	459	459
Wedgwood Elementary School (1970)										
Square Feet	64,956	64,956	64,956	64,956	64,956	64,956	64,956	64,956	64,956	64,956
Capacity (students)	675	675	675	675	675	675	675	675	675	675
Enrollment	472	473	412	404	416	443	447	460	509	523
Whitman Elementary School (1965)										
Square Feet	67,415	67,415	67,415	67,415	67,415	67,415	67,415	67,415	67,415	67,415
Capacity (students)	675	675	675	675	675	675	675	675	675	675
Enrollment	487	472	460	495	518	550	551	560	576	592
Middle School:										
Bunker Hill Middle School (1997)										
Square Feet	125,056	125,056	125,056	125,056	125,056	125,056	125,056	125,056	125,056	125,056
Capacity (students)	900	900	900	900	900	900	900	900	900	900
Enrollment	583	608	682	671	690	723	734	759	775	750
Chestnut Ridge Middle School (1989)										
Square Feet	107,000	107,000	107,000	107,000	107,000	107,000	107,000	107,000	107,000	107,000
Capacity (students)	900	900	900	900	900	900	900	900	900	900
Enrollment	697	698	578	561	569	613	651	671	660	697

(Continued)

School District Building (Cont'd):

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
 School Building Information
 Last Ten Fiscal Years
Unaudited

	Fiscal Year Ended June 30,									
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Middle School (Cont'd):										
Orchard Valley Middle School (1989)										
Square Feet	107,000	107,000	107,000	107,000	107,000	107,000	107,000	107,000	107,000	107,000
Capacity (students)	900	900	900	900	900	900	900	900	900	900
Enrollment	547	527	583	591	603	610	605	605	671	689
High School:										
Washington Township High School (1962)										
Square Feet	427,011	427,011	427,011	427,011	427,011	427,011	427,011	427,011	427,011	427,011
Capacity (students)	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200
Enrollment	2,233	2,275	2,321	2,375	2,425	2,512	2,620	2,614	2,646	2,757
Number of Schools at June 30, 2018										
Elementary = 7										
Middle School = 3										
High School = 1										

Source: District Records

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of and additions. Enrollment is based on the annual October District count.

Source: District records, ASSA

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
 Schedule of Required Maintenance
 Last Ten Fiscal Years
Unaudited

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES (11-000-261-XXX)

School Facilities	Project Number	Fiscal Year Ended June 30,									
		2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Bells Elementary School	N/A	\$ 70,033.00	\$ 83,140.00	\$ 58,911.54	\$ 50,438.00	\$ 51,138.00	\$ 54,523.00	\$ 48,008.00	\$ 56,072.46	\$ 55,744.00	\$ 51,350.79
Birches Elementary School	N/A	69,802.00	82,384.00	58,717.73	50,272.00	55,413.00	54,343.00	47,850.00	55,887.99	55,560.00	51,181.86
Bunker Hill Middle School	N/A	139,866.00	169,849.00	117,655.61	101,111.00	104,422.00	109,277.00	96,570.00	111,985.51	111,329.00	102,555.61
Chestnut Ridge Middle School	N/A	119,672.00	131,940.00	104,300.95	86,189.00	92,384.00	93,311.00	82,609.00	95,816.67	95,255.00	87,748.29
Grenloch Terrace Early Childhood Center	N/A	34,827.00	38,397.00	29,296.30	25,083.00	25,430.00	27,114.00	23,874.00	27,884.44	27,956.00	25,536.39
Hurffville Elementary School	N/A	72,789.00	80,251.00	61,230.67	52,424.00	53,151.00	56,669.00	49,897.00	58,279.82	57,938.00	53,372.28
Orchard Valley Middle School	N/A	119,672.00	131,940.00	100,668.11	86,189.00	87,384.00	98,168.00	82,035.00	95,816.67	95,255.00	87,748.29
Thomas Jefferson Elementary School	N/A	91,595.00	104,584.00	77,049.68	65,968.00	66,882.00	71,309.00	62,788.00	73,336.47	72,906.00	67,161.07
Washington Township High School	N/A	480,578.05	531,269.88	406,730.95	347,933.13	360,434.82	379,706.69	334,431.25	390,481.07	384,616.59	361,272.23
Wedgwood Elementary School	N/A	72,649.00	80,096.00	61,112.13	52,322.00	53,510.00	56,559.00	49,801.00	58,166.99	57,826.00	53,268.96
Whitman Elementary School	N/A	75,399.00	83,128.00	64,143.30	54,303.00	55,056.00	58,700.00	51,686.00	60,278.99	60,015.00	55,285.53
Total School Facilities		<u>1,346,882.05</u>	<u>1,516,978.88</u>	<u>1,139,816.97</u>	<u>972,232.13</u>	<u>1,005,204.82</u>	<u>1,059,679.69</u>	<u>929,549.25</u>	<u>1,084,007.08</u>	<u>1,074,400.59</u>	<u>996,481.30</u>
Other Facilities	N/A	-	-	-	-	-	-	-	-	-	-
Total		<u>\$ 1,346,882.05</u>	<u>\$ 1,516,978.88</u>	<u>\$ 1,139,816.97</u>	<u>\$ 972,232.13</u>	<u>\$ 1,005,204.82</u>	<u>\$ 1,059,679.69</u>	<u>\$ 929,549.25</u>	<u>\$ 1,084,007.08</u>	<u>\$ 1,074,400.59</u>	<u>\$ 996,481.30</u>

Source: District Records

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
 Insurance Schedule
 June 30, 2018
Unaudited

<u>Type of Coverage</u>	<u>Insurance Company</u>	<u>Coverage</u>	<u>Deductible</u>
Property / Inland Marine / Automobile Physical Damage	GCSSD-JIF Self Insured Retention	\$ 250,000	\$ 500
Crime - JIF Self Insured Retention	GCSSD-JIF Self Insured Retention	250,000	500
General Liability / Auto Liability - JIF Self Insured Retention	GCSSD-JIF Self Insured Retention	250,000	
Educators Legal Liability - JIF Self Insured Retention	GCSSD-JIF Self Insured Retention	175,000	
Workers Compensation - JIF Self Insured Retention	GCSSD-JIF Self Insured Retention	250,000	
Property / Inland Marine / Automobile Physical Damage	School Pool for Excess Liability Limits JIF**	175,000,000	
Crime	School Pool for Excess Liability Limits JIF**	500,000	
Workers Compensation	School Pool for Excess Liability Limits JIF**	Statutory	
General Liability / Auto Liability	School Pool for Excess Liability Limits JIF**	20,000,000	
Educators' Legal Liability	School Pool for Excess Liability Limits JIF**	20,000,000	
Boiler and Machinery	Travelers Insurance Company	125,000,000	1,000
Pollution Legal Liability	Beazlev / Lloyd's of London	3,000,000	25,000
Mold			100,000
Cyber Liability	AIG / Lexington Insurance Company, Inc.	1,000,000	25,000
Violent Malicious Acts	Lloyd's of London	1,000,000	15,000
Disaster Management Services	Lloyd's of London	2,000,000	15,000
Board Secretary's Bond	Western Surety Company	532,000.00	None
Driving School Bond	Western Surety Company	10,000.00	None
Student Accident Policy	Zurich American Insurance Company		
	Class I and III	1,000,000.00	None
	Class II	5,000,000.00	None
<u>Excess and Reinsurance Carriers Involved</u>			
Property and Crime	SPELL JIF, Great American Insurance Company Axis Surplus Insurance Company Westchester Fire Insurance Company Mitsui Sumitomo Insurance Company of America Ironshore Specialty Insurance Company Evanston Insurance Company RSUI Indemnity Company James River Insurance Company BRIT / Lloyd's of London Colony Insurance Company Diamond State Insurance Company		
General Liability and Automobile Liability	SPELL JIF, Great American Insurance Company		
Workers Compensation	SPELL JIF, Great American Insurance Company, Safety National Casualty Company		
Educators Legal Liability	SPELL JIF, Great American Insurance Company		

Source: School District Records

SINGLE AUDIT SECTION

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

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Washington School District
County of Gloucester, New Jersey 08080

Report on Compliance for Each Major Federal and State Program

We have audited the Township of Washington School District's, in the County of Gloucester, State of New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2018. The School District's major federal and state programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey; Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance, and State of New Jersey Circular 15-08-OMB, 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 Township of Washington School District's, in the County of Gloucester, State of New Jersey, compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the Township of Washington School District, in the County of Gloucester, State of New Jersey, 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.

Report on Internal Control Over Compliance

Management of the Township of Washington School District, in the County of Gloucester, State of New Jersey, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal 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 State of New Jersey Circular 15-08-OMB, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

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

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

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

Respectfully submitted,

BOWMAN & COMPANY LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

L. Jarred Corn

L. Jarred Corn
Certified Public Accountant
Public School Accountant No. CS 00219700

Voorhees, New Jersey
February 12, 2019

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended June 30, 2018

Pass-through Grantor/Program Title	CFDA Number	Federal FAIN Number	Pass-Through Entity Identifying Number	Award Amount	Grant Period		Balance June 30, 2017	Carry-Over Amount
					From	To		
General Fund:								
United States Air Force:								
Air Force Junior ROTC	99.U01	Unavailable	NJ080932	\$ 96,743.66	07/01/17	06/30/18		
Air Force Junior ROTC	99.U01	Unavailable	NJ080932	91,839.00	07/01/16	06/30/17	\$ (9,321.17)	
Total Air Force Junior ROTC							(9,321.17)	-
U.S. Department of Health and Human Services:								
Passed-through the State Department of Education:								
Special Education - Medicaid Initiative Cluster: Medical Assistance Program	93.778	1705NJ5MAP	N/A	198,987.13	07/01/17	06/30/18		
Total Special Education--Medicaid Initiative							-	-
Total General Fund							(9,321.17)	-
Special Revenue Fund:								
U.S. Department of Education:								
Passed-through State Department of Education:								
E.S.E.A.								
Title I	84.010	S010A170030	NCLB552018	590,019.00	07/01/17	06/30/18		\$ 55,682.00
Title I	84.010	S010A160030	NCLB552017	612,503.00	07/01/16	06/30/17	(221,657.00)	(55,682.00)
Total Title I							(221,657.00)	-
Title II - Part A	84.367A	S367A170029	NCLB552018	159,895.00	07/01/17	06/30/18		13,568.00
Title II - Part A	84.367A	S367A160029	NCLB552017	169,730.00	07/01/16	06/30/17	(60,544.00)	(13,568.00)
Total Title II - Part A							(60,544.00)	-
Title III	84.365	S365A170030	NCLB552018	13,537.00	07/01/17	06/30/18		1,284.00
Title III	84.365	S365A160030	NCLB552017	14,936.00	07/01/16	06/30/17	(6,816.00)	(1,284.00)
Title III Immigrant	84.365	S365A170030	NCLB552018	4,762.00	07/01/17	06/30/18		403.00
Title III Immigrant	84.365	S365A160030	NCLB552017	3,353.00	07/01/16	06/30/17	(2,950.00)	(403.00)
Total Title III							(9,766.00)	-
Title IV	84.424	S424A170031	NCLB552018	10,000.00	07/01/17	06/30/18		
Total Title IV							-	-
I.D.E.A. Part B:								
Special Education Cluster:								
Basic	84.027	H027A170100	IDEA552018	2,207,439.00	07/01/17	06/30/18		313,897.00
Basic	84.027	H027A160100	IDEA552017	2,247,721.00	07/01/16	06/30/17	(650,296.00)	(313,897.00)
Pre-School	84.173	H173A170114	IDEA552018	100,699.00	07/01/17	06/30/18		3,361.00
Pre-School	84.173	H173A160114	IDEA552017	99,712.00	07/01/16	06/30/17	(44,254.00)	(3,361.00)
Total I.D.E.A. Part B Special Education Cluster							(694,550.00)	-
Carl D. Perkins Vocational and Technical:								
Education Act of 1998 - Secondary	84.048A	V048A170030	PERK552018	40,120.00	07/01/17	06/30/18		
Education Act of 1998 - Secondary	84.048A	V048A160030	PERK552017	37,809.00	07/01/16	06/30/17	(29,181.00)	
Total Education Act of 1998 - Secondary							(29,181.00)	-
Hurricane Education Recovery:								
Temporary Emergency Impact Aid for Displaced Students	84.938C	S938C18005	100-091-6160	53,177.00	07/01/17	12/31/18		
Total Special Revenue Fund							(1,015,698.00)	-
Enterprise Fund:								
U.S. Department of Agriculture:								
Passed-through State Department of Education:								
Child Nutrition Cluster:								
Non-Cash Assistance (Food Distribution):								
National School Lunch Program	10.555	171NJ304N1099	N/A	130,098.96	07/01/16	06/30/17	2,988.84	
National School Lunch Program	10.555	181NJ304N1099	N/A	113,605.66	07/01/17	06/30/18		
Cash Assistance:								
National School Lunch Program	10.555	171NJ304N1099	N/A	612,813.96	07/01/16	06/30/17	(147,553.84)	
National School Lunch Program	10.555	181NJ304N1099	N/A	625,461.19	07/01/17	06/30/18		
National School Breakfast Program	10.553	171NJ304N1099	N/A	123,080.49	07/01/16	06/30/17	(29,696.39)	
National School Breakfast Program	10.553	181NJ304N1099	N/A	119,307.10	07/01/17	06/30/18		
Special Milk Program	10.556	171NJ304N1099	N/A	714.20	07/01/16	06/30/17	(241.32)	
Special Milk Program	10.556	181NJ304N1099	N/A	607.29	07/01/17	06/30/18		
Total Child Nutrition Cluster							(174,502.71)	-
Total Enterprise Fund							(174,502.71)	-
Total Federal Financial Assistance							\$ (1,199,521.88)	-

(A) See Note 6 to the Schedules of Expenditures of Federal Awards and State Financial Assistance.

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

Cash Received	Adjustments ^(A)	Budgetary Expenditures			Passed-Through to Subrecipients	Repayment of Prior Years' Balances	Balance at June 30, 2018		
		Pass-Through Funds	Direct Funds	Total Budgetary Expenditures			Accounts Receivable	Unearned Revenue	Due to Grantor
\$ 87,427.54 9,321.17			\$ 96,743.66	\$ 96,743.66			\$ (9,316.12)		
96,748.71	-	-	96,743.66	96,743.66	-	-	(9,316.12)	-	-
198,987.13		\$ 198,987.13		198,987.13			-		
198,987.13	-	198,987.13	-	198,987.13	-	-	-	-	-
295,735.84	-	198,987.13	96,743.66	295,730.79	-	-	(9,316.12)	-	-
275,617.00 277,339.00	\$ 0.40	521,136.40		521,136.40			(189,837.00) -		
552,956.00	0.40	521,136.40	-	521,136.40	-	-	(189,837.00)	-	-
61,159.00 74,112.00	(0.48)	138,420.52		138,420.52			(63,694.00)		
135,271.00	(0.48)	138,420.52	-	138,420.52	-	-	(63,694.00)	-	-
6,437.00 8,100.00 254.00 3,353.00	0.03 0.25	11,807.03 4,070.25		11,807.03 4,070.25			(4,086.00) (3,413.00) -		
18,144.00	0.28	15,877.28	-	15,877.28	-	-	(7,499.00)	-	-
		8,712.00		8,712.00			(8,712.00)		
-	-	8,712.00	-	8,712.00	-	-	(8,712.00)	-	-
1,378,052.00 964,193.00 89,741.00 47,615.00	0.14	1,961,034.14 100,699.00		1,961,034.14 100,699.00			(269,085.00) (7,597.00)		
2,479,601.00	0.14	2,061,733.14	-	2,061,733.14	-	-	(276,682.00)	-	-
36,422.00 29,181.00	0.48	39,961.48		39,961.48			(3,539.00)		
65,603.00	0.48	39,961.48	-	39,961.48	-	-	(3,539.00)	-	-
-	-	53,177.00	-	53,177.00	-	-	(53,177.00)	-	-
3,251,575.00	0.82	2,839,017.82	-	2,839,017.82	-	-	(603,140.00)	-	-
113,605.66		2,988.84 108,523.23		2,988.84 108,523.23				\$ 5,082.43	
147,553.84 450,185.78 29,696.39 83,892.55 241.32 407.47		625,461.19 119,307.10 607.29		625,461.19 119,307.10 607.29			(175,275.41) (35,414.55) (199.82)		
825,583.01	-	856,887.65	-	856,887.65	-	-	(210,889.78)	5,082.43	-
825,583.01	-	856,887.65	-	856,887.65	-	-	(210,889.78)	5,082.43	-
\$ 4,372,893.85	\$ 0.82	\$ 3,894,892.60	\$ 96,743.66	\$ 3,991,636.26	-	-	\$ (823,345.90)	\$ 5,082.43	-

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance
 For the Fiscal Year Ended June 30, 2018

State Grantor/ Program Title	State Project Number	Award Amount	Matching	Grant Period		Balance at June 30, 2017	
				From	To	Unearned Revenue/ Accounts Receivable	Due to Grantor
General Fund:							
New Jersey Department of Education:							
Current Expense:							
State Aid - Public Cluster:							
Equalization Aid	18-495-034-5120-078	\$ 38,162,410.00	N/A	07/01/17	06/30/18		
Equalization Aid	17-495-034-5120-078	38,162,410.00	N/A	07/01/16	06/30/17	\$ (3,705,170.00)	
Adjustment Aid	18-495-034-5120-085	2,557,135.00	N/A	07/01/17	06/30/18		
Adjustment Aid	17-495-034-5120-085	3,559,441.00	N/A	07/01/16	06/30/17	(345,584.00)	
Special Education Categorical Aid	18-495-034-5120-089	4,519,182.00	N/A	07/01/17	06/30/18		
Special Education Categorical Aid	17-495-034-5120-089	4,519,182.00	N/A	07/01/16	06/30/17	(438,765.00)	
PARCC Readiness Aid	18-495-034-5120-098	73,560.00	N/A	07/01/17	06/30/18		
PARCC Readiness Aid	17-495-034-5120-098	73,560.00	N/A	07/01/16	06/30/17	(7,142.00)	
Per Pupil Aid	18-495-034-5120-097	73,560.00	N/A	07/01/17	06/30/18		
Per Pupil Aid	17-495-034-5120-097	73,560.00	N/A	07/01/16	06/30/17	(7,142.00)	
Professional Learning Community Aid	18-495-034-5120-101	70,390.00	N/A	07/01/17	06/30/18		
Professional Learning Community Aid	17-495-034-5120-101	70,390.00	N/A	07/01/16	06/30/17	(6,834.00)	
Security Aid	18-495-034-5120-084	747,449.00	N/A	07/01/17	06/30/18		
Security Aid	17-495-034-5120-084	747,449.00	N/A	07/01/16	06/30/17	(72,569.00)	
Total State Aid - Public Cluster						(4,583,206.00)	-
Transportation Aid:							
Transportation Aid	18-495-034-5120-014	2,909,313.00	N/A	07/01/17	06/30/18		
Transportation Aid	17-495-034-5120-014	2,909,313.00	N/A	07/01/16	06/30/17	(282,464.00)	
Nonpublic School Transportation Aid	18-495-034-5120-014	78,626.00	N/A	07/01/17	06/30/18		
Nonpublic School Transportation Aid	17-495-034-5120-014	54,282.00	N/A	07/01/16	06/30/17	(54,282.00)	
Total Transportation Aid						(336,746.00)	-
Extraordinary Special Education Costs Aid							
Extraordinary Special Education Costs Aid	18-495-034-5120-044	1,357,198.00	N/A	07/01/17	06/30/18		
Extraordinary Special Education Costs Aid	17-495-034-5120-044	1,606,364.00	N/A	07/01/16	06/30/17	(1,606,364.00)	
Total Extraordinary Special Education Costs Aid						(1,606,364.00)	-
Payment for Institutionalized Children - Unknown District of Residence							
Payment for Institutionalized Children - Unknown District of Residence	18-495-034-5120-005	504,179.26	N/A	07/01/17	06/30/18		
Payment for Institutionalized Children - Unknown District of Residence	17-495-034-5120-005	241,535.28	N/A	07/01/16	06/30/17	(105,359.53)	
Total Payment for Institutionalized Children - Unknown District of Residence						(105,359.53)	-
Lead Testing for Schools Aid							
Lead Testing for Schools Aid	17-495-034-5120-104	18,095.04	N/A	07/01/16	06/30/17	(18,095.04)	-
Reimbursed TPAF Social Security Contributions							
Reimbursed TPAF Social Security Contributions	18-495-034-5094-003	4,214,104.49	N/A	07/01/17	06/30/18		
Reimbursed TPAF Social Security Contributions	17-495-034-5094-003	4,137,007.58	N/A	07/01/16	06/30/17	(92,488.25)	
Total Reimbursed TPAF Social Security Contributions						(92,488.25)	-
Total General Fund						(6,742,258.82)	-
Special Revenue Fund:							
New Jersey Department of Education:							
Nonpublic Aid:							
Nursing Services	18-100-034-5120-070	3,686.00	N/A	07/01/17	06/30/18		
Nursing Services	17-100-034-5120-070	6,660.00	N/A	07/01/16	06/30/17		\$ 1,080.00
Total Nursing Aid						-	1,080.00
Textbook Aid (Ch. 194, L. 1977)							
Textbook Aid (Ch. 194, L. 1977)	18-100-034-5120-064	2,082.00	N/A	07/01/17	06/30/18		
Textbook Aid (Ch. 194, L. 1977)	17-100-034-5120-064	4,266.00	N/A	07/01/16	06/30/17		1,596.00
Total Textbook Aid (Ch. 194, L. 1977)						-	1,596.00
Technology Aid							
Technology Aid	18-100-034-5120-373	1,406.00	N/A	07/01/17	06/30/18		
Technology Aid	17-100-034-5120-373	1,924.00	N/A	07/01/16	06/30/17		611.00
Total Technology Aid						-	611.00
Nonpublic Aid:							
Security Aid	18-100-034-5120-509	2,850.00	N/A	07/01/17	06/30/18		
Security Aid	17-100-034-5120-509	3,700.00	N/A	07/01/16	06/30/17		1,852.00
Total Security Aid						-	1,852.00
Auxiliary Services (Ch. 192, L. 1977)							
Compensatory Education	18-100-034-5120-067	12,402.00	N/A	07/01/17	06/30/18		
Transportation and Maintenance		2,236.00	N/A	07/01/17	06/30/18		
Auxiliary Services (Ch. 192, L. 1977)	17-100-034-5120-067						
Compensatory Education		3,583.00	N/A	07/01/16	06/30/17		716.00
Transportation and Maintenance		1,608.00	N/A	07/01/16	06/30/17		979.00
Total Auxiliary Services (Ch. 192, L. 1977)						-	1,695.00
Handicapped Services (Ch. 193, L. 1977)							
Corrective Speech	18-100-034-5120-066	16,070.00	N/A	07/01/17	06/30/18		
Examination and Classification		5,092.00	N/A	07/01/17	06/30/18		
Supplementary Instruction		793.00	N/A	07/01/17	06/30/18		
Handicapped Services (Ch. 193, L. 1977)	17-100-034-5120-066						
Corrective Speech		15,903.00	N/A	07/01/16	06/30/17		10,779.00
Examination and Classification		1,621.00	N/A	07/01/16	06/30/17		1,621.00
Supplementary Instruction		785.00	N/A	07/01/16	06/30/17		785.00
Total Handicapped Services (Ch. 193, L. 1977)						-	13,185.00
Total Special Revenue Fund						-	20,019.00

Carryover/ Walkover Amount	Cash Received	Adjustments ^(A)	Total Budgetary Expenditures	Passed- Through to Subrecipients	Repayment of Prior Years' Balances	Balance at June 30, 2018			(Memo Only)	
						Accounts Receivable	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2018	Cumulative Total Expenditures
	\$ 34,451,724.00		\$ 38,162,410.00			\$ (3,710,686.00)			\$ (3,710,686.00)	\$ 38,162,410.00
	3,705,170.00									
	2,308,494.00		2,557,135.00			(248,641.00)			(248,641.00)	2,557,135.00
	345,584.00									
	4,079,764.00		4,519,182.00			(439,418.00)			(439,418.00)	4,519,182.00
	438,765.00									
	66,407.00		73,560.00			(7,153.00)			(7,153.00)	73,560.00
	7,142.00									
	66,407.00		73,560.00			(7,153.00)			(7,153.00)	73,560.00
	7,142.00									
	63,546.00		70,390.00			(6,844.00)			(6,844.00)	70,390.00
	8,834.00									
	674,771.00		747,449.00			(72,678.00)			(72,678.00)	747,449.00
	72,569.00									
-	46,294,319.00	-	46,203,686.00	-	-	(4,492,573.00)	-	-	(4,492,573.00)	46,203,686.00
	2,626,429.00		2,909,313.00			(282,884.00)			(282,884.00)	2,909,313.00
	282,464.00									
			78,626.00			(78,626.00)				78,626.00
	54,282.00									
-	2,963,175.00	-	2,987,939.00	-	-	(361,510.00)	-	-	(282,884.00)	2,987,939.00
			1,357,198.00			(1,357,198.00)				1,357,198.00
	1,606,364.00									
-	1,606,364.00	-	1,357,198.00	-	-	(1,357,198.00)	-	-	-	1,357,198.00
	103,571.34		504,179.26			(400,607.92)				504,179.26
	105,359.53									
-	208,930.87	-	504,179.26	-	-	(400,607.92)	-	-	-	504,179.26
-	18,095.04	-	-	-	-	-	-	-	-	-
	4,006,659.35		4,214,104.49			(207,445.14)				4,214,104.49
	92,468.25									
-	4,099,147.60	-	4,214,104.49	-	-	(207,445.14)	-	-	-	4,214,104.49
-	55,190,031.51	-	55,267,106.75	-	-	(6,819,334.06)	-	-	(4,775,457.00)	55,267,106.75
	3,686.00		3,686.00		\$ 1,080.00					3,686.00
-	3,686.00	-	3,686.00	-	1,080.00	-	-	-	-	3,686.00
	2,082.00	\$ 0.35	1,748.35		1,596.00			\$ 334.00		1,748.35
-	2,082.00	0.35	1,748.35	-	1,596.00	-	-	334.00	-	1,748.35
	1,406.00	0.20	618.20		611.00			788.00		618.20
-	1,406.00	0.20	618.20	-	611.00	-	-	788.00	-	618.20
	2,850.00		1,443.00		1,852.00			1,407.00		1,443.00
-	2,850.00	-	1,443.00	-	1,852.00	-	-	1,407.00	-	1,443.00
	12,402.00	(0.44)	2,834.56					9,567.00		2,834.56
	2,236.00	0.43	399.43					1,837.00		399.43
					716.00					
					979.00					
-	14,638.00	(0.01)	3,233.99	-	1,695.00	-	-	11,404.00	-	3,233.99
	16,070.00	0.16	1,964.16					14,106.00		1,964.16
	5,092.00	0.24	2,546.24					2,546.00		2,546.24
	793.00							793.00		
					10,779.00					
					1,621.00					
					785.00					
-	21,955.00	0.40	4,510.40	-	13,185.00	-	-	17,445.00	-	4,510.40
-	46,617.00	0.94	15,239.94	-	20,019.00	-	-	31,378.00	-	15,239.94

(Continued)

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance
 For the Fiscal Year Ended June 30, 2018

State Grantor/ Program Title	State Project Number	Award Amount	Matching	Grant Period		Balance at June 30, 2017	
				From	To	Unearned Revenue/ Accounts Receivable	Due to Grantor
Capital Projects Fund:							
New Jersey Economic Development Authority:							
Bells Elementary Air Conditioning/Security	5500-025-05-1000	\$ 965,244.00	\$ 960,282.00	10/26/04	Project End		\$ 219.37
Birches Elementary Air Conditioning/Security	5500-027-05-1000	965,244.00	960,282.00	10/26/04	Project End		6,911.82
Wedgwood Elementary Air Conditioning/Security	5500-060-05-1000	859,321.00	866,280.00	10/26/04	Project End		3,564.68
Whitman Elementary Air Conditioning/Security	5500-070-05-1000	965,244.00	960,282.00	10/24/04	Project End		8,247.59
High School Science Labs	5500-010-05-3000	430,963.00	397,890.00	12/22/05	Project End	\$ (335,309.25)	
Whitman Elementary Roof	5500-070-14-1018	399,908.00	599,862.00	09/11/14	Project End		
Grenloch Elementary Roof	5500-030-14-1011	268,779.00	403,168.00	09/11/14	Project End		
High School Cooling Tower	5500-010-14-1001	94,640.00	141,960.00	09/11/14	Project End		
Bells Elementary Boiler Replacement	5500-025-14-1005	232,600.00	348,900.00	09/11/14	Project End		
Birches Elementary Boiler Replacement	5500-027-14-1009	232,600.00	348,900.00	09/11/14	Project End		
High School Boiler Replacement	5500-010-14-1002	596,219.00	894,328.00	09/11/14	Project End		
Wedgwood Elementary Boiler Replacement	5500-026-14-1016	271,520.00	407,280.00	09/11/14	Project End		
Whitman Elementary Boiler Replacement	5500-070-14-1017	271,920.00	407,880.00	09/11/14	Project End		
Bells Elementary Security Improvements	5500-025-14-1006	30,010.00	45,014.00	09/11/14	Project End		
Bunker Hill Middle School Security Improvements	5500-020-14-1004	51,198.00	76,797.00	09/11/14	Project End		
Birches Elementary Security Improvements	5500-027-14-1008	30,000.00	45,000.00	09/11/14	Project End		
Chestnut Ridge Middle School Security Improvements	5500-026-14-1007	49,951.00	74,926.00	09/11/14	Project End		
Grenloch Elementary Security Improvements	5500-030-14-1012	28,038.00	42,056.00	09/11/14	Project End		
Hurffville Elementary Security Improvements	5500-040-14-1013	30,116.00	45,174.00	09/11/14	Project End		
Orchard Valley Middle School Security Improvements	5500-050-14-1014	49,511.00	74,266.00	09/11/14	Project End		
Thomas Jefferson Elementary Security Improvements	5500-028-14-1010	30,203.00	45,304.00	09/11/14	Project End		
Wedgwood Elementary Security Improvements	5500-060-14-1015	30,000.00	45,000.00	09/11/14	Project End		
Whitman Elementary Security Improvements	5500-070-14-1019	29,936.00	44,905.00	09/11/14	Project End		
Total Additional State School Building Aid						<u>(335,309.25)</u>	<u>18,943.46</u>
Total Capital Projects Fund						<u>(335,309.25)</u>	<u>18,943.46</u>
Enterprise Fund:							
State School Lunch Aid	18-100-010-3350-023	19,289.33	N/A	07/01/17	06/30/18		
State School Lunch Aid	17-100-010-3350-023	16,966.56	N/A	07/01/16	06/30/17	(4,077.86)	
Total State School Lunch Aid						<u>(4,077.86)</u>	<u>-</u>
Total Enterprise Fund						<u>(4,077.86)</u>	<u>-</u>
Total State Financial Assistance subject to Major Program Determination for State Single Audit						<u>(7,081,645.93)</u>	<u>38,962.46</u>
State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:							
General Fund (Non-Cash Assistance):							
New Jersey Department of Treasury:							
On-behalf T.P.A.F. Pension Contributions - Normal Cost	18-495-034-5094-002	8,209,751.00	N/A	07/01/17	06/30/18		
On-behalf T.P.A.F. Pension Contributions - Non-contributory Insurance	18-495-034-5094-004	199,230.00	N/A	07/01/17	06/30/18		
On-behalf T.P.A.F. Pension Contributions - Long-Term Disability Insurance	18-495-034-5094-004	9,696.00	N/A	07/01/17	06/30/18		
On-behalf T.P.A.F. Pension Contributions - Post Retirement Medical	18-495-034-5094-001	5,431,182.00	N/A	07/01/17	06/30/18		
Total General Fund (Non-Cash Assistance)						<u>-</u>	<u>-</u>
Total State Financial Assistance						<u>\$ (7,081,645.93)</u>	<u>\$ 38,962.46</u>

^(A) See Note 6 to the Schedules of Expenditures of Federal Awards and State Financial Assistance.

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

Carryover/ Walkover Amount	Cash Received	Adjustments ^(A)	Total Budgetary Expenditures	Passed- Through to Subrecipients	Repayment of Prior Years' Balances	Balance at June 30, 2018			(Memo Only)	
						Accounts Receivable	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2018	Cumulative Total Expenditures
								\$ 219.37		\$ 1,925,231.62
								6,911.82		1,918,539.17
								3,564.68		1,721,941.69
								8,247.59		1,917,203.40
	\$ 259,219.55		\$ 11,483.37			\$ (87,573.07)				761,583.06
										866,152.95
										648,744.85
										227,696.00
										488,162.15
										481,810.88
										1,290,621.87
										577,817.91
										554,668.71
										28,140.06
										47,846.56
										27,703.76
										46,537.96
										26,719.76
										27,549.76
										46,328.16
										26,194.20
										26,190.20
										27,517.56
-	259,219.55		11,483.37	-	-	(87,573.07)	-	18,943.46	-	13,710,902.24
-	259,219.55	-	11,483.37	-	-	(87,573.07)	-	18,943.46	-	13,710,902.24
	13,847.26		19,289.33			(5,442.07)				19,289.33
	4,077.86									-
-	17,925.12	-	19,289.33	-	-	(5,442.07)	-	-	-	19,289.33
-	17,925.12	-	19,289.33	-	-	(5,442.07)	-	-	-	19,289.33
-	55,513,793.18	0.94	55,313,119.39	-	20,019.00	(6,912,349.20)	-	50,321.46	(4,775,457.00)	69,012,538.26
	8,209,751.00		8,209,751.00							8,209,751.00
	199,230.00		199,230.00							199,230.00
	9,696.00		9,696.00							10,289.00
	5,431,182.00		5,431,182.00							5,431,182.00
-	13,849,859.00	-	13,849,859.00	-	-	-	-	-	-	13,850,452.00
-	\$ 69,363,652.18	\$ 0.94	\$ 69,162,978.39	-	\$ 20,019.00	\$ (6,912,349.20)	-	\$ 50,321.46	\$ (4,775,457.00)	\$ 82,862,990.26

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2018

Note 1: BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance (“the schedules”) include federal and state award activity of the Township of Washington School District (hereafter referred to as the “School District”). The School District is defined in note 1 to the School District’s basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules. Because these schedules present only a selected portion of the operations of the School District, it is not intended to and does not present the financial position and changes in operations of the School District.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedules are presented using the budgetary basis of accounting, with the following exceptions: programs recorded in the capital projects fund are presented on the modified accrual basis of accounting and programs recorded in the enterprise fund are presented using the accrual basis of accounting. These bases of accounting are described in note 1 to the School District’s basic financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Note 3: INDIRECT COST RATE

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

Note 4: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

Note 4: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D)

The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is \$90,213.00 for the general fund and \$12,111.20 for the special revenue fund. See exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

Awards and financial assistance expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 295,730.79	\$ 69,207,178.75	\$ 69,502,909.54
Special Revenue	2,851,129.02	15,239.94	2,866,368.96
Capital Projects		11,483.37	11,483.37
Food Service	856,887.65	19,289.33	876,176.98
	<u>\$ 4,003,747.46</u>	<u>\$ 69,253,191.39</u>	<u>\$ 73,256,938.85</u>
Total Awards and Financial Assistance	<u>\$ 4,003,747.46</u>	<u>\$ 69,253,191.39</u>	<u>\$ 73,256,938.85</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: ADJUSTMENTS

Amounts reported in the column entitled "adjustments" represent rounding adjustments.

Note 7: REIMBURSED AND ON-BEHALF PAYMENTS

During the fiscal year ended June 30, 2018, the School District was the recipient of federal and state assistance that represented either a reimbursement to the School District or payments made on-behalf of the School District. Revenues and expenditures reported under the federal food distribution program represent the current year value received and the current year distribution, respectively, of American-grown United States Department of Agriculture foods utilized in the School District's food service program. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year. Lastly, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance related to TPAF members.

Note 8: MAJOR PROGRAMS

Major programs are identified in the *Summary of Auditor's Results* section of the *Schedule of Findings and Questioned Costs*.

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended June 30, 2018

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

 Material weakness(es) identified? yes X no

 Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

 Material weakness(es) identified? yes X no

 Significant deficiency(ies) identified? yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with Section 516 of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)? yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>93.778</u>	<u>1705NJ5MAP</u>	<u>Medical Assistance Program Cluster (SEMI)</u>
		<u>Special Education Cluster:</u>
<u>84.027</u>	<u>H027A170100</u>	<u>I.D.E.A. Basic</u>
<u>84.173</u>	<u>H173A170114</u>	<u>I.D.E.A. Preschool</u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>

Dollar threshold used to determine Type A programs \$ 750,000.00

Auditee qualified as low-risk auditee? X yes no

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended June 30, 2018

Section 1- Summary of Auditor's Results (Cont'd)

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? _____ yes X no

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

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

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

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
	State Aid - Public Cluster: _____
<u>18-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>18-495-034-5120-089</u>	<u>Special Education Categorical Aid</u>
<u>18-495-034-5120-085</u>	<u>Adjustment Aid</u>
<u>18-495-034-5120-084</u>	<u>Security Aid</u>
<u>18-495-034-5095-098</u>	<u>PARCC Readiness Aid</u>
<u>18-495-034-5095-097</u>	<u>Per Pupil Growth Aid</u>
<u>18-495-034-5120-101</u>	<u>Professional Learning Community Aid</u>
<u>18-495-034-5120-014</u>	<u>Transportation Aid / Nonpublic School Transportation Aid</u>
<u>18-495-034-5094-003</u>	<u>Reimbursed TPAF Social Security Contributions</u>

Dollar threshold used to determine Type A programs \$ _____ 1,659,049.00

Auditee qualified as low-risk auditee? X yes _____ no

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2018

Section 2- Schedule of Financial Statement Findings

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

None.

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2018

Section 3- Schedule of Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

None.

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2018

Section 4- Schedule of State Financial Assistance Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major State programs, as required by State of New Jersey Circular 15-08-OMB.

None.

TOWNSHIP OF WASHINGTON SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management

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

FINANCIAL STATEMENT FINDINGS

None.

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE PROGRAMS

None.

