

**SCHOOL DISTRICT**

**OF**

**WHITE TOWNSHIP**

**White Township School District  
Board of Education  
Belvidere, Warren County  
New Jersey**

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



# **Comprehensive Annual**

## **Financial Report**

**of the**

**White Township School District**

**Board of Education**

**Bevidere, New Jersey**

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

**Prepared by**

**White Township School District**

**Board of Education**

**Finance Department**



# OUTLINE OF CAFR

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## **Introductory Section**





White Township Consolidated School  
565 County Route 519  
Belvidere, NJ 07823  
Phone: 908-475-4773  
FAX: 908-475-3627  
<http://www.whitetwpsd.org>

William Thompson  
Chief School Administrator

Dawn Huff  
Business Administrator

January 16, 2019

Honorable President and  
Members of the Board of Education  
White Township School District  
County of Warren, New Jersey

Dear Board Members and Constituents of White Township:

The comprehensive annual financial report of the White Township School District for the fiscal year ended June 30, 2018, is hereby submitted. Responsibility for both the accuracy of the data and the 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 and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a Roster of Officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the U.S. Office of Management and Budget Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*, and NJ OMB's Circular 15-08 OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

**1) REPORTING ENTITY AND ITS SERVICES:** White Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by Statement No. 14. All funds and account groups of the District are included in this report. The White Township Board of Education and its school constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 8, and has a sending/receiving relationship with the Belvidere School District and Warren County Technical School for its 9th through 12th grade students. These include regular as well as special education for special needs students. The district completed the 2017-18 fiscal year with an average enrollment of 262 students in our Pre-Kindergarten through 8<sup>th</sup> Grade program.

**2) ECONOMIC CONDITION AND OUTLOOK:** The White Township area has experienced a decrease in development over the past several years. There has not been any subdivision development. In housing, growth is relatively flat, consisting of one-family residences. Since there is no substantive expansion of business in White Township, there is no material increase in the employment level or tax base (either residential or industrial). This condition is expected to continue which suggests that White Township enrollment may continue to decrease as it has over the past five years.

**MAJOR INITIATIVES:** Despite flat state aid, the White Township School continued its focus on the school level objectives. Our administration and teachers continue revisions to the curricula to assure that they are aligned with the New Jersey Student Learning Standards. The district also continued its attention on the NJSLS in all other subject areas. Student needs were serviced in the areas of Special Education and speech. Our Preschool program continues to serve PSD students and tuition paying general education students. Students continued to be grouped with teachers in clusters. World Language instruction continued weekly for grades K-5 and twice a week for grades 6 and 8.

The district continued the identification and service of exceptional students. At risk students were identified by classroom teachers and service plans are developed through our Intervention and Referral Services Team. Students eligible for Response to Intervention (RTI) were served in reading, writing, and mathematics. Gifted students are identified through a comprehensive formal process and served in the area of mathematics and language arts. Our technology plans have been modified to ensure that all resources were in place to properly administer the PARCC assessments.

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

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. Internal control 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 approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as a reservation 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 Accounting Standards Board (GASB), and in 2017-2018 were inclusive of the new GASB requirements. The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements".

**7) FINANCIAL INFORMATION:** A summary of financial information is presented in the section Management's Disclosure and Analysis for The Fiscal Year Ended June 30, 2018.

**8) DEBT ADMINISTRATION:** At June 30, 2018, the District had no outstanding debt issues.

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”. 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, hazard and theft insurance on property and contents, environmental impairment coverage, worker’s compensation and fidelity bonds.

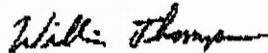
**11) OTHER INFORMATION:**

**Independent Audit** – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board selected the accounting firm of Ardito & Company, LLP. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related OMB Uniform Guidance and New Jersey OMB’s Circular I5-08. The auditor’s report on the general-purpose financial statements, and combining and individual fund statements and schedules, are 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.

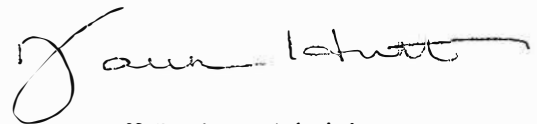
12) **ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of the White Township Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and support staff.

13) **SERVICE EFFORTS AND ACCOMPLISHMENTS:** This year the district completed several projects including the installation of a new fire alarm panel, painting in several classrooms, plumbing updates in the Science room and replaced the overhead door in the Cafeteria. The District continues to provide the appropriate replacement and updating of its facility to provide for a safe, secure and efficient building.

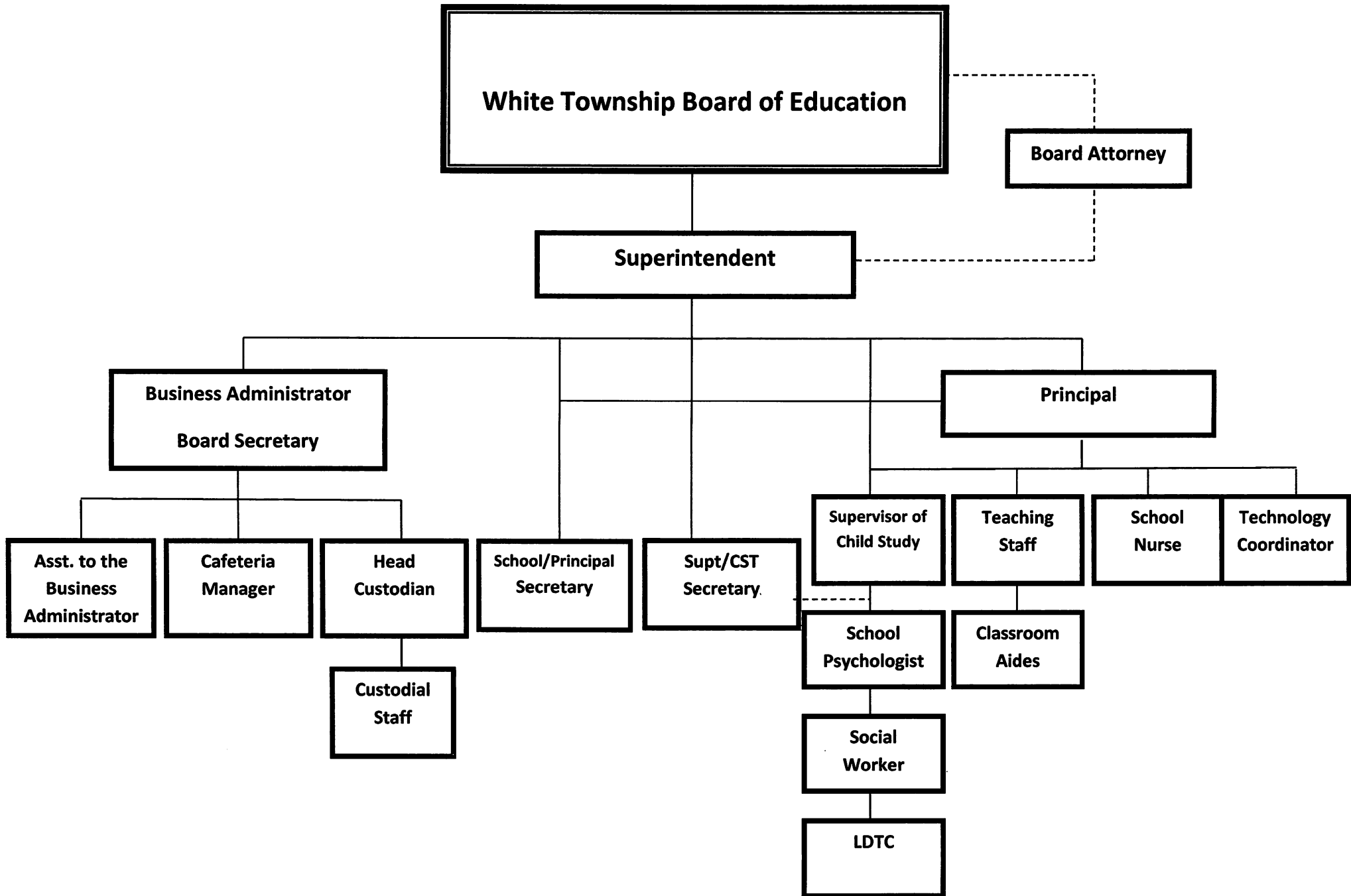
Respectfully submitted,



William Thompson, Chief School Administrator



Dawn Huff, Business Administrator



**WHITE TOWNSHIP SCHOOL DISTRICT**

**BOARD OF EDUCATION**

**ROSTER OF OFFICIALS**

**June 30, 2018**

**Members of the Board of Education**

**Term Expires**

Mark Boehm, President	2018
Frank Panetta, Vice-President	2020
Rachel Burris-Nikolopoulos	2019
Dorissalba Sroka	2019
David Rader	2018
Michelle Lee	2019
Colleen Howell	2018
Colleen Williams	2020
Catherine Lensi	2020

**Other Officials**

Michael Slattery, *Chief School Administrator*

Dawn Werkheiser, *Principal*

Dawn Huff, *Board Secretary/Business Administrator*

John Comegno, Esquire, *Solicitor*

**WHITE TOWNSHIP SCHOOL DISTRICT**

**BOARD OF EDUCATION**

**CONSULTANTS AND ADVISORS**

**AUDIT FIRM**

**Ardito & Co., LLP**  
1110 Harrison Street, Suite C  
Frenchtown, New Jersey 08825-1192

**ATTORNEY**

**John Comegno, Esquire**  
**Comegno Law Group, P.C.**  
521 Pleasant Valley Ave.  
Moorestown, NJ 08057

**OFFICIAL DEPOSITORIES**

**First Hope Bank**  
P.O.Box 296  
Hope, NJ 07844

## **Financial Section**

# **Independent Auditor's Report**





## **ARDITO & Co., LLP**

1110 Harrison Street, Suite C  
Frenchtown, New Jersey 08825-1192  
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Anthony Ardito, CPA, RMA, CMFO, PSA  
Douglas R. Williams, CPA, RMA, PSA

### **Independent Auditor's Report**

The Honorable President and  
Members of the Board of Education  
White Township School District  
565 CR 519  
County of Warren  
Belvidere, New Jersey 07823

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

We have audited the accompanying financial statements of the government activities, the business-type activities, each major fund and the aggregate remaining fund information of the White Township School District Board of Education, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the 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 and the standards applicable to financial audits contained in ***Government Auditing Standards***, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

-Continued-

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, business-type activities, each major fund, and the aggregate remaining fund information of the White Township School District Board of Education, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension trend information as identified 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 White Township School District Board of Education's basic financial statements. The introductory section, combining and individual fund financial statements, long-term debt schedules, statistical section, and schedule of state financial assistance, as required by New Jersey OMB's Circular 15-08, ***Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid***, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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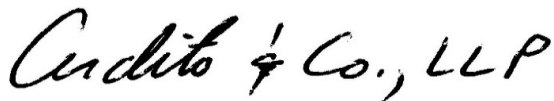
The combining and individual fund financial statement information, long-term debt schedules, and the schedule of state financial assistance, as required by New Jersey OMB's Circular 15-08, ***Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid***, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the combining and individual fund financial statement information, long-term debt schedules, and schedule of state financial assistance, as required by New Jersey OMB's Circular 15-08, ***Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid***, are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

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

In accordance with ***Government Auditing Standards***, we have also issued our report dated January 16, 2019, on our consideration of the White Township School District Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with ***Government Auditing Standards*** in considering the District's internal control over financial reporting and compliance.



ARDITO & CO., LLP  
January 16, 2019



Licensed Public School Accountant No. 2369

**Required Supplementary Information - Part I**

**Management's Discussion and Analysis**

WHITE TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED

The discussion and analysis of White Township School District's 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 decreased \$3,934 which represents a 0.1% decrease from 2017.
- ◆ General revenues accounted for \$7,373,109 in revenue or 62.1% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$4,500,417 or 37.9% of total revenues of \$11,873,526.
- ◆ Total assets of governmental activities decreased by \$376,328, as cash and cash equivalents decreased by \$314,821, receivables decreased by \$16,915, and capital assets decreased by \$46,720.
- ◆ The School District had \$11,877,460 in expenses; only \$4,500,417 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$7,373,109 were available to provide for these programs.
- ◆ Among major funds, the General Fund had \$9,718,119 in revenues and \$10,060,677 in expenditures. The General Fund's surplus balance decreased \$342,558 over 2017, which compares favorably to the budgeted decrease of \$889,031.

**Using this Generally Accepted Accounting Principals Report (GAAP)**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand White Township School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities. The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail.

For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of White Township School District, the General Fund is by far the most significant fund.

WHITE TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED

**Reporting the School District as a Whole**

**Statement of Net Position and the Statement of Activities**

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2018?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector 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 positions 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. Nonfinancial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- Governmental activities--All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- Business-type Activity--This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

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

**Fund Financial Statements**

The analysis of the School District's major funds begins on Exhibit B-1. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude 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, Special Revenue Fund, and Capital Projects Fund.

WHITE TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED

**Governmental Funds**

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 years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of 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.

**The School District as a Whole**

Recall that 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 compared to 2017.

**Table 1  
Net Position**

	<u>2018</u>	<u>2017</u>
<b>Assets</b>		
Current and Other Assets	\$ 1,938,376	\$ 2,267,984
Capital Assets	<u>3,532,493</u>	<u>3,579,213</u>
<b>Total Assets</b>	<u>5,470,869</u>	<u>5,847,197</u>
<b>Deferred Outflows of Resources</b>	<u>330,589</u>	<u>449,856</u>
<b>Liabilities</b>		
Long-Term Liabilities	1,164,401	1,827,368
Other Liabilities	<u>18,129</u>	<u>10,787</u>
<b>Total Liabilities</b>	<u>1,182,530</u>	<u>1,838,155</u>
<b>Deferred Inflows of Resources</b>	<u>266,777</u>	<u>102,813</u>
<b>Net Position</b>		
Invested in Capital Assets, Net of Debt	3,532,493	3,209,213
Restricted	1,057,559	1,357,862
Unrestricted	<u>(237,901)</u>	<u>(210,990)</u>
<b>Total Net Position</b>	<u>\$ 4,352,151</u>	<u>\$ 4,356,085</u>

WHITE TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED

Total assets of governmental activities decreased by \$376,328, as cash and cash equivalents decreased by \$314,821, receivables decreased by \$16,915, and capital assets decreased by \$46,720.

The cash decrease was mainly due to the decrease in long term debt and capital asset spending. The capital assets decrease was entirely due to depreciation expense, net of capital spending for the year.

Table 2 shows the changes in Net Position from fiscal year 2017.

**Table 2**  
**Changes in Net Position**

	<u>2018</u>	<u>2017</u>
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 49,058	\$ 47,970
Operating Grants and Contributions	4,451,359	4,784,855
General Revenues:		
Property Taxes	7,343,122	7,342,685
Federal & State Aid on Capital Asset Projects		
Investment Earnings	27,659	16,346
Other	<u>2,328</u>	<u>4,909</u>
<b>Total Revenues</b>	<u>11,873,526</u>	<u>12,196,765</u>
<b>Program Expenses</b>		
Instruction	5,012,335	5,298,113
Support Services:		
Tuition	3,003,481	3,029,157
Pupils and Instructional Staff	1,420,712	1,430,576
General Administration, School Administration, Business	859,223	844,151
Operations and Maintenance of Facilities	846,356	741,748
Pupil Transportation	588,391	565,651
Business-Type Activities	55,672	71,807
Interest and Fiscal Charges	<u>91,290</u>	<u>101,134</u>
<b>Total Expenses</b>	<u>11,877,460</u>	<u>12,082,337</u>
Increase in Net Position	<u>\$ (3,934)</u>	<u>\$ 114,428</u>



WHITE TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED

**Governmental Activities**

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 61.8% percent of revenues for governmental activities for the White Township School District for the fiscal year 2018.

Instruction comprises 42.2% of district expenses. Support services expenses make up 56.6% of the expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services compared to 2017. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

**Table 3**

	<u>Total Cost of Services 2018</u>	<u>Net Cost of Services 2018</u>	<u>Total Cost of Services 2017</u>	<u>Net Cost of Services 2017</u>
Instruction	\$ 5,012,335	\$ 3,035,588	5,298,113	\$3,111,536
Support Services:				
Tuition	3,003,481	1,930,089	3,029,157	1,878,345
Pupils and Instructional Staff	1,420,712	886,958	1,430,576	866,431
General Admin., School Admin., Business	859,223	552,152	844,151	523,448
Operation and Maintenance of Facilities	846,356	543,883	741,748	459,949
Pupil Transportation	588,391	378,110	565,651	350,754
Business-Type Activities	55,672	6,905	71,807	5,784
Interest and Fiscal Charges	91,290	43,358	101,134	53,265
<b>Total Expenses</b>	<u>\$ 11,877,460</u>	<u>\$ 7,377,043</u>	<u>\$ 12,082,337</u>	<u>\$ 7,249,512</u>

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

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

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

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

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

WHITE TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED

Business-type activities includes expenses related to activities provided by the School District which are designed to provide for students to participate in food service.

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

The dependence upon tax revenues is apparent. Over 60.6% of instruction activities are supported through taxes and other general revenues; for all activities general revenue support is 63.9%. The community, as a whole, is the primary support for the White Township School District.

**The School District's Funds**

Information about the School District's major funds starts on exhibit B-1. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other sources of \$10,285,120 and expenditures of \$10,627,678. The General Fund's surplus balance decreased \$342,558 over 2017, which compares favorably to the budgeted decrease of \$889,031.

**General Fund Budgeting Highlights**

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

During the course of the fiscal 2018 year, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

For the General Fund, budget basis revenue and other financing sources, excluding on-behalf payments, was \$8,880,928, \$96,165 over original budgeted estimates of \$8,784,763. This difference was due primarily to extraordinary aid and miscellaneous revenues.

General fund revenues fell short of expenditures by \$342,006. Again this deficit compares to a budgeted deficit of \$889,031, which was due to the budgeted use of surplus, capital reserves and tuition reserves needed to balance the 2018 budget.

The budgeted deficit was reduced due revenue increases and cost savings in the areas of instruction, administration and support costs, maintenance, and benefits in the amount of \$492,329.

Overall general fund balance (budget basis) was \$2,073,000, and amounts ear-marked and reserved for future purposes were \$1,755,168, creating a surplus in unreserved fund balance of \$317,832. Management believes unreserved fund balance at statutory levels will provide adequate working capital for the district.

WHITE TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED

**Capital Assets**

At the end of the fiscal year 2018, the School District had \$3,518,448 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2018 balances compared to 2017.

**Table 4**  
**Capital Assets (Net of Depreciation) at June 30,**

	<u>2018</u>	<u>2017</u>
Land	\$ 49,010	\$ 49,010
Land Improvements	1,629	4,881
Buildings and Improvements	3,194,488	3,225,178
Machinery and Equipment	<u>273,321</u>	<u>279,570</u>
Totals	<u>\$ 3,518,448</u>	<u>\$ 3,558,639</u>

Overall capital assets decreased \$40,191 from fiscal year 2017 to fiscal year 2018. The decrease in capital assets was due to depreciation expense for the year and disposals, net of additions.

Capital improvements of \$174,452 were purchased during fiscal year 2018. This included a main office security renovation.

**Debt Administration**

At June 30, 2018, the School District had \$233,710 as outstanding long term debt. Of this amount, \$154,744 is for compensated absences, \$78,966 is for the Early Retirement Incentive Plan, and \$00 is for bonds payable outstanding.

At June 30, 2018, the School District's overall legal debt margin was \$16,654,261 and the unvoted debt margin was the same.

WHITE TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018  
UNAUDITED

**For the Future**

The White Township School District is in very good financial condition presently. A major concern is the continued reliance on local property taxes. The White Township School District is primarily a residential community, with very few ratables, thus the burden is focused on homeowners to bear the tax burden. However, future finances are not without challenges as the community continues to grow and state funding is decreased.

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

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

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information contact Dawn Huff, School Business Administrator/Board Secretary at White Township School District, 565 CR 519, Belvidere, NJ 07823.

## **Basic Financial Statements**

## **DISTRICT-WIDE FINANCIAL STATEMENTS**

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

WHITE TOWNSHIP SCHOOL DISTRICT

Exhibit A-1

STATEMENT OF NET POSITION

June 30, 2018

	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,854,334	\$ 11,537	\$ 1,865,871
Receivables from Other Governments	67,832	834	68,666
Interfund Receivables		2,059	2,059
Inventory		1,780	1,780
Capital Assets, Net (Note 6):	3,518,448	14,045	3,532,493
<b>Total Assets</b>	<b>5,440,614</b>	<b>30,255</b>	<b>5,470,869</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Deferred Outflows	330,589		330,589
<b>LIABILITIES</b>			
Accounts Payable	14,711	328	15,039
Interfund Payables	2,059		2,059
Unearned Revenue		1,031	1,031
Accrued Interest	-		
Net Pension Liability (Note 8)	930,691		930,691
Noncurrent Liabilities (Note 7):			
Due Within One Year	26,322		26,322
Due Beyond One Year	207,388		207,388
<b>Total Liabilities</b>	<b>1,181,171</b>	<b>1,359</b>	<b>1,182,530</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension Deferred Inflows	266,777		266,777
<b>Net Position</b>			
Invested in Capital Assets, Net of Related Debt	3,518,448	14,045	3,532,493
Restricted for:			
Other Purposes	1,057,559		1,057,559
Unrestricted	(252,752)	14,851	(237,901)
<b>Total Net Position</b>	<b>\$ 4,323,255</b>	<b>\$ 28,896</b>	<b>\$ 4,352,151</b>

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

WHITE TOWNSHIP SCHOOL DISTRICT

Exhibit A-2

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2018

	PROGRAM REVENUES			NET(EXPENSE) REVENUE AND CHANGES IN NET POSITION			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>Functions/Programs</b>							
Governmental Activities:							
Instruction:							
Regular	\$ 3,868,217	\$ 21,840	\$ 1,546,019		\$ (2,300,358)		\$ (2,300,358)
Special Education	952,047		340,245		(611,802)		(611,802)
Other Special Instruction	192,071		68,643		(123,428)		(123,428)
Support Services:							
Tuition	3,003,481		1,073,392		(1,930,089)		(1,930,089)
Student & Instruction Related Services	1,420,712		533,754		(886,958)		(886,958)
School Administrative Services	243,980		87,194		(156,786)		(156,786)
General and Business Admin. Services	615,243		219,877		(395,366)		(395,366)
Plant Operations and Maintenance	846,356		302,473		(543,883)		(543,883)
Pupil Transportation	588,391		210,281		(378,110)		(378,110)
Interest and Depreciation Charges	91,290		47,932		(43,358)		(43,358)
<b>Total Governmental Activities</b>	<b>11,821,788</b>	<b>21,840</b>	<b>4,429,810</b>		<b>(7,370,138)</b>		<b>(7,370,138)</b>
Business-Type Activities:							
Food Service	55,672	27,218	21,549			\$ (6,905)	(6,905)
<b>Total Business-Type Activities</b>	<b>55,672</b>	<b>27,218</b>	<b>21,549</b>			<b>(6,905)</b>	<b>(6,905)</b>
<b>Total Primary Government</b>	<b>\$ 11,877,460</b>	<b>\$ 49,058</b>	<b>\$ 4,451,359</b>		<b>\$ (7,370,138)</b>	<b>\$ (6,905)</b>	<b>\$ (7,377,043)</b>
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net				\$ 7,013,654			\$ 7,013,654
Taxes Levied for Debt Service				329,468			329,468
Investment Earnings				27,659			27,659
Miscellaneous Income				1,894	\$ 434		2,328
<b>Total General Revenues, Special Items, Extraordinary Items and Transfers</b>				<b>7,372,675</b>	<b>434</b>		<b>7,373,109</b>
Change in Net Position				2,537	(6,471)		(3,934)
Net Position—Beginning (As Restated)				4,320,718	35,367		4,356,085
<b>Net Position—Ending</b>				<b>\$ 4,323,255</b>	<b>\$ 28,896</b>		<b>\$ 4,352,151</b>

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



## **FUND FINANCIAL STATEMENTS**

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

WHITE TOWNSHIP SCHOOL DISTRICT

Exhibit B-1

BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2018

ASSETS	GENERAL FUND	SPECIAL REVENUE FUND	TOTAL GOVERNMENTAL FUNDS
Cash and Cash Equivalents	\$ 1,840,818	\$ 13,516	\$ 1,854,334
Receivables from Other Governments	67,832		67,832
<b>TOTAL ASSETS</b>	<b>\$ 1,908,650</b>	<b>\$ 13,516</b>	<b>\$ 1,922,166</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts Payable	\$ 1,195	\$ 13,516	\$ 14,711
Interfund Payables	2,059		2,059
<b>Total Liabilities</b>	<b>3,254</b>	<b>13,516</b>	<b>16,770</b>
<b>Fund Balances:</b>			
<u>Restricted for:</u>			
Excess Surplus	368,461	-	368,461
Excess Surplus-Designated For Subsequent Years	291,735	-	291,735
Capital Reserve	463,270	-	463,270
Maintenance Reserve	201,081	-	201,081
Tuition Reserve	350,000	-	350,000
<u>Assigned to:</u>			
Year-End Encumbrances	37,413	-	37,413
General Fund-Designated for Subsequent Year's Expend.	43,208	-	43,208
<u>Unassigned:</u>			
General Fund	150,228	-	150,228
<b>Total Fund Balances</b>	<b>1,905,396</b>	<b>-</b>	<b>1,905,396</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 1,908,650</b>	<b>\$ 13,516</b>	<b>\$ 1,922,166</b>

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$7,444,326 and the accumulated depreciation is \$3,925,878.

\$ 3,518,448

Deferred Outflows related to pension contributions subsequent to the Net Pension Liability measurement date and other deferred items are not current financial resources and therefore are not reported in the fund statements. (See Note 8)

330,589

Deferred Inflows related to pension actuarial gains from experience and differences in actual return and assumed returns and other deferred items are not reported as liabilities in the fund statements. (See Note 8)

(266,777)

Long-term liabilities, including Net Pension Liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 8)

(930,691)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7)

(233,710)

**Net Position of governmental activities** **\$ 4,323,255**

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

WHITE TOWNSHIP SCHOOL DISTRICT

Exhibit B-2

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

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Debt Service Fund</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>				
<b>Local sources:</b>				
Local Tax Levy	\$ 7,013,654		\$ 329,468	\$ 7,343,122
Tuition	21,840			21,840
Miscellaneous	29,553			29,553
<b>Total - Local Sources</b>	<b>7,065,047</b>	-	<b>329,468</b>	<b>7,394,515</b>
<b>State Sources</b>	<b>2,653,072</b>		<b>47,932</b>	<b>2,701,004</b>
<b>Federal Sources</b>		<b>\$ 189,601</b>		<b>189,601</b>
<b>Total Revenues</b>	<b>9,718,119</b>	<b>189,601</b>	<b>377,400</b>	<b>10,285,120</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Regular Instruction	1,803,512	163,585		1,967,097
Special Education Instruction	510,916			510,916
Other Special Instruction	103,075			103,075
Support services and undistributed costs:				
Tuition	3,003,481			3,003,481
Student and Instruction Related Services	736,409	26,016		762,425
School Administrative Services	130,932			130,932
Other Administrative Services	311,156			311,156
Plant Operations and Maintenance	451,684			451,684
Pupil Transportation	588,391			588,391
Unallocated Benefits	2,130,078			2,130,078
Transfer to Charter School	111,486			111,486
<b>Debt Service:</b>				
Principal			370,000	370,000
Interest and Other Charges			7,400	7,400
<b>Capital Outlay</b>	<b>179,557</b>			<b>179,557</b>
<b>Total Expenditures</b>	<b>10,060,677</b>	<b>189,601</b>	<b>377,400</b>	<b>10,627,678</b>
Excess (Deficiency) of Revenues Over Expenditures	(342,558)	-	-	(342,558)
Net Change in Fund Balances	(342,558)	-	-	(342,558)
Fund Balance—July 1	2,247,954			2,247,954
<b>Fund Balance—June 30</b>	<b>\$ 1,905,396</b>	<b>-</b>	<b>-</b>	<b>\$ 1,905,396</b>

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

WHITE TOWNSHIP SCHOOL DISTRICT

Exhibit B-3

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

**Total Net Change in Fund Balances - Governmental Funds (from B-2)** \$ (342,558)

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

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

Depreciation Expense	\$ (214,643)	
Net Book Value of Disposals	-	
Capital Outlays	<u>174,452</u>	(40,191)

Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period. (21,850)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. 370,000

Repayment of early retirement incentive plan is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. 26,322

In the statement of activities, compensated absences is accrued regardless of when paid. In the governmental funds, compensated absences are reported when paid. This is the amount by which the current year's compensated absence payments exceed the current year's amount earned. 5,264

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. This is the amount by which current year's amount of interest accrual exceeds the prior year's amount. 5,550

**Change in Net Position of Governmental Activities** \$ 2,537

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

WHITE TOWNSHIP SCHOOL DISTRICT

Exhibit B-4

STATEMENT OF PROPRIETARY NET POSITION  
 PROPRIETARY FUNDS

June 30, 2018

		<u>Business-Type Activities-</u> <u>Enterprise Funds</u>	
		<u>Food</u>	
		<u>Service</u>	<u>Totals</u>
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and Cash Equivalents	\$	11,537	\$ 11,537
Federal and State Accounts Receivable		834	834
Interfund Receivables		2,059	2,059
Inventories		1,780	1,780
<b>Total Current Assets</b>		<u>16,210</u>	<u>16,210</u>
<b>Noncurrent Assets:</b>			
Furniture, Machinery and Equipment		50,113	50,113
Less Accumulated Depreciation		(36,068)	(36,068)
<b>Total Noncurrent Assets</b>		<u>14,045</u>	<u>14,045</u>
<b>Total Assets</b>		<u><b>30,255</b></u>	<u><b>30,255</b></u>
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accounts Payable		328	328
Deferred Revenue		1,031	1,031
<b>Total Current Liabilities</b>		<u>1,359</u>	<u>1,359</u>
<b>Total Liabilities</b>		<u><b>1,359</b></u>	<u><b>1,359</b></u>
<b>Net Position</b>			
Invested in Capital Assets Net of Related Debt		14,045	14,045
Unrestricted		14,851	14,851
<b>Total Net Position</b>		<u><b>\$ 28,896</b></u>	<u><b>\$ 28,896</b></u>

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

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

	<b>Business-type Activities- Enterprise Fund</b>	
	<b>Food</b>	<b>Total</b>
	<b>Service</b>	<b>Enterprise</b>
<b>Operating Revenues:</b>		
Charges for Services:		
Daily Sales - Reimbursable Programs	\$ 24,343	\$ 24,343
Daily Sales - Non-Reimb.Programs	2,875	2,875
Miscellaneous	434	434
<b>Total Operating Revenues</b>	<b>27,652</b>	<b>27,652</b>
 <b>Operating Expenses:</b>		
Cost of Sales - Reimbursable Programs	15,634	15,634
Cost of Sales - Non-reimbursable Programs	6,667	6,667
Salaries	13,779	13,779
Employee Benefits	3,589	3,589
Other Purchased Professional Services	7,788	7,788
Miscellaneous	1,686	1,686
Depreciation	6,529	6,529
<b>Total Operating Expenses</b>	<b>55,672</b>	<b>55,672</b>
 Operating Income (Loss)	<b>(28,020)</b>	<b>(28,020)</b>
 <b>Nonoperating Revenues (Expenses):</b>		
State Sources:		
State School Lunch Program	530	530
Federal Sources:		
National School Lunch Program	16,679	16,679
Food Distribution Program	4,340	4,340
<b>Total Nonoperating Revenues (Expenses)</b>	<b>21,549</b>	<b>21,549</b>
 Income (Loss) Before Contributions and Transfers	<b>(6,471)</b>	<b>(6,471)</b>
Transfers In (Out)		
Change in Net Position	<b>(6,471)</b>	<b>(6,471)</b>
 Total Net Position—Beginning	<b>35,367</b>	<b>35,367</b>
<b>Total Net Position—Ending</b>	<b>\$ 28,896</b>	<b>\$ 28,896</b>

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

WHITE TOWNSHIP SCHOOL DISTRICT

Exhibit B-6

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS**

For the Year Ended June 30, 2018

	<b>Business-Type Activities- Enterprise Funds</b>	
	<b>Food Service</b>	<b>Total Enterprise</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Customers	\$ 27,682	\$ 27,682
Payments to Employees and Benefits	(17,368)	(17,368)
Payments to Suppliers	(31,412)	(31,412)
<b>Net Cash Provided by (used for) Operating Activities</b>	<b>(21,098)</b>	<b>(21,098)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State Sources	548	548
Federal Sources	17,499	17,499
Operating Subsidy Transfers from Other Funds	(2,059)	(2,059)
<b>Net Cash Provided by (used for) Non-Capital Financing Activities</b>	<b>15,988</b>	<b>15,988</b>
Net Increase (Decrease) in Cash and Cash Equivalents	(5,110)	(5,110)
Balances—Beginning of Year	16,647	16,647
<b>Balances—End of Year</b>	<b>\$ 11,537</b>	<b>\$ 11,537</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:</b>		
Operating Income (Loss)	\$ (28,020)	\$ (28,020)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:		
Depreciation Expense	6,529	6,529
Federal Commodities	4,340	4,340
(Increase) Decrease in Receivables	-	-
(Increase) Decrease in Inventories	(70)	(70)
Increase (Decrease) in Payables	(3,877)	(3,877)
Total Adjustments	6,922	6,922
<b>Net Cash Provided by (used for) Operating Activities</b>	<b>\$ (21,098)</b>	<b>\$ (21,098)</b>

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

WHITE TOWNSHIP SCHOOL DISTRICT  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**

**Exhibit B-7**

June 30, 2018

	<b>Agency Fund</b>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ <u>11,538</u>
<b>Total Assets</b>	<b>\$ <u>11,538</u></b>
<b>LIABILITIES</b>	
Payroll Deductions Payable	\$ 5
Payable to Student Groups	<u>11,533</u>
<b>Total Liabilities</b>	<b>\$ <u>11,538</u></b>
<b>Net Position</b>	
Held in Trust for Other Purposes	<u>                    </u>

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



# **Notes to Financial Statements**



WHITE TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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

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

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments (Statement No.34). This Statement provides for the most significant change in financial reporting in over twenty years with a phased-in implementation period (based on amount of revenues) starting with fiscal years ending 2002 (for larger governments). The District was not required to implement the new model until the 2003-2004 school year.

In addition, the School District has implemented GASB Statement No.37, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus, Statement No.38, Certain Financial Statement Note Disclosures, Statement No.40, Deposit and Investment Risk Disclosures, an amendment of GASB Statement No.3, and Statement 44, Economic Condition Reporting: The Statistical Section (GASB 44), an amendment of NCGA Statement 1, Governmental Accounting and Financial Reporting Principles is found in the Introduction, a revised statistical section in the Outline of the CAFR, GASB Statement No. 45, Other Post-retirement Employee Benefits, GASB No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and GASB No. 63 and 65, Deferred Outflows and Inflows and Net Position, and Items Previously Reported as Assets and Liabilities, and GAASB No. 68, Accounting for Pensions, an amendment of GASB No. 27. The implementation of these statements did not effect net position balances as previously reported for the fiscal year ended June 30, 2016.

**A. Reporting Entity:**

The White Township School District is a Type II district located in the County of Warren, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of five members elected to three-year terms. The purpose of the district is to educate students in grades K-8. The White Township School District had an approximate enrollment at June 30, 2018, of 262 students.

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

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

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

WHITE TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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

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

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

**Basis of Presentation**

*District-wide Statements:* The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees and charged to external parties. The statement of net position presents the financial condition of the governmental and business-type activity of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the School District.

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

**GOVERNMENTAL FUNDS**

The District reports the following governmental funds:

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

WHITE TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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

**B. Basis of Presentation, Basis of Accounting (Continued):**

**GOVERNMENTAL FUNDS (Continued)**

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

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

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

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

**PROPRIETARY FUNDS**

The District reports the following proprietary fund:

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

WHITE TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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

**B. Basis of Presentation, Basis of Accounting (Continued):**

Additionally, the District reports the following fund type:

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

**Basis of Accounting**

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

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

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

All governmental and business-type activities and enterprise funds of the District follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

WHITE TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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

**C. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue funds. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be approved by School Board resolution. In addition, transfers are also covered by changes in N.J.A.C. 6A:23A-2.3 that can require approval through the state department. All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures.

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

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

**D. Encumbrance Accounting:**

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

Open encumbrances in the special revenue fund, for which the District has received advances, are reflected in the balance sheet as deferred 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.

WHITE TOWNSHIP SCHOOL DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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

**E. Assets, Liabilities and Equity:**

**Cash and Cash Equivalents:**

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

**Interfund Transactions:**

Transfers between governmental and business-type activities on the District-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 the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

**Inventories:**

Inventory purchases, other than those recorded in the enterprise fund, are recorded as expenditures during the year of purchase. Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method.

**Allowance for Uncollectible Accounts:**

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

**Capital Assets:**

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

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

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



WHITE TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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

**E. Assets, Liabilities and Equity (Continued):**

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

**Compensated Absences:**

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

District instructional employees are granted sick leave in amounts under the District's contractual policies. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after initial service and become eligible after fifteen years of service and payment is based upon retirement in the state pension system.

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

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

**Deferred Revenue:**

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 2018, but which were levied to finance fiscal year 2019 operations, have been recorded as deferred revenue. Grants and entitlement received before the eligible requirements are met are also recorded as deferred revenue.

**Accrued Liabilities and Long-Term Obligations:**

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

WHITE TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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

**E. Assets, Liabilities and Equity (Continued):**

**Net Position:**

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

**Fund Balance Reserves:**

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

**Revenues—Exchange and Nonexchange Transactions**

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

WHITE TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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

**E. Assets, Liabilities and Equity (Continued):**

**Operating Revenues and Expenses:**

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

**Allocation of Indirect Expenses:**

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense, that could not be attributed to a specific function, is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**Extraordinary and Special Items:**

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

**Management Estimates:**

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

**NOTE 2: CASH AND CASH EQUIVALENTS**

**Deposits:**

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

WHITE TOWNSHIP SCHOOL DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**NOTE 2: CASH AND CASH EQUIVALENTS (Continued)**

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

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

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

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

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the district's accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the district would not be able to recover the value of its deposits or investment). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized or collateralized with securities held by the financial institution's trust department or agent but not in the government's name. At June 30, 2018, all of the district's deposits were collateralized by securities held in its name and, accordingly, not exposed to custodial credit risk. The district does not have a policy for custodial credit risk.

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

	<u>Cash and Cash Equivalents (A-1)</u>	<u>Cash and Cash Equivalents (B-7)</u>	<u>Total</u>
Checking	\$1,865,871	\$11,538	\$1,877,409
	\$1,865,871	\$11,538	\$1,877,409

The carrying amount of the Board's cash and cash equivalents at June 30, 2018, was \$1,877,409 and the bank balance was \$2,633,204. All bank balances were covered by federal depository insurance and/or covered by a collateral pool maintained by the banks as required by New Jersey statutes. Of these bank balances, \$250,000 was covered by federal depository insurances and \$2,383,204 was covered by collateral pool.

WHITE TOWNSHIP SCHOOL DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**NOTE 3: RECEIVABLES**

Receivables at June 30, 2018, consisted of intergovernmental receivables for grants and lunch reimbursements. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial <u>Statements</u>	Government-Wide Financial <u>Statements</u>
State Aid	\$67,832	\$67,860
Federal Aid	-	806
Gross Receivable-Governm.	67,832	68,666
Other Receivables	-	-
Less: Allow. for Uncollectibles	-	-
Total Receivables, Net	\$67,832	\$68,666

**NOTE 4: INVENTORY**

Inventory in the Food Service Fund at June 30, 2018, consisted of the following:

Food	\$ 1,780
Supplies	-
Total	\$ 1,780

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1996, as revised) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements.

**NOTE 5: DEFERRED BOND ISSUANCE COSTS**

In governmental funds, debt issuance costs are recognized in the current period. For the District-wide financial statements, governmental activity debt issuance costs are amortized straight-line over the life of the specific bonds (18 to 20 years). The costs associated with the issued of the various bonds are immaterial and are not amortized on the District-wide financial statements.

WHITE TOWNSHIP SCHOOL DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**NOTE 6: CAPITAL ASSETS**

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

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	Ending <u>Balance</u>
<b>Governmental Activities:</b>				
<i>Capital Assets Not Being Depreciated:</i>				
Land	\$ 49,010			\$ 49,010
Construction in Progress				
Total Capital Assets Not Being Depreciated	49,010			49,010
<i>Capital Assets Being Depreciated:</i>				
Land Improvements	83,550			83,550
Buildings and Building Improvements	6,592,281	\$ 167,529		6,759,810
Machinery and Equipment	545,033	6,923		551,956
Total at Historical Cost	7,220,864	174,452	-	7,395,316
Less Accumulated Depreciation for:				
Land Improvements	(78,669)	(3,252)		(81,921)
Building and Improvements	(3,367,103)	(198,219)		(3,565,322)
Equipment	(265,463)	(13,172)		(278,635)
Total Accumulated Depreciation	(3,711,235)	(214,643)	-	(3,925,878)
Total Capital Assets Being Depreciated, net of Accumulated Depreciation	3,509,629	(40,191)	-	3,469,438
<b>Government Activity Capital Assets, Net</b>	<b>\$ 3,558,639</b>	<b>(\$40,191)</b>	<b>\$0</b>	<b>\$ 3,518,448</b>

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

Depreciation expense was charged to functions as follows:

Regular Instruction	\$ 108,781
Support/Administration	19,014
Maintenance	2,513
Unallocated	84,335
Total	\$ 214,643

**NOTE 7: LONG-TERM OBLIGATIONS**

Bonds are authorized in accordance with State law by the voters of the district through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

WHITE TOWNSHIP SCHOOL DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**NOTE 7: LONG-TERM OBLIGATIONS - (Continued)**

**A. Long-Term Obligation Activity:**

Changes in long-term obligations for the year ended June 30, 2018, are as follows:

	Balance <u>7/1/17</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>6/30/18</u>	Amounts Due Within <u>One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable:					
General Obligation Debt	\$370,000		(\$370,000)	-	-
Early Retirement Incentive Program	105,288		(26,322)	\$78,966	\$26,322
Other Liabilities:					
Compensated Absences Payable	160,008		(5,264)	154,744	
<b>Total</b>	<u>\$635,296</u>		<u>(\$401,586)</u>	<u>\$233,710</u>	<u>\$26,322</u>

Compensated absences and Early Retirement Incentive Plan payments have been liquidated in the General Fund.

Interest paid on debt issued by the District is exempt from federal income taxes. Because of this, bond holders are willing to accept a lower interest rate than they would on taxable debt. The District temporarily reinvests the proceeds of such debt in higher-yielding taxable securities, especially during construction projects. The federal tax code refers to this as arbitrage.

Earnings in excess of the yield on the debt issue are rebated to the federal government based on requirements in the Internal Revenue Code. Arbitrage rebate payable represents amounts due to the Internal Revenue Service for interest earned on unspent bond proceeds that exceeds legally allowable returns.

Rebatable arbitrage liabilities related to District debt are not recorded in governmental funds. There is no recognition in the balance sheet or income statement until rebatable amounts are due and payable to the federal government. Thus, rebatable arbitrage liabilities related to governmental debt will be accrued as incurred at least annually (at fiscal year end) on the District-wide financial statements.

For the year ended June 30, 2018, it is not necessary for the Board to establish a liability for arbitrage rebate.

	Government Activities			Balance
	<u>Issue</u> <u>Dates</u>	<u>Interest</u> <u>Rates</u>	<u>Date of</u> <u>Maturity</u>	<u>June 30, 2018</u>
General School Renovations				
Bonds Payable-Series 2007	8/15/07	4%	8/15/17	None
Total Bonds				<u>None</u>

WHITE TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**NOTE 8: PENSION PLANS**

*Description of Plans* - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, New Jersey, 08625 or on the internet at <http://www.state.nj.us/treasury/pensions/annrpts.shtml>.

*Teachers' Pension and Annuity Fund (TPAF)* - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, 100% of employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

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

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

The employer contributions for the district are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, the district (employer) is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the district (employer) does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the district. However, the state's portion of the net pension liability that was associated with the district was \$14,179,166 as measured on June 30, 2017 and \$16,149,833 measured on June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of \$1,217,025 and revenue of \$1,217,025 for support provided by the State. The measurement period for the pension expense and revenue reported in the district's financial statements (A-2) at June 30, 2018 is based upon changes in the collective net pension liability with a measurement period of June 30, 2016 through June 30, 2017. Accordingly, the pension expense and the related revenue associated with the support provided by the State is based upon the changes in the collective net pension liability between July 1, 2016 and June 30, 2017.



WHITE TOWNSHIP SCHOOL DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**NOTE 8: PENSION PLANS (Continued)**

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

	<u>6/30/2016</u>	<u>6/30/2017</u>
Collective deferred outflows of resources	\$17,440,003,201	\$14,251,854,934
Collective deferred inflows of resources	\$195,027,919	\$11,807,233,433
Collective net pension liability (Nonemployer-State of New Jersey)	\$78,666,367,052	\$67,423,605,859
State's portion of the net pension liability that was associated with the district	\$20,779,883	\$17,566,040
State's portion of the net pension liability that was associated with the district as a percentage of the collective net pension liability	0.026415%	0.026053%

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

Inflation:	2.25%
Salary Increases:	
Through 2021	Varies based on experience
Therafter	Varies based on experience
Investment Rate of Return:	7.00%

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

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

*Long-Term Expected Rate of Return* - In accordance with State statute, the long-term expected rate of return on plan investments (7.0% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2017 are summarized in the following table:

WHITE TOWNSHIP SCHOOL DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**NOTE 8: PENSION PLANS (Continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk mitig.	5.00%	5.51%
Cash equivalents	5.00%	1.00%
US 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%
US Equity	30.00%	8.19%
Non-US developed markets	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

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

Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2029 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

*Sensitivity of the State's net pension liability to changes in the discount rate* - Since the District has no proportionate share of the net pension liability because of the special funding situation, the district would not be sensitive to any changes in the discount rate. The following presents the State's net pension liability measured as of June 30, 2017, calculated using the discount rate shown above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>(3.25%)</u>	<u>(4.25%)</u>	<u>(5.25%)</u>
State's Collective Net Pension Liability	\$ 80,394,331,171	\$ 67,670,209,171	\$ 57,188,022,171

WHITE TOWNSHIP SCHOOL DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**NOTE 8: PENSION PLANS (Continued)**

*Pension plan fiduciary net position* - Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>. The plan fiduciary net position as of June 30, 2017 was \$23,056,161,829.

*Amortization of Deferred Outflows and Inflows of Resources* - Amount reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions will be recognized in pension expense as follows:

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

*Pension Expense* - The components of allocable pension expense and pension expense related to specific liabilities of individual employers, for state and local employers for the year ending June 30, 2017 are as follows:

Service cost	\$3,028,689,581
Interest on total pension liability	3,304,988,177
Member contributions	(790,788,033)
Administrative expenses	11,923,787
Expected investment return net of investment expenses	(1,606,947,478)
Pension expense related to specific liabilities of individual employers	(357,659)
Recognition (amortization) of deferred inflows/outflows:	
Recognition of economic/demographic gains/losses	53,331,240
Recognition of assumption changes or inputs	723,829,969
Recognition of investment gains/losses	<u>(36,820,154)</u>
Total pension expense	<u>\$4,687,849,430</u>

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

WHITE TOWNSHIP SCHOOL DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**NOTE 8: PENSION PLANS (Continued)**

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

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

At June 30, 2018, the District reported a liability of \$930,691 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The total pension liability for the June 30, 2016 valuation was determined by an experience study for the period July 1, 2011 to June 30, 2014. The District's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2017 and 2016. At June 30, 2017, the District's proportion was .00040% which was a decrease of 0.00003% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of \$62,066. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 21,915	-
Changes of assumptions	187,502	186,615
Net difference between projected and actual earnings on pension plan investments	6,337	
Changes in proportion and differences between District contributions and proportionate share of contributions	60,290	\$ 79,962
District contributions subsequent to the measurement date	54,545	
Total	<u>\$ 330,589</u>	<u>\$ 266,577</u>

\$54,545 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2018, the plan measurement date is June 30, 2017) will be recognized as a reduction of the net pension liability measured as of June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

WHITE TOWNSHIP SCHOOL DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**NOTE 8: PENSION PLANS (Continued)**

	<u>Year Ended June 30:</u>
2018	\$7,167
2019	10,816
2020	6,554
2021	(8,716)
2022	<u>(6,353)</u>
Total	<u>\$9,467</u>

	<u>6/30/2016</u>	<u>6/30/2017</u>
Collective deferred outflows of resources	\$8,685,338,380	\$6,424,455,842
Collective deferred inflows of resources	870,133,595	5,700,625,981
Collective net pension liability (Non State - Local Group)	\$29,617,131,759	\$23,278,401,588
District's portion of net pension liability	\$1,192,072	\$930,691
District's proportion %	0.00402494%	0.00399809%

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

Inflation:	2.25%
Salary Increases:	
Through 2026	1.65%-4.15% based on age
Therafter	2.65%-5.15% based on age
Investment Rate of Return:	7.00%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2013 Based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014.

*Long-Term Expected Rate of Return* - In accordance with State statute, the long-term expected rate of return on plan investments 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. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk mitig.	5.00%	5.51%
Cash equivalents	5.00%	1.00%
US 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%

WHITE TOWNSHIP SCHOOL DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**NOTE 8: PENSION PLANS (Continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity related real estate	6.25%	9.23%
US Equity	30.00%	8.19%
Non-US developed markets	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

*Discount rate.* The discount rate used to measure the total pension liability was 5.0% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.0%, and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on contribution rate in the most recent fiscal year.

The State contributed 40% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.* The following presents the District's proportionate share of the net pension liability measured as of June 30, 2017, calculated using the discount rate as disclosed above, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>Current</u>		
	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	<u>(4.00%)</u>	<u>(5.00%)</u>	<u>(6.00%)</u>
District's proportionate share of the net pension liability	\$ 1,154,585	\$930,691	\$ 744,159

*Pension Expense* - The components of allocable pension expense and pension expense related to specific liabilities of individual employers, for state and local employers for the year ending June 30, 2017 are as follows:

Service cost	\$40,136
Interest on total pension liability	72,832
Member contributions	(19,092)
Administrative expens	500
Expected investment return net of investment expenses	(52,001)
Pension expense related to specific liabilities of individual employers	(565)
Recognition (amortization) of deferred inflows/outflows:	
Recognition of economic/demographic gains/losses	6,382
Recognition of assumption changes or inputs	14,871
Recognition of investment gains/losses	<u>(996)</u>
Total pension expense	<u>\$62,066</u>

WHITE TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**NOTE 8: PENSION PLANS (Continued)**

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

**Defined Contribution Retirement Plan (DCRP)** - The Defined Contribution Retirement Program (DCRP) was established as of 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 cost-sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N. J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by state statute. 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. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system; however statute also requires the return to the normal rate when such surplus pension assets no longer exist.

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

The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

**Significant Legislation** - Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

WHITE TOWNSHIP SCHOOL DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**NOTE 8: PENSION PLANS (Continued)**

Chapter 78's provisions impacting employee pension and health benefits include:

□ New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of ¼ of 1% for each month that the member is under age 65. □ The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members. □ The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. □ Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PES members will take place in July of each subsequent fiscal year.

□ The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law. □ New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary. □ In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

**Contribution Requirements** - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 (PERS) and N.J.S.A. 18:66 (TPAF) requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 6.5% and the PERS rate is 6.5% of covered payroll.

Three-Year Trend Information for PERS

Year <u>Funding</u>	Annual Pension Cost (APC)	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
6/30/2018	\$54,545	100 %	-0-
6/30/2017	\$52,841	100	-0-
6/30/2016	\$49,866	100	-0-

Three-Year Trend Information for TPAF (Paid on-behalf of the District)

Year <u>Funding</u>	Annual Pension Cost (APC)	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
6/30/2018	\$390,654	100 %	-0-
6/30/2017	\$293,680	100	-0-
6/30/2016	\$211,490	100	-0-



WHITE TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

During the fiscal year ended June 30, 2018, the State of New Jersey did contribute \$642,647 to the TPAF for post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$195,096 during the year ended June 30, 2018, for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. The PERS amounts have been included in the fund-based statements as pension expense and the TPAF on-behalf amounts have been included in fund-based statements as revenues and expenditures. The PERS and TPAF amounts have been modified and included in the District-wide financial statements in accordance with GASB Statement No. 68.

**NOTE 9: POST-RETIREMENT BENEFITS**

**Plan description and benefits provided**

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

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

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

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

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

WHITE TOWNSHIP SCHOOL DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**NOTE 9: POST-RETIREMENT BENEFITS-(Continued)**

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

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

TPAF participant retirees

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

PERS participant retirees

The State paid \$238.9 million toward Chapter 126 benefits for 209,913 eligible retired members in Fiscal Year 2017.

Total OPEB Liability

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the board of education.

**NOTE 9: POST-RETIREMENT BENEFITS-(Continued)**

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

Inflation rate	2.50%
Salary Increases Through 2026:	1.55-4.55% TPAI 2.15-4.18% PERS Based on years of service
Salary Increases Thereafter:	2.00-5.45% TPAI 3.15-5.15% PERS Based on years of service
Discount rate (2017)	3.58%
Discount rate (2016)	2.85%
Healthcare cost trend rates (PPO Plans)	5.9% decreasing to 5.0% after nine years
Healthcare cost trend rates (Self-insured post 65 PPO Plans)	4.50%
Healthcare cost trend rates (HMO Plans)	5.9% decreasing to 5.0% after nine years
Healthcare cost trend rates (Prescription Drug Benefits)	10.5% decreasing to 5.0% after eight years
Healthcare cost trend rates (Medicare Part B reimbursement)	5.00%
Healthcare cost trend rates (Medicare Advantage)	4.50%
Retirees' share of benefit related Costs	Projected health insurance premiums for retirees based on the retiree's annual retirement benefit and level of coverage

WHITE TOWNSHIP SCHOOL DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**NOTE 9: POST-RETIREMENT BENEFITS-(Continued)**

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.

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

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of 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.

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

	<u>Total OPEB Liability</u>
<b>The State's Total OPEB Liability Balance at 6/30/2016</b>	<b>\$57,831,784,184</b>
<u>Changes for the year:</u>	
Service Cost	2,391,878,884
Interest	1,699,441,736
Benefit Payments	(1,242,412,566)
Contributions from Members	45,748,749
Changes in assumptions or other inputs	(\$7,086,599,129)
Net changes	<u>(\$4,191,942,326)</u>
<b>The State's Total OPEB Liability Balance at 6/30/2017</b>	<b><u>\$53,639,841,858</u></b>
 <b>The State's total OPEB liability attributable to the District:</b>	 <b>\$17,343,129</b>

There were no changes of benefit terms.

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

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

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

WHITE TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**NOTE 9: POST-RETIREMENT BENEFITS-(Continued)**

	June 30, 2016		
	At 1% Decrease	At Discount Rate	At 1% Increase
	<u>1.85%</u>	<u>2.85%</u>	<u>3.85%</u>
Total OPEB Liability (School Retirees)	\$69,283,705,084	\$57,831,784,184	\$48,817,654,566

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

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

	June 30, 2016		
	At 1% Decrease	Health Care Cost Trend Rate	At 1% Increase
Total OPEB Liability (School Retirees)	\$47,452,589,164	\$57,831,784,184	\$71,707,778,970

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

For the year ended June 30, 2017, the board of education recognized OPEB expense of \$964,827 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

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

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Changes in proportion	\$99,843,255	(\$99,843,255)
Changes of assumptions or other inputs		(\$6,343,769,032)
Total	<u>\$99,843,255</u>	<u>(\$6,443,612,287)</u>

WHITE TOWNSHIP SCHOOL DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**NOTE 9: POST-RETIREMENT BENEFITS-(Continued)**

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

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

**NOTE 10: DEFERRED COMPENSATION**

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

- Equitable
- Oppenheimer
- T Rowe Price
- Franklin Trust

**NOTE 11: COMPENSATED ABSENCES**

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

District instructional employees are granted sick leave in amounts under the District's contractual policies. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after initial service and become eligible after fifteen years of service and payment is based upon retirement in the state pension system.

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

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

**NOTE 12: RISK MANAGEMENT**

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

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

WHITE TOWNSHIP SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**NOTE 13: CONTINGENT LIABILITIES**

**GRANT PROGRAMS**

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

**LITIGATION**

There are no material threatened litigations, claims or assessments, including unasserted claims and assessments known to the Board.

**NOTE 14: FUND BALANCE APPROPRIATED**

General Fund (Exhibit B-1)- Of the \$1,905,396 General Fund fund balance at June 30, 2018, \$37,413 is reserved for encumbrances; \$201,081 is reserved as maintenance reserve in accordance with P.L. 2007 c.62; \$350,000 is reserved for tuition adjustment in accordance with N.J.A.C. 6A:23-3.1(f)(8); \$463,270 is reserved for Capital Reserve; \$660,196 is reserved as excess surplus in accordance with N.J.S.A.18A:7F-7 (\$291,735 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2019); \$43,208 is appropriated and included as anticipated revenue for the year ending June 30, 2019; and \$150,228 is unreserved and undesignated.

**NOTE 15: CALCULATION OF EXCESS SURPLUS**

The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the 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 \$368,461.

**NOTE 16: INTERFUND RECEIVABLES AND PAYABLES**

The General fund owes the enterprise fund \$2,059 for Federal and State lunch subsidies not yet paid over at June 30, 2018.

**NOTE 17: CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the White Township School District Board of Education by inclusion of \$1. on October 10, 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.

WHITE TOWNSHIP SCHOOL DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**NOTE 17: CAPITAL RESERVE ACCOUNT- (Continued)**

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23-2.13(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

Beginning Balance, July 1, 2017	\$ 624,204
Interest Earned	6,595
Budgeted Withdrawal	<u>(167,529)</u>
Ending Balance, June 30, 2018	<u><u>\$ 463,270</u></u>

**NOTE 18: MAINTENANCE RESERVE ACCOUNT**

A maintenance reserve account was established by the School District Board of Education for the accumulation of funds for use in accordance with PL 2007 c.62 (A1). The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

Beginning balance July 1, 2017	\$ 298,696
Interest Earned	2,385
Budgeted Withdrawal	<u>(100,000)</u>
Ending balance June 30, 2018	<u><u>\$ 201,081</u></u>

**NOTE 19: TUITION RESERVE ACCOUNT**

A tuition reserve account was established by the School District Board of Education in fiscal year 2017 and 2018, for the accumulation of funds for use in fiscal year 2019 and 2019, respectively, in accordance with NJAC 6A:23A17.1(f). The tuition reserve account is maintained in the general fund and enables the district to reserve fund balance for an anticipated large tuition adjustment for the current contract year. A maximum reserve for the current year is restricted to ten percent of the formal sending/receiving contract amount. Upon certification of rates in the second year following the contract year, full appropriation of the applicable year's reserve must be liquidated and any remaining balance related to that year must be reserved and budgeted for tax relief.

The district has established a tuition reserve for future tuition adjustments, pursuant to N.J.A.C. 6A:23-3.1(f), in an amount not exceeding 10% of the formal receiving/sending contract. \$200,000 has been reserved for the 2015-2017 tuition adjustment due in fiscal year 2018-2019, and \$200,000 has been reserved for the 2017-2018 tuition adjustment due in fiscal year 2019-2019. The tuition reserve due for fiscal year 2015-2017 in the amount of \$200,000 has been anticipated as budgeted revenue for the year ending June 30, 2019.

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

Beginning balance July 1, 2017	\$ 400,000
Anticipated as Budgeted Revenue in fiscal year 2018	(200,000)
Deposits: Board Resolution June 26, 2018	<u>150,000</u>
Ending balance June 30, 2018	<u><u>\$ 350,000</u></u>

WHITE TOWNSHIP SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**NOTE 20: TUITION ADJUSTMENTS**

A comparison of tentative tuition charges and actual certified tuition charges was made by the receiving district (Belvidere High School) for fiscal year 2015-2016 and certified by the state department. The resulting 2015-2016 tuition adjustment of \$88,049 in accordance with N.J.A.C 6a:23-3.1(f)3, was due to Belvidere High School in fiscal year 2017-2018. White Township School District paid the adjustment on July 21, 2017.

**NOTE 21: TAX ABATEMENTS**

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

**NOTE 22: SUBSEQUENT EVENTS**

On Tuesday, July 4, 2018, the Governor of New Jersey signed the Fiscal Year 2019 state budget, which includes revised 2018-19 state aid for school districts. The Department prepared and issued revised 2018-19 state aid notices dated July 14, 2018. In her Broadcast dated July 14, 2018, the Commissioner granted approval through August 1, 2018 to district boards of education/boards of school estimate that received a revised state aid notice indicating a decrease to state aid to transfer additional unassigned general fund surplus into the 2018-19 budget. Allowable transfers are those authorized by board resolution through August 1, 2018 made to provide the resources necessary to offset the reduction to 2018-19 state aid revenue. The amount of the transfer/increase from surplus cannot exceed the loss of the state aid. Applicable to the June 30, 2018 year-end audit of fund balance for districts with a decrease to their 2018-19 state aid, the district board of education utilized \$43,208 in additional general fund surplus by board resolution dated July 30, 2018 into the 2018-19 revised budget.



**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

WHITE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>REVENUES:</b>					
<b>Local Sources:</b>					
Local Tax Levy	\$ 7,013,654		\$ 7,013,654	\$ 7,013,654	
Tuition	18,000		18,000	21,840	\$ 3,840
Miscellaneous	5,000		5,000	29,553	24,553
<b>Total - Local Sources</b>	<b>7,036,654</b>		<b>7,036,654</b>	<b>7,065,047</b>	<b>28,393</b>
<b>State Sources:</b>					
Equalization Aid	581,054		581,054	581,054	
Transportation Aid	249,609		249,609	249,609	
Special Education Aid	313,648		313,648	313,648	
Security Aid	49,562		49,562	49,562	
Adjustment Aid	540,496		540,496	505,534	(34,962)
PARCC Readiness Aid	4,710		4,710	4,710	
Per Pupil Growth Aid	4,710		4,710	4,710	
Professional Learning Community Aid	4,320		4,320	4,320	
Emergency Aid				34,902	34,902
Non-public Transportation Aid			-	6,090	6,090
Extraordinary Aid			-	61,742	61,742
TPAF Pension (On-Behalf - Non-Budgeted)				390,156	390,156
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				251,993	251,993
TPAF LTDI (On-Behalf - Non-Budgeted)				498	498
TPAF Social Security (Reimbursed - Non-Budgeted)				195,096	195,096
<b>Total State Sources</b>	<b>1,748,109</b>		<b>1,748,109</b>	<b>2,653,624</b>	<b>905,515</b>
<b>TOTAL REVENUES</b>	<b>8,784,763</b>		<b>8,784,763</b>	<b>9,718,671</b>	<b>933,908</b>
<b>EXPENDITURES:</b>					
<b>Current Expense:</b>					
<b>Regular Programs - Instruction</b>					
Kindergarten - Salaries of Teachers	135,925		135,925	135,666	259
Grades 1-5 - Salaries of Teachers	887,035	33,000	920,035	914,651	5,384
Grades 6-8 - Salaries of Teachers	737,118	(67,440)	669,678	647,640	22,038

WHITE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Regular Programs - Home Instruction:</b>					
Salaries of Teachers	1,000		1,000	671	329
Purchased Professional-Educational Services	1,000		1,000		1,000
<b>Regular Programs - Undistributed Instruction</b>					
Other Purchased Services (400-500 series)	33,500		33,500	20,259	13,241
General Supplies	40,000	29,268	69,268	67,969	1,299
Textbooks	25,000	(2,000)	23,000	16,656	6,344
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>1,860,578</b>	<b>(7,172)</b>	<b>1,853,406</b>	<b>1,803,512</b>	<b>49,894</b>
<b>SPECIAL EDUCATION - INSTRUCTION</b>					
<b>Multiple Disabilities:</b>					
Salaries of Teachers	60,890		60,890	60,428	462
General Supplies	1,000	(228)	772		772
<b>Total Multiple Disabilities</b>	<b>61,890</b>	<b>(228)</b>	<b>61,662</b>	<b>60,428</b>	<b>1,234</b>
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	394,452	12,908	407,360	407,360	
General Supplies	1,500	3,992	5,492	5,492	
<b>Total Resource Room/Resource Center</b>	<b>395,952</b>	<b>16,900</b>	<b>412,852</b>	<b>412,852</b>	
<b>Preschool Disabilities - Part Time:</b>					
Salaries of Teachers	35,358		35,358	34,811	547
Other Salaries for Instruction	9,943	(2,908)	7,035	2,825	4,210
<b>Total Preschool Disabilities - Part Time</b>	<b>45,301</b>	<b>(2,908)</b>	<b>42,393</b>	<b>37,636</b>	<b>4,757</b>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<b>503,143</b>	<b>13,764</b>	<b>516,907</b>	<b>510,916</b>	<b>5,991</b>

WHITE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
<b>Basic Skills/Remedial - Instruction:</b>					
Salaries of Teachers	85,977	(19,363)	66,614	65,091	1,523
Other Salaries for Instruction	23,327		23,327	21,135	2,192
General Supplies	4,500	2,647	7,147	5,477	1,670
<b>Total Basic Skills/Remedial - Instruction</b>	<b>113,804</b>	<b>(16,716)</b>	<b>97,088</b>	<b>91,703</b>	<b>5,385</b>
<b>School Sponsored Co/Extra Curricular Activities-Instruction:</b>					
Salaries	20,303		20,303	10,270	10,033
General Supplies	1,200		1,200	1,102	98
<b>Total School Sponsored Co/Extra Curricular Activities-Instruc.</b>	<b>21,503</b>		<b>21,503</b>	<b>11,372</b>	<b>10,131</b>
<b>TOTAL INSTRUCTION</b>	<b>2,499,028</b>	<b>(10,124)</b>	<b>2,488,904</b>	<b>2,417,503</b>	<b>71,401</b>
<b>UNDISTRIBUTED EXPENDITURES</b>					
<b>Instruction:</b>					
Tuition to Other LEAs Within the State-Regular	2,030,400	143,181	2,173,581	2,173,581	
Tuition to Other LEAs Within the State-Special	269,500	(28,198)	241,302	241,302	
Tuition to County Voc. School Dist.-Regular	158,200		158,200	158,200	
Tuition to Priv. Sch. For Disabled within State	505,405	(71,340)	434,065	430,398	3,667
<b>Total Instruction</b>	<b>2,963,505</b>	<b>43,643</b>	<b>3,007,148</b>	<b>3,003,481</b>	<b>3,667</b>
<b>Attendance and Social Work Services:</b>					
Salaries	80,495		80,495	80,495	
Supplies and Materials	9,500	(242)	9,258	6,359	2,899
<b>Total Attendance and Social Work Services</b>	<b>89,995</b>	<b>(242)</b>	<b>89,753</b>	<b>86,854</b>	<b>2,899</b>
<b>Health Services:</b>					
Salaries	54,890		54,890	52,119	2,771
Purchased Professional and Technical Services	1,000	647	1,647	1,647	
Supplies and Materials	2,500	(359)	2,141	2,124	17
<b>Total Health Services</b>	<b>58,390</b>	<b>288</b>	<b>58,678</b>	<b>55,890</b>	<b>2,788</b>
<b>Other Supp. Services Students-Related Services:</b>					
Salaries	111,280	(11,808)	99,472	91,523	7,949
<b>Total Other Supp. Services Students-Related Services</b>	<b>111,280</b>	<b>(11,808)</b>	<b>99,472</b>	<b>91,523</b>	<b>7,949</b>

WHITE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Other Supp. Services Students-Extra. Services:</b>					
Salaries	58,592	(10,000)	48,592	29,361	19,231
Purchased Professional-Educational Services	243,389	(46,511)	196,878	181,458	15,420
<b>Total Other Supp. Services Students-Extra. Services</b>	<b>301,981</b>	<b>(56,511)</b>	<b>245,470</b>	<b>210,819</b>	<b>34,651</b>
<b>Other Supp. Services Students-Special:</b>					
Salaries of Other Professional Staff	195,983	9,000	204,983	204,069	914
Supplies and Materials	4,200	9,084	13,284	13,216	68
<b>Total Other Supp. Services Students-Special</b>	<b>200,183</b>	<b>18,084</b>	<b>218,267</b>	<b>217,285</b>	<b>982</b>
<b>Improvement of Instr Svcs:</b>					
Other Purchased Services (400-500 series)	5,000	(1,154)	3,846	2,108	1,738
<b>Total Improvement of Instr Svcs</b>	<b>5,000</b>	<b>(1,154)</b>	<b>3,846</b>	<b>2,108</b>	<b>1,738</b>
<b>Educational Media Services/School Library:</b>					
Salaries	51,890		51,890	51,890	
Supplies and Materials	3,100	91	3,191	2,608	583
<b>Total Educational Media Services/School Library</b>	<b>54,990</b>	<b>91</b>	<b>55,081</b>	<b>54,498</b>	<b>583</b>
<b>Instructional Staff Training Services:</b>					
Other Objects	15,000	2,432	17,432	17,432	
<b>Total Instructional Staff Training Services</b>	<b>15,000</b>	<b>2,432</b>	<b>17,432</b>	<b>17,432</b>	
<b>Supp. Services - General Administration:</b>					
Salaries	42,435	21,230	63,665	29,477	34,188
Legal Services	23,000		23,000	12,654	10,346
Audit Fees	13,500		13,500	12,618	882
Architectual/Engineering Services	1,500	2,765	4,265	2,600	1,665
Other Purchased Professional Services	110,500	11,403	121,903	105,403	16,500
Communications/Telephone	13,000	(2,093)	10,907	9,876	1,031
Other Purchased Services (400-500 series)	26,400		26,400	25,239	1,161
General Supplies	500		500		500
Miscellaneous Expenditures	2,000		2,000	1,814	186
BOE Membership Dues & Fees	6,000		6,000	5,355	645
<b>Total Supp. Services - General Administration</b>	<b>238,835</b>	<b>33,305</b>	<b>272,140</b>	<b>205,036</b>	<b>67,104</b>

WHITE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
<b>Support Services - School Administration:</b>					
Salaries of Principals/Assistant Principals	96,068	13,270	109,338	95,135	14,203
Salaries of Secretarial and Clerical Assistants	35,232		35,232	34,890	342
General Supplies	1,400		1,400	907	493
<b>Total Support Services - School Administration</b>	<b>132,700</b>	<b>13,270</b>	<b>145,970</b>	<b>130,932</b>	<b>15,038</b>
<b>Central Services:</b>					
Salaries	15,000	8,805	23,805	15,525	8,280
Purchased Professional Services	89,000	1,595	90,595	90,595	
<b>Total Central Services</b>	<b>104,000</b>	<b>10,400</b>	<b>114,400</b>	<b>106,120</b>	<b>8,280</b>
<b>Required Maintenance for School Facilities:</b>					
Salaries	45,044		45,044	36,253	8,791
Cleaning, Repair and Maintenance Services	72,000	83,367	155,367	117,954	37,413
General Supplies	18,000	(1,102)	16,898	13,971	2,927
<b>Total Required Maintenance for School Facilities</b>	<b>135,044</b>	<b>82,265</b>	<b>217,309</b>	<b>168,178</b>	<b>49,131</b>
<b>Other Operations and Maintenance of Plant:</b>					
Salaries	145,857	3,928	149,785	149,785	
Cleaning, Repair and Maintenance Services	35,000	(22,000)	13,000	12,542	458
Insurance	34,600		34,600	32,042	2,558
General Supplies	17,000	(2,057)	14,943	10,591	4,352
Energy (Natural Gas)	40,000	(10,526)	29,474	23,472	6,002
Energy (Electricity)	68,000	(6,923)	61,077	55,074	6,003
<b>Total Other Operations and Maintenance of Plant</b>	<b>340,457</b>	<b>(37,578)</b>	<b>302,879</b>	<b>283,506</b>	<b>19,373</b>
<b>Care and Upkeep of Grounds:</b>					
Cleaning, Repair and Maintenance Services	5,000	(5,000)			
<b>Total Care and Upkeep of Grounds:</b>	<b>5,000</b>	<b>(5,000)</b>			

WHITE TOWNSHIP SCHOOL DISTRICT

Exhibit C-1

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

Fiscal Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Student Transportation Services</b>					
Contracted Services - Aid in Lieu of Payments-Nonpublic Sch.	27,404	3,596	31,000	30,484	516
Contracted Services (Between Home and School)-Vendors	277,961		277,961	259,212	18,749
Contracted Services (Other Than Bet.Home and School)-Vendors	14,000		14,000	14,000	
Contracted Services (Special Education Students)-Vendors	302,100	(3,596)	298,504	284,695	13,809
<b>Total Student Transportation Services</b>	<b>621,465</b>		<b>621,465</b>	<b>588,391</b>	<b>33,074</b>
<b>UNALLOCATED BENEFITS</b>					
<b>Regular Programs-Instruction:</b>					
Social Security Contributions	47,000		47,000	36,876	10,124
TPAF Contributions - ERIP	28,000		28,000	26,116	1,884
Other Retirement Contributions - PERS	57,000		57,000	54,545	2,455
Unemployment Compensation	7,500	7,000	14,500	12,102	2,398
Workman's Compensation	39,000	(7,000)	32,000	28,442	3,558
Health Benefits	1,225,385	(46,815)	1,178,570	1,081,245	97,325
Tuition Reimbursement	33,000	(63)	32,937	25,193	7,744
Other Employee Benefits	32,000	63	32,063	27,816	4,247
<b>Total Regular Programs-Instruction</b>	<b>1,468,885</b>	<b>(46,815)</b>	<b>1,422,070</b>	<b>1,292,335</b>	<b>129,735</b>
<b>TOTAL UNALLOCATED BENEFITS</b>	<b>1,468,885</b>	<b>(46,815)</b>	<b>1,422,070</b>	<b>1,292,335</b>	<b>129,735</b>
<b>ON-BEHALF CONTRIBUTIONS</b>					
On-behalf TPAF pension Contrib. (non-budgeted)				390,156	(390,156)
On-behalf TPAF PRM Contrib. (non-budgeted)				251,993	(251,993)
TPAF LTDI (On-Behalf - Non-Budgeted)				498	(498)
Reimbursed TPAF Social Security Contrib. (non-budgeted)				195,096	(195,096)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>				<b>837,743</b>	<b>(837,743)</b>
<b>TOTAL PERSONAL SERVICES-EMPLOYEE BENEFITS</b>	<b>1,468,885</b>	<b>(46,815)</b>	<b>1,422,070</b>	<b>2,130,078</b>	<b>(708,008)</b>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>6,846,710</b>	<b>44,670</b>	<b>6,891,380</b>	<b>7,352,131</b>	<b>(460,751)</b>



WHITE TOWNSHIP SCHOOL DISTRICT  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**

Exhibit C-1

Fiscal Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>9,345,738</b>	<b>34,546</b>	<b>9,380,284</b>	<b>9,769,634</b>	<b>(389,350)</b>
Transfer of Funds to Charter Schools	122,951		122,951	111,486	11,465
<b>CAPITAL OUTLAY</b>					
<b>EQUIPMENT</b>					
<b>Regular Programs - Instruction:</b>					
Undistributed Expenditures - Plant Operations		6,923	6,923	6,923	
<b>TOTAL EQUIPMENT</b>		<b>6,923</b>	<b>6,923</b>	<b>6,923</b>	
<b>FACILITIES ACQUISITIONS AND CONSTRUCT. SVCS:</b>					
Construction Services	200,000		200,000	167,529	32,471
Assessment for Debt Service on SDA Funding	5,105		5,105	5,105	
<b>TOTAL FACILITIES ACQUISITIONS AND CONST. SVCS</b>	<b>205,105</b>		<b>205,105</b>	<b>172,634</b>	<b>32,471</b>
<b>TOTAL CAPITAL OUTLAY</b>	<b>205,105</b>	<b>6,923</b>	<b>212,028</b>	<b>179,557</b>	<b>32,471</b>
<b>TOTAL EXPENDITURES</b>	<b>9,673,794</b>	<b>41,469</b>	<b>9,715,263</b>	<b>10,060,677</b>	<b>(345,414)</b>
<b>Excess (Deficiency of Revenues Over(Under) Expenditures</b>	<b>(889,031)</b>	<b>(41,469)</b>	<b>(930,500)</b>	<b>(342,006)</b>	<b>588,494</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)</b>	<b>(889,031)</b>	<b>(41,469)</b>	<b>(930,500)</b>	<b>(342,006)</b>	<b>588,494</b>
<b>Fund Balance, July 1</b>	<b>2,415,006</b>		<b>2,415,006</b>	<b>2,415,006</b>	
<b>Fund Balance, June 30</b>	<b>\$ 1,525,975</b>	<b>(41,469)</b>	<b>\$ 1,484,506</b>	<b>\$ 2,073,000</b>	<b>\$ 588,494</b>

WHITE TOWNSHIP SCHOOL DISTRICT  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**

Exhibit C-1

Fiscal Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>Recapitulation:</b>					
<b>Restricted for:</b>					
Excess Surplus				\$ 368,461	
Excess Surplus - Designated for Subsequent Year's Expenditures				291,735	
Tuition Reserve - FY17-18 Due FY 19-20				150,000	
Tuition Reserve - FY16-17 Due FY 18-19				200,000	
Capital Reserve				463,270	
Maintenance Reserve				201,081	
<b>Assigned to:</b>					
Reserve for Encumbrances				37,413	
Additional Assigned Fund Balance-Designated for Subsequent Year's Expenditures July 1, 2018-August 1, 2018				43,208	
<b>Unassigned:</b>					
Unrestricted Fund Balance				<u>317,832</u>	
<b>Fund Balance per Governmental Funds(Budgetary Basis)</b>				<u>2,073,000</u>	
<b>Reconciliation to Governmental Funds Statement(GAAP Basis):</b>					
Last State Aid Payment not recognized on GAAP basis				<u>(167,604)</u>	
<b>Fund Balance per Governmental Funds(GAAP Basis B-2)</b>				<u><b>\$ 1,905,396</b></u>	

WHITE TOWNSHIP SCHOOL DISTRICT

Exhibit C-2

**BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND**

For the Fiscal Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance Final to Actual Favorable/ (Unfavorable)</b>
<b>REVENUES:</b>					
Federal Sources	\$ 100,000	\$ 89,601	\$ 189,601	\$ 189,601	-
<b>Total Revenues</b>	<b>100,000</b>	<b>89,601</b>	<b>189,601</b>	<b>189,601</b>	
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Salaries for Instruction	30,000	17,452	47,452	47,452	
Other Salaries for Instruction		4,754	4,754	4,754	
Tuition	70,000	21,393	91,393	91,393	
General Supplies		19,986	19,986	19,986	
<b>Total Instruction</b>	<b>100,000</b>	<b>63,585</b>	<b>163,585</b>	<b>163,585</b>	
<b>Support Services</b>					
Employee Benefits		13,516	13,516	13,516	
Other Purchased Services		12,500	12,500	12,500	
<b>Total Support Services</b>		<b>26,016</b>	<b>26,016</b>	<b>26,016</b>	
Total Expenditures	100,000	89,601	189,601	189,601	
<b>Total Outflows</b>	<b>\$ 100,000</b>	<b>\$ 89,601</b>	<b>\$ 189,601</b>	<b>\$ 189,601</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>					
<b>Fund Balance per Governmental Funds(Budgetary Basis)</b>					None
<b>Reconciliation to Governmental Funds Statement(GAAP Basis):</b>					
Last State Aid Payment not recognized on GAAP basis					<u>None</u>
<b>Fund Balance per Governmental Funds(GAAP Basis)</b>					None

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE**

For the Fiscal Year Ended June 30, 2018

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

	General Fund	Special Revenue Fund
<b>Sources/Inflows of Resources</b>		
Actual amounts (budgetary basis) "revenue"		
from the budgetary comparison schedule (Exhibits C-1 and C-2, respectively)	\$ 9,718,671	\$ 189,601
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior Year Encumbrances	N/A	N/A
Current Year Encumbrances	N/A	N/A
Adjustment for: Prior year Final State Aid Payment excluded in State Source Revenues that is considered a revenue for GAAP reporting purposes	167,052	
Adjustment for: Current Year Final State Aid Payment included in State Source Revenues that is not considered a revenue for GAAP reporting purposes	<u>(167,604)</u>	<u>-</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds. (Exhibit B-2)	<u>\$ 9,718,119</u>	<u>\$ 189,601</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedules (Exhibits C-1 and C-2, respectively)	\$ 10,060,677	\$ 189,601
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Prior Year Encumbrances	N/A	N/A
Current Year Encumbrances	N/A	N/A
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.	N/A	N/A
Net transfers (outflows) to general fund	<u>                    </u>	<u>                    </u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (Exhibit B-2)	<u>\$ 10,060,677</u>	<u>\$ 189,601</u>

**White Township School District**  
**Required Supplementary Information - Part III**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Last Ten Fiscal Years \***

Exhibit L-3

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

	<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>
District's proportion of the net pension liability (asset) **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) **	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
State's proportionate share of the net pension liability (asset) associated with the District	\$ 17,568,040	\$ 20,779,883	\$ 15,532,865	\$ 12,905,821	\$ 11,341,395					
<b>Total</b>	<u>\$ 17,568,040</u>	<u>\$ 20,779,883</u>	<u>\$ 15,532,865</u>	<u>\$ 12,905,821</u>	<u>\$ 11,341,395</u>					
District's covered employee payroll	\$ 2,793,832	\$ 2,837,767	\$ 2,771,359	\$ 2,576,714	\$ 2,369,791					
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	25.41%	22.33%	28.71%	33.64%	33.76%					

\*\* Note: TPAF is a special funding situation as defined by GASB Statement No. 68 in which the State of New Jersey is 100% responsible for contributions to the plan. Since the district (employer) does not contribute directly to the plan there is no net pension liability to report in the financial statements of the district.

Exhibit L-1

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

	<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>
District's proportion of the net pension liability (asset)	0.00399809%	0.00402494%	0.00387097%	0.0046922218%	0.0041303044%					
District's proportionate share of the net pension liability (asset)	\$ 930,691	\$ 1,192,072	\$ 868,956	\$ 878,512	\$ 789,383					
District's covered employee payroll	\$ 252,675	\$ 268,419	\$ 448,152	\$ 269,443	\$ 319,743	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	368.34%	444.11%	193.90%	326.05%	246.88%					
Plan fiduciary net position as a percentage of the total pension liability (Local)	58.18%	40.14%	47.92%	52.08%	48.72%					

\* - Until a full ten year trend is compiled, information will be presented for those years for which information is available.

**White Township School District  
Required Supplementary Information - Part III  
Schedule of District Contributions  
Last Ten Fiscal Years \***

Exhibit L-2

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually required contribution **	390,654	293,680	211,490	132,865	102,153	145,003	77,778	8,291	8,947	8,882
Contributions in relation to the contractually required contribution **	(390,654)	(293,680)	(211,490)	(132,865)	(102,153)	(145,003)	(77,778)	(8,291)	(8,947)	(8,882)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
District's covered employee payroll	\$ 2,793,832	\$ 2,837,767	\$2,771,359	\$2,644,094	\$2,576,714	\$2,369,791	\$ 2,174,649	\$ 2,010,537	\$ 2,460,727	\$ 2,688,369
Contributions as a percentage of covered-employee payroll	13.98%	10.35%	7.63%	5.02%	3.96%	6.12%	3.58%	0.41%	0.36%	0.33%

\*\* Note: TPAF is a special funding situation as defined by GASB Statement No. 68 in which the State of New Jersey is 100% responsible for contributions to the plan. The district (employer) does not contribute to the plan.

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

	2018	2017	2015	2014	2013	2012	2011	2010	2009	2008
Contractually required contribution	\$ 54,545	\$ 49,866	\$ 38,682	31,121	49,984	58,996	65,882	58,214	41,039	32,801
Contributions in relation to the contractually required contribution	(54,545)	(49,866)	(38,682)	(31,121)	(49,984)	(58,996)	(65,882)	(58,214)	(41,039)	(32,801)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
District's covered employee payroll	\$ 252,675	\$ 448,152	\$ 252,544	\$ 269,443	\$ 319,743	\$ 255,868	\$ 298,345	\$ 385,378	\$ 436,501	N/A
Contributions as a percentage of covered-employee payroll	21.59%	11.13%	15.32%	11.55%	15.63%	23.06%	22.08%	15.11%	9.40%	N/A

\* - Until a full ten year trend is compiled, information will be presented for those years for which information is available.

White Township School District  
 Required Supplementary Information - Part III  
 Schedule of Changes in the State's Total OPEB Liability and Related Ratios  
 Last Ten Fiscal Years \*

Exhibit M-1

State Health Benefit Local Education Retired Employees Plan (TPAF and PERS)

<b>The State of New Jersey's Total OPEB Liability</b>	<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>
Service Cost	\$ 2,391,878,884	\$ 1,723,999,319								
Interest	1,699,441,736	1,823,643,792								
Benefit Payments	(1,242,412,566)	(1,223,298,019)								
Contributions from Members	45,748,749	46,273,747								
Changes of Assumptions or other inputs	<u>\$ (7,086,599,129)</u>	<u>8,611,513,521</u>								
<b>Net change in total OPEB liability</b>	(4,191,942,326)	10,982,132,360								
<b>Total OPEB Liability - Beginning</b>	<u>\$ 57,831,784,184</u>	<u>\$46,849,651,824</u>								
<b>Total OPEB Liability - Ending</b>	<u>\$ 53,639,841,858</u>	<u>\$57,831,784,184</u>								
<b>The State of New Jersey's total OPEB liability **</b>	\$ 53,639,841,858	\$57,831,784,184								
<b>The State of New Jersey's OPEB liability attributable to the District **</b>	\$ 17,343,129	\$ 18,808,671								
<b>The District's proportionate share of the total OPEB liability</b>	Zero	Zero								
<b>District's covered employee payroll</b>	\$ 3,046,507	\$ 3,285,919								
<b>Total District's OPEB liability as a percentage of its covered-employee payroll</b>	0.00%	0.00%								
<b>District's contribution</b>	None	None								
<b>State's covered employee payroll ***</b>	\$ 13,493,400,208	\$13,493,400,208								
<b>Total State's OPEB liability as a percentage of its covered-employee payroll</b>	397.53%	428.59%								

\*\* Note: Other Post Employment Benefits (OPEB) for employees of the Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS) is considered a special funding situation as defined by GASB Statement No. 75 in which the State of New Jersey is 100% responsible for contributions to the health insurance plan. The district (employer) does not contribute to the plan and the district's OPEB liability is zero.

\*\*\* Based on payroll on the June 30, 2016 census data

\* - Until a full ten year trend is compiled, information will be presented for those years for which information is available.

WHITE SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III  
Pension and OPEB Schedules

For the Fiscal Year Ended June 30, 2018

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

**Pension Schedules**

*Changes of benefit terms.* 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.

*Changes of assumptions.* Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

**OPEB Schedules**

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

*Changes of benefit terms.* There were no changes of benefit terms.

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

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

**Pension Schedules**

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

*Changes of assumptions.* Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 Based on Projection Scale AA.

**OPEB Schedules**

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

*Changes of benefit terms.* There were no changes of benefit terms.

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



**OTHER SUPPLEMENTARY INFORMATION**

**SPECIAL REVENUE FUND  
DETAIL STATEMENTS**

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

WHITE TOWNSHIP SCHOOL DISTRICT

Exhibit E-1

**SPECIAL REVENUE FUND**  
**COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS**

For the Fiscal Year Ended June 30, 2018

	<b>Title I Part A</b>	<b>Title II Part A</b>	<b>IDEA Basic</b>	<b>IDEA Pre-Sch.</b>	<b>REAP</b>	<b>Totals</b>
<b>REVENUES</b>						
Federal Sources	\$ 60,961	\$ 12,143	\$ 91,393	\$ 5,118	\$ 19,986	\$ 189,601
<b>TOTAL REVENUES</b>	<b>60,961</b>	<b>12,143</b>	<b>91,393</b>	<b>5,118</b>	<b>19,986</b>	<b>189,601</b>
<b>EXPENDITURES:</b>						
<b>Instruction:</b>						
Salaries for Instruction	37,944	9,508				47,452
Other Salaries for Instruction				4,754		4,754
Tuition			91,393			91,393
General Supplies					19,986	19,986
<b>Total Instruction</b>	<b>37,944</b>	<b>9,508</b>	<b>91,393</b>	<b>4,754</b>	<b>19,986</b>	<b>163,585</b>
<b>Support Services:</b>						
Employee Benefits	10,517	2,635		364		13,516
Other Purchased Services	12,500					12,500
<b>Total Support Services</b>	<b>23,017</b>	<b>2,635</b>		<b>364</b>		<b>26,016</b>
<b>TOTAL EXPENDITURES</b>	<b>60,961</b>	<b>12,143</b>	<b>91,393</b>	<b>5,118</b>	<b>19,986</b>	<b>189,601</b>
<b>Total Outflows</b>	<b>60,961</b>	<b>12,143</b>	<b>91,393</b>	<b>5,118</b>	<b>19,986</b>	<b>189,601</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)</b>						

<p style="text-align: center;"><b>CAPITAL PROJECTS FUND DETAIL STATEMENTS</b></p>
---

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

N/A

**PROPRIETARY FUND  
DETAIL STATEMENTS**

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

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

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

<p style="text-align: center;"><b>FIDUCIARY FUND DETAIL STATEMENTS</b></p>
--

Fiduciary Funds are used to account for funds received by the school district for a specific purpose.

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

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

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

WHITE TOWNSHIP SCHOOL DISTRICT

Exhibit H-1

COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 JUNE 30, 2018

	<u>AGENCY FUNDS</u>		
	<u>STUDENT</u>	<u>PAYROLL</u>	
	<u>ACTIVITY</u>	<u>AGENCY</u>	<u>TOTALS</u>
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 11,533	\$ 5	\$ 11,538
<b>TOTAL ASSETS</b>	<u>\$ 11,533</u>	<u>\$ 5</u>	<u>\$ 11,538</u>
<b>LIABILITIES:</b>			
Liabilities:			
Payroll Deductions and Withholdings		\$ 5	\$ 5
Payable to Student Groups	\$ 11,533		11,533
<b>Total Liabilities</b>	<u>\$ 11,533</u>	<u>\$ 5</u>	<u>\$ 11,538</u>
<b>Net Position</b>			
Held in Trust for Unemployment			
Claims and Other Purposes			-
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 11,533</u>	<u>\$ 5</u>	<u>\$ 11,538</u>

WHITE TOWNSHIP SCHOOL DISTRICT

Exhibit H-2

**SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
STUDENT ACTIVITY AGENCY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

<u>ACTIVITY</u>	<u>BALANCE JULY 1, 2017</u>	<u>TRANSFERS</u>	<u>CASH RECEIPTS</u>	<u>CASH DISBURSEMENTS</u>	<u>BALANCE JUNE 30, 2018</u>
Library	\$ 29		\$ 58	\$ 45	\$ 42
Music	579		721	632	668
Year Book	1,542		17	168	1,391
Project Earth	401		4	-	405
Class of 2018	7,943		23,407	25,804	5,546
Class Trips	3,429		3,758	4,122	3,065
Dr. Seuss	184		2	-	186
Student Government	109		2	-	111
Special Activities	1,011	-	2,319	3,211	119
<b>Totals</b>	<b>\$ 15,227</b>	<b>-</b>	<b>\$ 30,288</b>	<b>\$ 33,982</b>	<b>\$ 11,533</b>



WHITE TOWNSHIP SCHOOL DISTRICT

Exhibit H-3

**SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
PAYROLL AGENCY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>BALANCE</u> <u>JULY 1, 2017</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2018</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 1	\$ 3,609,861	\$ 3,609,857	\$ 5
<b>Total Assets</b>	<u>\$ 1</u>	<u>\$ 3,609,861</u>	<u>\$ 3,609,857</u>	<u>\$ 5</u>
 <b>LIABILITIES:</b>				
Payroll Deductions and Withholdings	\$ 1	\$ 1,526,725	\$ 1,526,721	\$ 5
Accrued Salaries and Wages	<u>-</u>	<u>2,083,136</u>	<u>2,083,136</u>	<u>-</u>
<b>Total Liabilities</b>	<u>\$ 1</u>	<u>\$ 3,609,861</u>	<u>\$ 3,609,857</u>	<u>\$ 5</u>

## **LONG-TERM DEBT SCHEDULES**

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

WHITE TOWNSHIP SCHOOL DISTRICT

Exhibit I-1

**SCHEDULE OF SERIAL BONDS  
AS OF ENDED JUNE 30, 2018**

<u>ISSUE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ISSUE</u>	<u>ANNUAL MATURITIES</u>		<u>INTEREST RATE</u>	<u>BALANCE JULY 1, 2017</u>	<u>ISSUED</u>	<u>PAID</u>	<u>BALANCE JUNE 30, 2018</u>
			<u>DATE</u>	<u>AMOUNT</u>					
Refunding Bonds - 2007	8/15/07	\$ 3,080,000	8/15/17	\$ 370,000	4.0%	\$ 370,000		\$ 370,000	-
<b>Total</b>						<b>\$ 370,000</b>	<b>-</b>	<b>\$ 370,000</b>	<b>-</b>

WHITE TOWNSHIP SCHOOL DISTRICT

**STATEMENT OF EARLY RETIREMENT INCENTIVE PROGRAMS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Exhibit I-2

<u>ISSUE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ISSUE</u>	<u>ANNUAL MATURITIES</u>		<u>BALANCE JULY 1, 2017</u>	<u>RETIREED</u>	<u>BALANCE JUNE 30, 2018</u>
			<u>DATE</u>	<u>AMOUNT</u>			
Early Retirement Incentive Programs - TPAF	4/1/95	\$746,064	4/1/18-21	\$ 26,322	\$ 105,288	\$ 26,322	\$ 78,966
<b>Total</b>					<b>\$ 105,288</b>	<b>26,322</b>	<b>\$ 78,966</b>

WHITE TOWNSHIP SCHOOL DISTRICT

Exhibit I-3

**BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND**

For the Fiscal Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive/ (Negative) Final to Actual</u>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 329,468		\$ 329,468	\$ 329,468	-
State Sources:					
Debt Service Aid Type II	47,932		47,932	47,932	
<b>TOTAL REVENUES</b>	<b>377,400</b>	<b>-</b>	<b>377,400</b>	<b>377,400</b>	<b>-</b>
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	7,400		7,400	7,400	-
Redemption of Principal	370,000		370,000	370,000	
Total Regular Debt Service	377,400		377,400	377,400	-
<b>TOTAL EXPENDITURES</b>	<b>377,400</b>		<b>377,400</b>	<b>377,400</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-		-	-	-
Fund Balance, July 1			-	-	-
<b>Fund Balance, June 30</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures</b>					
Budgeted Fund Balance	-	-	-	-	-

White Township School District  
**Statistical Section**

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends (J-1 thru J-5)</b> These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	94-99
<b>Revenue Capacity (J-6 thru J-9)</b> These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	100-103
<b>Debt Capacity (J-10 thru J-13)</b> These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	104-107
<b>Demographic and Economic Information (J-14 and J-15)</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	108-109
<b>Operating Information (J-16 thru J-20)</b> These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	110-114

**Sources:**

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year.

**White Township School District**  
**Net Position by Component,**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

**Exhibit J-1**

	Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 1,353,502	\$ 1,602,141	\$ 1,725,506	\$ 1,926,306	\$ 2,082,641	\$ 2,692,112	\$ 3,042,681	\$ 2,845,574	\$ 3,188,639	\$ 3,518,448
Restricted	221,898	195,758	526,109	851,367	1,267,640	1,715,854	1,523,234	1,447,407	1,357,862	1,057,559
Unrestricted	(621,603)	(448,937)	(188,379)	71,150	478,722	(214,653)	(168,509)	(96,527)	(225,783)	(252,752)
<b>Total governmental activities Net Position</b>	<u>\$ 953,797</u>	<u>\$ 1,348,962</u>	<u>\$ 2,063,236</u>	<u>\$ 2,848,823</u>	<u>\$ 3,829,003</u>	<u>\$ 4,193,313</u>	<u>\$ 4,397,406</u>	<u>\$ 4,196,454</u>	<u>\$ 4,320,718</u>	<u>\$ 4,323,255</u>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ 8,309	\$ 15,841	\$ 14,123	\$ 29,905	\$ 26,729	\$ 23,586	\$ 20,661	\$ 22,178	\$ 20,574	\$ 14,045
Restricted								-	-	-
Unrestricted	23,872	15,353	11,252	17,027	25,879	33,593	33,566	18,866	14,793	14,851
<b>Total business-type activities Net Position</b>	<u>\$ 32,181</u>	<u>\$ 31,194</u>	<u>\$ 25,375</u>	<u>\$ 46,932</u>	<u>\$ 52,608</u>	<u>\$ 57,179</u>	<u>\$ 54,227</u>	<u>\$ 41,044</u>	<u>\$ 35,367</u>	<u>\$ 28,896</u>
<b>District-wide</b>										
Invested in capital assets, net of related debt	\$ 1,361,811	\$ 1,617,982	\$ 1,739,629	\$ 1,956,211	\$ 2,109,370	\$ 2,715,698	\$ 3,063,342	\$ 2,867,752	\$ 3,209,213	\$ 3,532,493
Restricted	221,898	195,758	526,109	851,367	1,267,640	1,715,854	1,523,234	1,447,407	1,357,862	1,057,559
Unrestricted	(597,731)	(433,584)	(177,127)	88,177	504,601	(181,060)	(134,943)	(77,661)	(210,990)	(237,901)
<b>Total district Net Position</b>	<u>\$ 985,978</u>	<u>\$ 1,380,156</u>	<u>\$ 2,088,611</u>	<u>\$ 2,895,755</u>	<u>\$ 3,881,611</u>	<u>\$ 4,250,492</u>	<u>\$ 4,451,633</u>	<u>\$ 4,237,498</u>	<u>\$ 4,356,085</u>	<u>\$ 4,352,151</u>

Source: CAFR Schedule A-1

**White Township School District**  
**Changes in Net Position, Last Ten Fiscal Years**  
*(accrual basis of accounting)*

**Exhibit J-2**

	Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular	\$ 2,694,505	\$ 2,556,623	\$ 2,177,363	\$ 2,427,233	\$ 2,449,338	\$ 2,360,716	\$ 2,985,252	\$ 2,985,890	\$ 3,991,851	\$ 3,868,217
Special education	755,833	717,918	818,748	667,961	701,014	798,493	919,796	1,038,636	1,114,365	952,047
Other special instruction	179,581	141,709	159,065	147,795	199,593	207,134	222,649	167,205	191,897	192,071
Support Services:										
Tuition	2,859,364	3,249,258	3,045,211	2,949,820	2,515,720	2,548,138	3,108,677	2,984,365	3,029,157	3,003,481
Student & instruction related services	930,583	914,596	885,676	970,743	987,926	1,127,889	1,234,975	1,322,186	1,430,576	1,420,712
School administrative service	90,254	105,794	193,206	191,741	198,605	200,577	233,628	248,689	307,597	243,980
General and business admin.services	467,406	452,409	346,582	385,190	345,141	365,629	354,491	481,066	536,554	615,243
Plant operations and maintenance	489,361	482,056	451,178	461,876	537,378	498,616	464,085	591,630	741,748	846,356
Pupil transportation	643,560	517,216	464,662	494,354	477,124	512,010	547,657	545,391	565,651	588,391
Special schools			8,775	9,895	766	11,187	11,094			
Interest on long-term debt	121,574	110,724	103,797	91,189	73,012	62,280	49,330	119,231	101,134	91,290
Total governmental activities expenses	<u>9,232,021</u>	<u>9,248,303</u>	<u>8,654,263</u>	<u>8,797,797</u>	<u>8,485,617</u>	<u>8,692,669</u>	<u>10,131,634</u>	<u>10,484,289</u>	<u>12,010,530</u>	<u>11,821,788</u>
Business-type activities:										
Food service	118,938	125,262	121,564	101,659	80,338	82,584	85,271	87,826	71,807	55,672
Total business-type activities expense	<u>118,938</u>	<u>125,262</u>	<u>121,564</u>	<u>101,659</u>	<u>80,338</u>	<u>82,584</u>	<u>85,271</u>	<u>87,826</u>	<u>71,807</u>	<u>55,672</u>
Total district expenses	<u>\$ 9,350,959</u>	<u>\$ 9,373,565</u>	<u>\$ 8,775,827</u>	<u>\$ 8,899,456</u>	<u>\$ 8,565,955</u>	<u>\$ 8,775,253</u>	<u>\$ 10,216,905</u>	<u>\$ 10,572,115</u>	<u>\$ 12,082,337</u>	<u>\$ 11,877,460</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Business and other support services						23,737	11,250	26,300	15,897	\$ 21,840
Operating grants and contributions	\$ 211,096	\$ 304,443	\$ 284,652	\$ 228,288	\$ 204,465	\$ 185,742	\$ 151,704	\$ 3,484,612	\$ 4,750,905	4,429,810
Capital grants and contributions	-	-	-	-	-	155,400	-	-	-	-
Total governmental activities program revenues	<u>211,096</u>	<u>304,443</u>	<u>284,652</u>	<u>228,288</u>	<u>204,465</u>	<u>364,879</u>	<u>162,954</u>	<u>3,510,912</u>	<u>4,766,802</u>	<u>4,451,650</u>
Business-type activities:										
Charges for services										
Business and other support services	92,623	88,310	83,684	73,060	56,243	52,855	49,227	39,137	32,073	27,218
Operating grants and contributions	27,557	35,901	32,028	32,635	31,873	34,256	33,040	35,068	33,950	21,549
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business type activities program revenues	<u>120,190</u>	<u>124,211</u>	<u>115,712</u>	<u>105,695</u>	<u>88,116</u>	<u>87,111</u>	<u>82,267</u>	<u>74,205</u>	<u>66,023</u>	<u>48,767</u>
Total district program revenues	<u>\$ 331,276</u>	<u>\$ 428,654</u>	<u>\$ 400,364</u>	<u>\$ 333,983</u>	<u>\$ 292,581</u>	<u>\$ 451,990</u>	<u>\$ 245,221</u>	<u>\$ 3,585,117</u>	<u>\$ 4,832,825</u>	<u>\$ 4,500,417</u>
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (9,020,925)	\$ (8,943,860)	\$ (8,369,611)	\$ (8,569,509)	\$ (8,281,152)	\$ (8,327,790)	\$ (9,968,680)	\$ (6,973,377)	\$ (7,243,728)	\$ (7,370,138)
Business-type activities	1,242	(1,051)	(5,852)	4,036	7,778	4,527	(3,004)	(13,621)	(5,784)	(6,905)
Total district-wide net expense	<u>\$ (9,019,683)</u>	<u>\$ (8,944,911)</u>	<u>\$ (8,375,463)</u>	<u>\$ (8,565,473)</u>	<u>\$ (8,273,374)</u>	<u>\$ (8,323,263)</u>	<u>\$ (9,971,684)</u>	<u>\$ (6,986,998)</u>	<u>\$ (7,249,512)</u>	<u>\$ (7,377,043)</u>



**White Township School District**  
**Changes in Net Position, Last Ten Fiscal Years**  
*(accrual basis of accounting)*

**Exhibit J-2**

	Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 6,138,406	\$ 6,383,940	\$ 6,581,939	\$ 6,581,939	\$ 6,609,124	\$ 6,609,124	\$ 6,741,306	\$ 6,876,132	\$ 7,013,654	\$ 7,013,654
Taxes levied for debt service	316,396	295,673	324,840	323,412	326,674	329,031	326,587	328,071	329,031	329,468
Investment earnings	9,133	5,515	3,059	2,568	4,725	4,216	3,639	7,608	16,346	27,659
Miscellaneous income	17,394	15,279	21,563	13,653	2,865	10,344	17,762	8,743	4,802	1,894
Federal and State Aid for Capital Assets Projects	2,473,335	2,638,618	2,152,484	2,414,151	2,346,118	2,326,046	3,102,630			
Transfers	-	-	-	(17,500)	14,699		(19,151)			
Total governmental activities	<u>8,954,664</u>	<u>9,339,025</u>	<u>9,083,885</u>	<u>9,318,223</u>	<u>9,304,205</u>	<u>9,278,761</u>	<u>10,172,773</u>	<u>7,220,554</u>	<u>7,363,833</u>	<u>7,372,675</u>
Business-type activities:										
Investment earnings	106	64	33	21	33	44	52	438	107	434
Transfers	-	-	-	17,500	(2,135)	-	-	-	-	-
Total business-type activities	<u>106</u>	<u>64</u>	<u>33</u>	<u>17,521</u>	<u>(2,102)</u>	<u>44</u>	<u>52</u>	<u>438</u>	<u>107</u>	<u>434</u>
Total district-wide	<u>\$ 8,954,770</u>	<u>\$ 9,339,089</u>	<u>\$ 9,083,918</u>	<u>\$ 9,335,744</u>	<u>\$ 9,302,103</u>	<u>\$ 9,278,805</u>	<u>\$ 10,172,825</u>	<u>\$ 7,220,992</u>	<u>\$ 7,363,940</u>	<u>\$ 7,373,109</u>
<b>Change in Net Position</b>										
Governmental activities	\$ (66,261)	\$ 395,165	\$ 714,274	\$ 748,714	\$ 1,023,053	\$ 950,971	\$ 204,093	\$ 247,177	\$ 120,105	\$ 2,537
Business-type activities	1,348	(987)	(5,819)	21,557	5,676	4,571	(2,952)	(13,183)	(5,677)	(6,471)
Total district	<u>\$ (64,913)</u>	<u>\$ 394,178</u>	<u>\$ 708,455</u>	<u>\$ 770,271</u>	<u>\$ 1,028,729</u>	<u>\$ 955,542</u>	<u>\$ 201,141</u>	<u>\$ 233,994</u>	<u>\$ 114,428</u>	<u>\$ (3,934)</u>

Source: CAFR Schedule A-2

**White Township School District**  
**Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

**Exhibit J-3**

	Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$ 160,269	\$ 246,302	\$ 787,768	\$ 1,339,457	\$ 2,135,329	\$ 2,196,908	\$ 2,233,369	\$ 2,219,849	\$ 2,081,097	\$ 1,755,168
Unreserved	63,731	134,164	136,900	133,663	150,952	166,159	166,620	198,734	166,857	150,228
Total general fund	<u>\$ 224,000</u>	<u>\$ 380,466</u>	<u>\$ 924,668</u>	<u>\$ 1,473,120</u>	<u>\$ 2,286,281</u>	<u>\$ 2,363,067</u>	<u>\$ 2,399,989</u>	<u>\$ 2,418,583</u>	<u>\$ 2,247,954</u>	<u>\$ 1,905,396</u>
All Other Governmental Funds										
Reserved										
Unreserved, reported in:										
Special revenue fund										
Capital projects fund	\$ 66,218					\$ 246,950	\$ 53,249			
Debt service fund	21,536	\$ 381	\$ 381					-	-	-
Total all other governmental funds	<u>\$ 87,754</u>	<u>\$ 381</u>	<u>\$ 381</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 246,950</u>	<u>\$ 53,249</u>	<u>-</u>	<u>-</u>	<u>-</u>

Source: CAFR Schedule B-1

**White Township School District**  
**Changes in Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**

**Exhibit J-4**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Revenues</b>										
Tax levy	\$ 6,454,802	\$ 6,679,613	\$ 6,906,779	\$ 6,905,351	\$ 6,935,798	\$ 6,947,086	\$ 7,079,143	\$ 7,204,203	\$ 7,342,685	\$ 7,343,122
Interest on Investments	9,133	5,515	3,059	2,568	4,725	4,216	3,639	7,608	16,346	27,659
Miscellaneous	17,394	15,279	21,563	13,653	2,865	10,361	17,762	35,043	20,699	23,734
State sources	2,473,592	2,566,779	2,152,484	2,342,310	2,346,118	2,481,446	2,408,176	2,564,165	2,615,483	2,701,004
Federal sources	210,839	376,282	284,652	294,129	204,465	185,742	151,704	183,516	178,517	189,601
<b>Total revenue</b>	<b>9,165,760</b>	<b>9,643,468</b>	<b>9,368,537</b>	<b>9,558,011</b>	<b>9,493,971</b>	<b>9,628,851</b>	<b>9,660,424</b>	<b>9,994,535</b>	<b>10,173,730</b>	<b>10,285,120</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	1,718,316	1,609,654	1,368,102	1,482,738	1,599,137	1,609,987	1,706,640	2,165,784	2,441,110	1,967,097
Special education instruction	491,261	367,622	517,487	502,051	472,467	497,309	527,713	791,203	707,843	510,916
Other special instruction	144,362	83,868	69,586	66,578	98,113	132,593	123,259	127,372	121,893	103,075
<b>Support Services:</b>										
Tuition	2,723,858	3,121,258	2,868,854	2,820,751	2,390,976	2,431,662	3,008,260	2,984,365	3,029,157	3,003,481
Student & instruction related services	696,947	667,840	623,591	624,523	648,311	795,184	776,791	1,007,203	908,700	762,425
School administrative services	61,000	72,494	110,468	109,089	115,924	118,911	123,020	189,444	195,385	130,932
Other administrative services	347,745	315,802	285,782	290,343	297,435	318,827	316,050	347,448	321,804	311,156
Plant operations and maintenance	404,401	382,190	383,923	377,404	473,143	412,165	382,450	448,174	468,644	451,684
Pupil transportation	643,560	517,516	464,662	494,354	477,124	512,010	547,657	545,391	565,651	588,391
Unallocated employee benefits	1,551,332	1,610,061	1,462,683	1,550,379	1,540,137	1,420,533	1,556,675	875,049	949,820	2,130,078
Summer School								-	-	-
Charter School			8,775	9,895	766	11,187	11,094	42,096	72,952	111,486
Capital Outlay	219,896	453,823	284,652	291,023	204,465	641,525	344,343	129,861	184,500	179,557
<b>Debt service:</b>										
Principal	250,000	265,000	275,000	285,000	300,000	341,322	325,000	340,000	355,000	370,000
Interest and other charges	118,172	107,547	110,770	88,312	77,511	61,900	49,100	35,800	21,900	7,400
<b>Total expenditures</b>	<b>9,370,850</b>	<b>9,574,675</b>	<b>8,834,335</b>	<b>8,992,440</b>	<b>8,695,509</b>	<b>9,305,115</b>	<b>9,798,052</b>	<b>10,029,190</b>	<b>10,344,359</b>	<b>10,627,678</b>
Excess (Deficiency) of revenues over (under) expenditures	(205,090)	68,793	534,202	565,571	798,462	323,736	(137,628)	(34,655)	(170,629)	(342,558)
<b>Other Financing Sources (uses)</b>										
Bond Proceeds										
Transfers in					14,699			53,249	-	-
Transfers out				(17,500)			(19,151)	(53,249)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(17,500)</b>	<b>14,699</b>	<b>-</b>	<b>(19,151)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ (205,090)</b>	<b>\$ 68,793</b>	<b>\$ 534,202</b>	<b>\$ 548,071</b>	<b>\$ 813,161</b>	<b>\$ 323,736</b>	<b>\$ (156,779)</b>	<b>\$ (34,655)</b>	<b>\$ (170,629)</b>	<b>\$ (342,558)</b>
Debt service as a percentage of noncapital expenditures	4.0%	4.1%	4.5%	4.3%	4.4%	4.7%	4.0%	3.8%	3.7%	3.6%

Source: CAFR Schedule B-2

WHITE TOWNSHIP SCHOOL DISTRICT

GENERAL FUND OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
UNAUDITED

Exhibit J-5

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Refund</u> <u>Prior Year</u> <u>Expenditures</u>	<u>A/P</u> <u>Canceled</u>	<u>Tuition</u>	<u>Miscellaneous</u>	<u>Total</u>
2009	\$ 9,133	\$ 7,718	\$ 7,483		\$ 2,193	\$ 26,527
2010	5,515	11,696			3,583	20,794
2011	3,059	17,604			3,959	24,622
2012	2,568	9,207			4,446	16,221
2013	4,725	93			2,772	7,590
2014	4,216	1,501	6,938	\$ 8,931	1,922	23,508
2015	3,639	16,757		11,250	1,005	32,651
2016	7,608	8,709		26,300	34	42,651
2017	16,346	4,471		15,897	331	37,045
2018	27,659			21,840	1,894	51,393

SOURCE: District Records

**White Township School District  
Assessed Value and Actual Value of Taxable Property,  
Last Ten Fiscal Years**

**Exhibit J-6**

<u>Fiscal Year Ended June 30,</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm Reg.</u>	<u>Ofarm</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	<u>Total Assessed Value</u>	<u>Less: Tax-Exempt Property</u>	<u>Public Utilities a</u>	<u>Net Valuation Taxable</u>	<u>Total Direct School Tax Rate b</u>	<u>Estimated Actual (County Equalized Value)</u>
2009	\$15,468,627	\$413,182,700	\$41,291,800	\$3,401,421	\$41,482,200	\$109,569,800	\$5,478,400	\$687,199,781	\$56,157,493	\$1,167,340	\$631,042,288	\$1.170	\$786,449,659
2010	15,238,327	414,181,200	41,180,500	3,442,571	41,499,400	49,320,900	4,874,500	626,400,501	55,654,593	1,008,510	570,745,908	1.199	712,274,938
2011	14,146,827	415,704,700	41,369,300	3,432,571	45,884,300	49,320,900	4,927,600	632,154,811	55,963,293	1,405,320	576,191,518	1.193	733,628,111
2012	13,958,727	415,774,300	41,478,100	3,427,971	48,096,300	49,570,900	4,927,600	635,330,296	56,377,293	1,719,105	578,953,003	1.201	659,324,681
2013	13,669,927	415,654,500	41,596,000	3,394,871	46,704,400	49,826,300	4,927,600	634,123,961	56,457,693	1,892,670	577,666,268	1.199	629,746,285
2014	14,998,027	414,805,300	41,490,600	3,370,971	46,955,300	49,826,300	4,927,600	635,526,157	57,167,793	1,984,266	578,358,364	1.237	564,465,088
2015	13,266,027	407,779,900	41,591,600	3,385,471	48,384,700	49,826,300	4,927,600	628,175,638	57,064,693	1,949,347	571,110,945	1.276	533,677,297
2016	13,341,627	402,774,500	42,083,900	3,295,981	48,136,000	49,826,300	4,927,600	621,707,801	57,321,893	-	564,385,908	1.308	516,692,444
2017	12,739,027	400,945,200	41,943,200	3,310,071	47,555,000	49,826,300	4,927,600	619,363,191	58,116,793	-	561,246,398	1.309	569,662,143
2018	12,429,127	401,101,900	40,939,600	3,289,171	48,455,200	49,826,300	4,927,600	619,720,591	58,751,693	-	560,968,898	1.309	560,061,782

Source: District records Tax list summary & Municipal Tax Assessor

**Note:** Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

**a** Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

**b** Tax rates are per \$100

**White Township School District  
Direct and Overlapping Property Tax Rates  
Last Ten Fiscal Years**

**Exhibit J-7**

*(rate per \$100 of assessed value)*

Fiscal Year Ended June 30,	White Township Board of Education						Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	White Township	Library	Warren County	
2009	\$0.973	\$0.050	\$1.023	\$0.079	\$0.065	\$0.697	\$1.864
2010	\$1.118	\$0.052	\$1.170	\$0.103	\$0.066	\$0.699	\$2.038
2011	\$1.139	\$0.060	\$1.199	\$0.110	\$0.062	\$0.641	\$2.012
2012	\$1.137	\$0.056	\$1.193	\$0.110	\$0.056	\$0.590	\$1.949
2013	\$1.145	\$0.056	\$1.201	\$0.117	\$0.053	\$0.627	\$1.998
2014	\$1.142	\$0.057	\$1.199	\$0.117	\$0.050	\$0.568	\$1.934
2015	\$1.180	\$0.057	\$1.237	\$0.118	\$0.051	\$0.671	\$2.077
2016	\$1.218	\$0.058	\$1.276	\$0.118	\$0.049	\$0.650	\$2.093
2017	\$1.249	\$0.059	\$1.308	\$0.093	\$0.049	\$0.730	\$2.180
2018	\$1.250	\$0.059	\$1.309	\$0.020	\$0.049	\$0.761	\$2.139

Source: District Records and Municipal Tax Collector

**Note:**

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

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

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

**White Township School District  
Principal Property Tax Payers,  
Current Year and Nine Years Ago**

**Exhibit J-8**

Taxpayer	2018			2007		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
DSM, Inc	\$ 43,098,600	1	7.68%	\$ 113,730,700	1	18.02%
Brookfield Senior Living, LLC	7,984,500	2	1.42%			
Country View Village	5,206,500	3	0.93%	5,206,500	3	0.83%
Windtryst Limited	4,598,600	4	0.82%	4,598,600	4	0.73%
Hike Enterprises, LLC	4,500,000	5	0.80%	6,994,800	2	1.11%
Tilcon	3,587,800	6	0.64%			
Apple Mountain Recreation	2,961,800	7	0.53%	3,339,100	5	0.53%
BASF Corp	2,861,800	8	0.51%	2,836,600	6	0.45%
Individual Taxpayer #1	2,217,100	9	0.40%	1,200,000	10	0.19%
Naceville Materials JV	2,169,200	10	0.39%			
United Telephone				1,564,824	7	0.25%
Desapio Properties				1,158,900	8	0.18%
White 46 Associates, LLC				1,316,900	9	0.21%
Total	<u>\$ 79,185,900</u>		<u>14.12%</u>	<u>\$ 141,946,924</u>		<u>22.49%</u>

Source: District CAFR & Municipal Tax Assessor

**White Township School District  
Property Tax Levies and Collections,  
Last Ten Fiscal Years**

**Exhibit J-9**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2009	\$6,454,802	\$6,454,802	100.00%	-
2010	\$6,679,613	\$6,679,613	100.00%	-
2011	\$6,906,779	\$6,906,779	100.00%	-
2012	\$6,905,351	\$6,905,351	100.00%	-
2013	\$6,935,798	\$6,935,798	100.00%	-
2014	\$6,938,155	\$6,938,155	100.00%	-
2015	\$7,067,893	\$7,067,893	100.00%	-
2016	\$7,204,203	\$7,204,203	100.00%	-
2017	\$7,342,685	\$7,342,685	100.00%	-
2018	\$7,343,122	\$7,343,122	100.00%	-

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

**Note:** 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 is the amount voted upon or certified prior to the end of the school year.



**White Township School District  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years**

**Exhibit J-10**

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases				
2009	\$3,379,438	-0-	-0-	-0-	-0-	\$3,379,438	1.32%	\$571	
2010	\$3,073,837	-0-	-0-	-0-	-0-	\$3,073,837	1.40%	\$631	
2011	\$2,757,458	-0-	-0-	-0-	-0-	\$2,757,458	1.23%	\$569	
2012	\$2,430,255	-0-	-0-	-0-	-0-	\$2,430,255	1.09%	\$507	
2013	\$2,087,177	-0-	-0-	-0-	-0-	\$2,087,177	0.90%	\$439	
2014	\$1,574,254	-0-	-0-	-0-	-0-	\$1,574,254	0.68%	\$331	
2015	\$1,222,932	-0-	-0-	-0-	-0-	\$1,222,932	0.53%	\$258	
2016	\$856,610	-0-	-0-	-0-	-0-	\$856,610	0.37%	\$181	
2017	\$475,288	-0-	-0-	-0-	-0-	\$475,288	0.20%	\$100	
2018	\$78,966	-0-	-0-	-0-	-0-	\$78,966	0.03%	\$17	

Source: District CAFR Schedules I-1, I-2

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

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

**b** Includes Early Retirement Incentive Plan (ERIP) refunding

\* Current data unavailable

**White Township School District**  
**Ratios of Net General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

**Exhibit J-11**

General Bonded Debt Outstanding					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
2009	\$3,379,438	-0-	\$3,379,438	0.50%	\$571
2010	\$3,073,837	-0-	\$3,073,837	0.45%	\$631
2011	\$2,757,458	-0-	\$2,757,458	0.40%	\$569
2012	\$2,430,255	-0-	\$2,430,255	0.35%	\$507
2013	\$2,087,177	-0-	\$2,087,177	0.29%	\$439
2014	\$1,574,254	-0-	\$1,574,254	0.24%	\$331
2015	\$1,222,932	-0-	\$1,222,932	0.19%	\$258
2016	\$856,610	-0-	\$856,610	0.15%	\$181
2017	\$475,288	-0-	\$475,288	0.08%	\$100
2018	\$78,966	-0-	\$78,966	0.01%	\$17

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

**a** See Exhibit NJ J-6 for property tax data.

**b** Population data can be found in Exhibit NJ J-14.

**White Township School District  
Ratios of Overlapping Governmental Activities Debt  
As of June 30, 2018**

**Exhibit J-12**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
Township of White	-	100.000%	-
<b>Other debt</b>			
Warren County	\$ 3,040,000	5.896%	<u>\$ 179,246</u>
Subtotal, overlapping debt			179,246
<b>White Township School District Direct Debt</b>			<u>78,966</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 258,212</u></u>

**Sources:** Township Finance Officer, Warren County Finance Office and Utility Authorities

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

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

**White Township School District  
Legal Debt Margin Information,  
Last Ten Fiscal Years**

**Exhibit J-13**

**Legal Debt Margin Calculation for Fiscal Year 2018**

Equalized valuation basis	
2015	\$ 569,971,630
2016	557,289,642
2017	546,061,421
<b>[A]</b>	<b>\$ 1,673,322,693</b>

Average equalized valuation of taxable property **[A/3]** \$ 557,774,231

Debt limit (3 % of average equalization value) **[B]** 16,733,227

Net school debt **[C]** 78,966

Legal debt margin **[B-C]** \$ 16,654,261

	Fiscal Year									
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Debt limit	\$30,694,966	\$30,482,414	\$28,880,750	\$26,790,198	\$24,609,989	\$23,061,811	\$21,579,199	\$16,265,167	\$16,453,403	\$ 16,733,227
Total net debt applicable to limit	<u>2,830,000</u>	<u>2,565,000</u>	<u>2,290,000</u>	<u>2,005,000</u>	<u>1,705,000</u>	<u>1,390,000</u>	<u>1,065,000</u>	<u>725,000</u>	<u>475,288</u>	<u>78,966</u>
Legal debt margin	<u>\$27,864,966</u>	<u>\$27,917,414</u>	<u>\$26,590,750</u>	<u>\$24,785,198</u>	<u>\$22,904,989</u>	<u>\$21,671,811</u>	<u>\$20,514,199</u>	<u>\$15,540,167</u>	<u>\$15,978,115</u>	<u>\$16,654,261</u>
Total net debt applicable to the limit as a percentage of debt limit	9.22%	8.41%	7.93%	7.48%	6.93%	6.03%	4.94%	4.46%	2.89%	0.47%

Source: Abstract of Ratables and District Records CAFR Schedule J-7

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

**White Township School District  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

**Exhibit J-14**

<u>Year</u>	<u>Population<sup>a</sup></u>	<u>Personal Income (thousands of dollars) <sup>b</sup></u>	<u>Per Capita Personal Income<sup>c</sup></u>	<u>Unemployment Rate<sup>d</sup></u>
2009	5,899	\$ 251,846,007	\$43,622 R	6.4%
2010	5,915	\$ 255,451,105	\$44,023 R	6.6%
2011	4,888	\$ 218,835,624	\$45,657 R	6.1%
2012	4,865	\$ 223,610,996	\$46,829 R	5.9%
2013	4,825	\$ 223,036,515	\$47,264 R	6.7%
2014	4,790	\$ 231,161,040	\$48,598 R	6.1%
2015	4,791	\$ 231,063,750	\$50,376 R	5.5%
2016	4,780	\$ 230,723,235	\$51,454 P	5.1%
2017	4,755	\$ 241,275,480	\$51,454 *	4.8%
2018	4,747	\$ 244,252,138	\$51,454 *	*

**Source:**

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

<sup>b</sup> Personal Income provided by US Dept of Commerce

<sup>c</sup> Per Capita provided by US Dept of Commerce

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

R =Revised

P =Projected

\* Current data unavailable

**White Township School District  
Principal Employers,  
Current Year and Nine Years Ago**

**Exhibit J-15**

**N/A**

<b>Employer</b>	<b>2018</b>			<b>2009</b>		
	<b>Employees</b>	<b>Rank (Optional)</b>	<b>Percentage of Total Employment</b>	<b>Employees</b>	<b>Rank (Optional)</b>	<b>Percentage of Total Employment</b>
		1	0.00%			0.00%
		2	0.00%			0.00%
		3	0.00%			0.00%
		4	0.00%			0.00%
		5	0.00%			0.00%
		6	0.00%			0.00%
		7	0.00%			0.00%
		8	0.00%			0.00%
		9	0.00%			0.00%
		10	0.00%			0.00%
	<hr/>		<hr/>	<hr/>		<hr/>
	<b>-</b>		<b>0.00%</b>	<b>-</b>		<b>0.00%</b>

**Source:**

No reliable information is available at the local or county level.

**White Township School District  
Full-time Equivalent District Employees by Function/Program,  
Last Ten Fiscal Years**

**Exhibit J-16**

<b><u>Function/Program</u></b>	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>
Instruction										
Regular	28	26	24	25	25	25	25	25	25	25
Special education	4	6	9	9	10	10	10	10	9	9
Other special education	3	3								
Other Instruction	15	9	8	7	6	5	4	4	5	2
Support Services:										
Student & instruction related services	6	6	6	6	6	6	6	6	6	6
General Administration	2	2								
School administrative services	1	1	2	2	2	2	2	2	2	2
Central Services	1	1	2	2	2	2	2	2	2	1
Plant operations and maintenance	4	4	3	3	3	3	3	3	3	3
Food Service		2	2	2	2	2	2	1	1	1
Total	64	60	56	56	56	55	54	53	53	49

**Source:** District Personnel Records

**White Township School District  
Operating Statistics  
Last Ten Fiscal Years**

**Exhibit J-17**

Fiscal Year	Enrollment <sup>d</sup>	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio 1:		Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary					
2009	402	\$ 8,993,878	\$ 22,373	10.18%	43	9.3		397.4	382.1	-6.32%	96.1%
2010	407	9,052,448	22,242	-0.59%	44	9.3		406.7	389.3	2.34%	95.7%
2011	381	8,448,565	22,175	-0.30%	41	9.3		381.4	365.3	-6.22%	95.8%
2012	345	8,550,393	24,784	11.77%	40	8.6		344.9	332.1	-9.57%	96.3%
2013	335	8,317,998	24,830	0.19%	40	8.4		335.3	323.7	-2.78%	96.5%
2014	319	8,587,660	26,921	8.42%	40	8.0		343.3	333.1	2.39%	97.0%
2015	286	9,231,313	32,277	19.90%	40	7.2		319.6	307.5	-6.90%	96.2%
2016	286	9,653,390	33,753	4.57%	39	7.3		286.3	274.3	-10.42%	95.8%
2017	270	9,967,459	36,917	9.37%	39	6.9		270.0	257.8	-5.69%	95.5%
2018	262	10,250,278	39,123	5.98%	36	7.3		262.0	252.8	-2.96%	96.5%

**Sources:** District records, ASSA and Schedule J-4

**Note:** Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-2
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).
- d Enrollment for FY2009 forward includes student counts for tuition students.



**White Township School District  
School Building Information  
Last Ten Fiscal Years**

**Exhibit J-18**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
White ( 1931 )										
Square Feet	59,341	59,341	59,341	59,341	59,341	59,341	59,341	59,341	59,341	59,341
Capacity (students)	620	620	620	620	620	620	620	620	620	620
Enrollment	402	407	381	345	335	349	319	286	270	262

Number of Schools at June 30, 2018

**Source:** District records, ASSA

Elementary = 1

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

WHITE TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
Last Ten Fiscal Years Ending June 30, 2018

Exhibit J-19

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

<u>School Facilities</u>	<u>Project #</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>Total</u>
WHITE Central School	N/A	<u>\$161,970</u>	<u>\$180,311</u>	<u>\$174,642</u>	<u>\$157,094</u>	<u>\$211,088</u>	<u>\$133,946</u>	<u>\$118,368</u>	<u>\$159,060</u>	<u>\$156,654</u>	<u>\$168,178</u>	<u>\$1,621,311</u>
Total School Facilities		161,970	180,311	174,642	157,094	211,088	133,946	118,368	159,060	156,654	168,178	1,621,311
Other Facilities		<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>
<b>Grand Total</b>		<b><u>\$161,970</u></b>	<b><u>\$180,311</u></b>	<b><u>\$174,642</u></b>	<b><u>\$157,094</u></b>	<b><u>\$211,088</u></b>	<b><u>\$133,946</u></b>	<b><u>\$118,368</u></b>	<b><u>\$159,060</u></b>	<b><u>\$156,654</u></b>	<b><u>\$168,178</u></b>	<b><u>\$1,621,311</u></b>

WHITE TOWNSHIP SCHOOL DISTRICT

INSURANCE SCHEDULE

JUNE 30, 2018

UNAUDITED

Exhibit J-20

<u>POLICY TYPE</u>	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
<b>COMMERCIAL PACKAGE POLICY - NJ Schools Insurance Group (NJSIG)</b>		
Property-Blanket Building and Contents	\$ 400,000,000	\$ 1,000
Accounts Receivable	250,000	1,000
Automobile Physical Damage	In Blanket Limit	1,000
Employee Dishonesty (Per Loss)	50,000	500
Forgery	50,000	500
Comprehensive General Liability: Occurrence Limit	11,000,000	
Comprehensive Automobile Liability	11,000,000	
Workers' Compensation	5,000,000	
School Board Liability	11,000,000	5,000
Environmental Impairment Liability		
<b>PUBLIC EMPLOYEES' FAITHFUL PERFORMANCE</b>		
<b>BLANKET POSITION BOND - RLI Company</b>		
School Board Secretary/School Business Administrator	200,000	

SOURCE: District Records

# Single Audit Section



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### **Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards***

#### Independent Auditor's Report

Honorable President and  
 Members of the Board of Education  
 White Township School District  
 565 CR 519  
 County of Warren  
 Belvidere, New Jersey 07823

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the White Township School District Board of Education in the County of Warren, 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 White Township School District Board of Education's basic financial statements, and have issued our report thereon dated January 16, 2019.

#### **Internal Control Over Financial Reporting**

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

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

-Continued-

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

**Purpose of this Report**

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

*ARDITO & Co., LLP*

ARDITO & CO., LLP  
January 16, 2019

*Anthony Cucchi*

Licensed Public School Accountant No.2369



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### **Report on Compliance For Each Major Program and Report on Internal Control Over Compliance Required by New Jersey OMB Circular 15-08**

#### Independent Auditor's Report

Honorable President and  
 Members of the Board of Education  
 White Township School District  
 565 CR 519  
 County of Warren  
 Belvidere, New Jersey 07823

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

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

#### **Management's Responsibility**

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

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

Our responsibility is to express an opinion on compliance for each of the District's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and New Jersey OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred.

An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

**Opinion on Each Major State Program**

In our opinion, the White Township School District Board of Education 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 state programs for the year ended June 30, 2018.

**Report on Internal Control Over Compliance**

Management of the White Township School District Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major 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 state program and to test and report on internal control over compliance in accordance with New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the White Township School District Board of Education'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 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 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 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 New Jersey OMB Circular 15-08, and for New Jersey Department of Education use. Accordingly, this report is not suitable for any other purpose.

*ARDITO & Co., LLP*

ARDITO & CO., LLP  
January 16, 2019

*Anthony Ardito*

Licensed Public School Accountant No.2369



WHITE TOWNSHIP SCHOOL DISTRICT

K-4

Schedule of Expenditures of State Financial Assistance  
for the Fiscal Year ended June 30, 2018

Schedule B

STATE GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE 6/30/2017	CARRY- OVER AMOUNT	CASH RECEIVED	BUDGET. EXPEND.	ADJUST.	REPAYMENT OF PRIOR YEARS' BALANCES	BALANCE AT JUNE 30, 2018			MEMO		
										(ACCTS. RECEIV.)	INTERFUND PAYABLE/ REVENUE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES	
<b>State Department of Education</b>															
<b>General Fund:</b>															
Equalization Aid	18-495-034-5120-078	7/1/17-6/30/18	\$ 581,054			\$ 581,054	\$ (581,054)								
Transportation Aid	18-495-034-5120-014	7/1/17-6/30/18	249,609			249,609	(249,609)							\$ 56,847	\$ 581,054
Special Education Aid	18-495-034-5120-089	7/1/17-6/30/18	313,648			313,648	(313,648)							\$ 24,420	249,609
Security Aid	18-495-034-5120-084	7/1/17-6/30/18	49,562			49,562	(49,562)							\$ 30,685	313,648
Adjustment Aid	18-495-034-5120-085	7/1/17-6/30/18	505,534			505,534	(505,534)							\$ 4,849	49,562
PARCC Readiness Aid	18-495-034-5120-098	7/1/17-6/30/18	4,710			4,710	(4,710)							\$ 49,458	505,534
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17-6/30/18	4,710			4,710	(4,710)							\$ 461	4,710
Prof. Learning Comm Aid	18-495-034-5120-101	7/1/17-6/30/18	4,320			4,320	(4,320)							\$ 461	4,710
Emergency Aid	18-495-034-5120-106	7/1/17-6/30/18	34,902			34,902	(34,902)							\$ 423	4,320
Extraordinary Aid	17-495-034-5120-044	7/1/16-6/30/17	111,210	\$ (80,208)		80,208	-							\$ -	34,902
Extraordinary Aid	18-495-034-5120-044	7/1/17-6/30/18	61,742				(61,742)			\$ (61,742)				\$ -	111,210
Non-Public Transportation Aid	17-495-034-5120-044	7/1/16-6/30/17	4,144	(3,701)		3,701	-							\$ 61,742	61,742
Non-Public Transportation Aid	18-495-034-5120-044	7/1/17-6/30/18	6,090				(6,090)				(6,090)			\$ 4,144	4,144
On Behalf TPAF Pension	18-495-034-5094-002	7/1/17-6/30/18	390,156			390,156	(390,156)							\$ 6,090	6,090
On Behalf TPAF Pension PRM	18-495-034-5094-001	7/1/17-6/30/18	251,993			251,993	(251,993)							\$ 390,156	390,156
On Behalf TPAF Pension LTDI	18-495-034-5094-004	7/1/17-6/30/18	498			498	(498)							\$ 251,993	251,993
Reimbursed TPAF Soc.Secur.Contrib.	18-495-034-5094-003	7/1/17-6/30/18	195,096			195,096	(195,096)							\$ 498	498
<b>Total General Fund</b>				(83,909)		2,669,701	(2,653,624)	-			(67,832)			\$ 167,604	2,768,978
<b>Debt Service Fund:</b>															
Debt Service Aid Type 2	18-100-034-5120-124	7/1/17-6/30/18	47,932			47,932	(47,932)								47,932
<b>State Department of Agriculture:</b>															
<b>Enterprise Fund:</b>															
Nat.School Lunch Prog.(State Share)	17-100-010-3350-023	7/1/16-6/30/17		(46)		46									
Nat.School Lunch Prog.(State Share)	18-100-010-3350-023	7/1/17-6/30/18	530			502	(530)				(28)				530
<b>Total Enterprise Fund</b>				(46)		548	(530)				(28)				530
<b>Total State Financial Assistance</b>				\$ (83,955)		\$ 2,718,181	\$ (2,702,086)	-			\$ (67,860)			\$ 167,604	\$ 2,817,440
							Less: On-behalf TPAF Pension Amounts	642,647							
							Total State Expenditures Subject to Major Program Determination	\$ (2,059,439)							

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

NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS  
AND FINANCIAL ASSISTANCE  
JUNE 30, 2018

**NOTE 1. GENERAL**

The accompanying schedule of expenditures of state financial assistance includes state award activity of the Board of Education, White Township School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All state awards received directly from state agencies, as well as state financial assistance passed through other government agencies is included on the schedule of expenditure of state financial assistance.

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying schedule of expenditures of state financial assistance includes state award activity of the Board of Education, White Township School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All state awards received directly from state agencies, as well as state financial assistance passed through other government agencies is included on the schedule of expenditure of state financial assistance.

**NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$552) for the general fund and -0- for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

NOTES TO THE SCHEDULES OF EXPENDITURES OF AWARDS  
AND FINANCIAL ASSISTANCE  
JUNE 30, 2018

**NOTE 3. (Continued)**

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 2,653,072	\$ 2,653,072
Special Revenue Fund	\$ 189,601	-	189,601
Debt Service Fund		47,932	47,932
Food Service Fund	<u>21,019</u>	<u>530</u>	<u>21,549</u>
Total Financial Assistance	<u>\$ 210,620</u>	<u>\$ 2,701,534</u>	<u>\$ 2,912,154</u>

**NOTE 4. RELATIONSHIP TO STATE FINANCIAL REPORTS**

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

**NOTE 5. OTHER**

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Section I - Summary of Auditor's Results

**Financial Statement Section**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified? \_\_\_ Yes  x  No

2) Were significant deficiencies identified that were not considered to be material weaknesses? \_\_\_ Yes  x  None

Reported

Noncompliance material to financial statements noted? \_\_\_ Yes  x  No

**Federal Awards**

N/A

Internal control over major programs:

1) Material weakness(es) identified? \_\_\_ Yes \_\_\_ No

2) Were significant deficiencies identified that were not considered to be material weaknesses? \_\_\_ Yes \_\_\_ None

Type of auditor's report issued on compliance for major programs: N/A

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of ? \_\_\_ Yes \_\_\_ No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FEIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
N/A		

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

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**State Financial Assistance Section**

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

Auditee qualified as low-risk auditee? x yes    no

Internal Control over major programs:  
1) Material weakness(es) identified?    yes x no

2) Were significant deficiencies identified that were not considered to be material weaknesses?    yes x none

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

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular letter 15-08 as applicable?    yes x no

Identification of major programs:

**State Grant/Project Number(s)**

**Name of State Program**

18-495-034-5120-085

Adjustment Aid (State Aid Cluster)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

**Section II-Financial Statement Findings**

N/A

There were no matters of noncompliance or reportable conditions noted, that are required to be reported in accordance with *Government Auditing Standards*.

**Section III - State Financial Assistance Findings and Questioned Costs**

N/A

This section identifies audit findings required to be reported by NJOMB Circular Letter 15-08, as applicable. There were no state financial assistance findings or questioned costs that are required to be reported in accordance with NJOMB Circular 15-08.

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

**STATUS OF PRIOR YEAR FINDINGS**

N/A

In accordance with *government auditing standards*, our procedures included a review of all prior year recommendations. There were no prior year findings.