

**WOODSTOWN-PILESGROVE
REGIONAL SCHOOL DISTRICT
WOODSTOWN, NEW JERSEY**



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

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT
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INTRODUCTORY SECTION



Woodstown-Piles Grove Regional School District

135 East Avenue, Woodstown, NJ 08098

Virginia M. Grossman
Superintendent of Schools
(856) 769-0144, Ext. 22252
Fax: (856) 769-4549

Rose Wang Chin
Business Administrator
(856) 769-0144, Ext. 22251
Fax: (856) 769-8036

February 19, 2019

Honorable President and
Members of the Board of Education
Woodstown-Piles Grove Regional School District
County of Salem, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Woodstown-Piles Grove Regional School District for the fiscal year ended June 30, 2018, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the School District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the governmental activities, the business type activities, each major fund, and aggregate remaining fund information of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Management's Discussion and Analysis and the basic 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the State Treasury Circular 15-08-OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and questioned costs, is included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The Woodstown-Piles Grove Regional School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No. 3. All major funds of the District are included in this report. The Woodstown-Piles Grove Regional School District and all its schools constitute the District's reporting entity.

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

1) REPORTING ENTITY AND ITS SERVICES (CONT'D):

Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2017-18	1,474	+0.75%
2016-17	1,463	-4.07%
2015-16	1,525	-0.52%
2014-15	1,533	-1.54%
2013-14	1,557	-4.36%

2) ECONOMIC CONDITIONS AND OUTLOOK: Commercial development, population and residential housing construction within the Borough of Woodstown and the Township of Pilesgrove have remained relatively unchanged over the past couple of years. The Borough of Woodstown's 2017 estimated population was 3,454, compared to 3,357 in 2008. The Township of Pilesgrove's 2017 estimated population was 3,993, compared to 4,540 in 2008.

3) MAJOR INITIATIVES:

1. Continue to align instruction and planning of all teachers with the Common Core State Standards and New Jersey Core Curriculum Content Standards.
2. Continue the development and implementation of initiatives that reinforce the use of technology as a tool for data management, instructional planning, and assessment.
3. Develop a strategy to increase diversity awareness to better address the increasing needs of a more diverse population through community engagement, staff training, and increasing minority staff in our certificated positions.
4. Continue to drive the second phase of the referendum projects.
5. Continue to investigate and implement new sources of revenue to supplement the general fund as well as the enterprise fund. In addition to the new revenue sources, search for cost savings within existing district expenditures to benefit the general fund.

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

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

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

5) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as assignments of fund balance at June 30.

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

7) FINANCIAL INFORMATION AT FISCAL YEAR-END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

8) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 2. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with failed banking institutions 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.

9) RISK MANAGEMENT: The District carries various forms of insurance, including but not limited to workers compensation insurance, general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, cyber liability, and fidelity bonds.

10) INDEPENDENT AUDIT: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bowman & Company LLP was selected by the District. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the State Treasury Circular 15-08-OMB, "*Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.*" The auditor's report on the basic financial statements, required supplemental information and supplemental information 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.

11) ACKNOWLEDGEMENTS: The preparation of this report would not have been possible without the dedication and skill of the Business Office staff. We would also like to express our appreciation to the members of the Woodstown-Pilesgrove Regional School District Board of Education for their support in providing a sound financial operation.

Respectfully Submitted,



Virginia Grossman
Superintendent

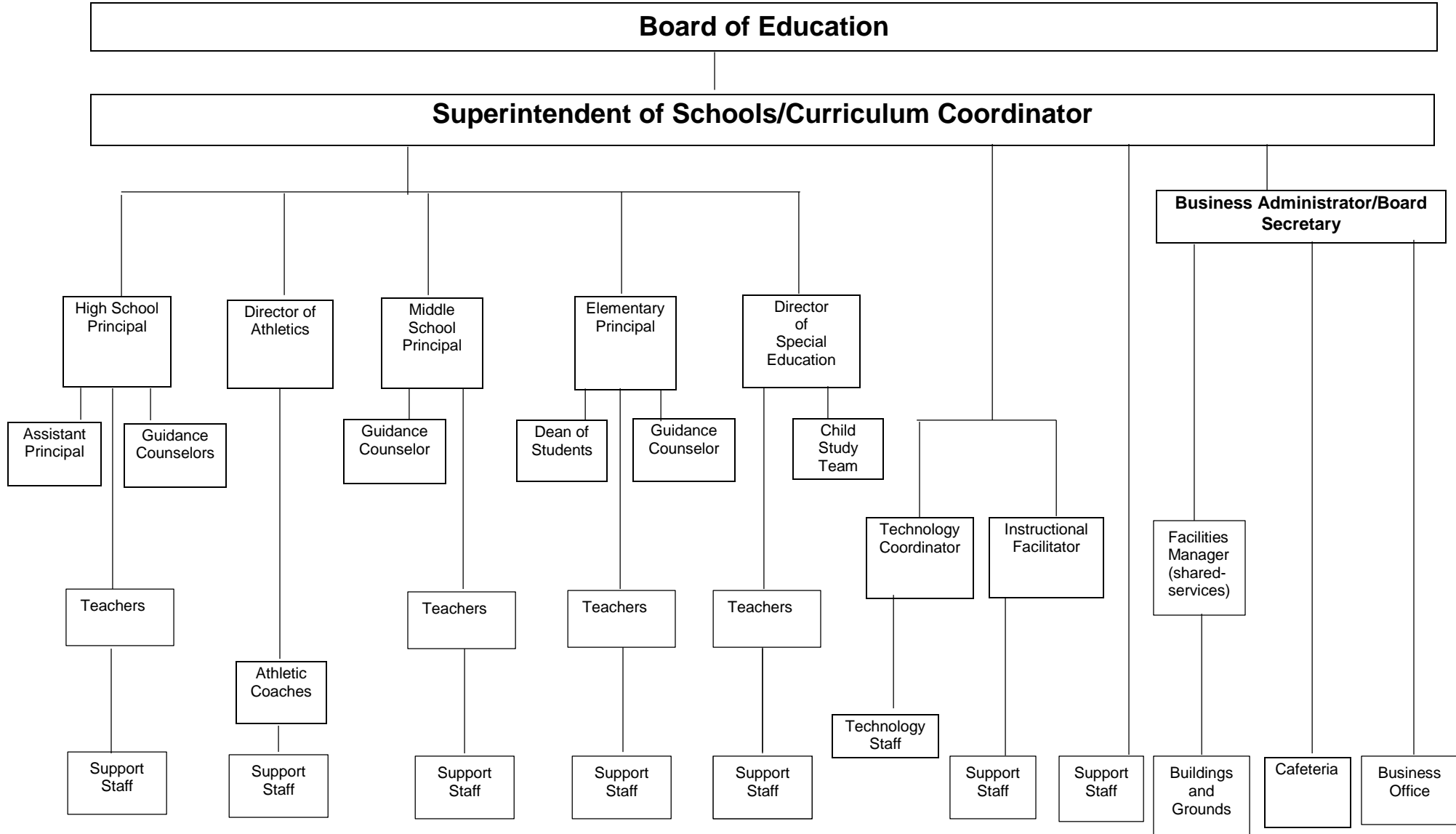
Respectfully Submitted,



Rose Wang Chin
Business Administrator / Board Secretary

Exhibit

ORGANIZATIONAL CHART



WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT

ROSTER OF OFFICIALS

June 30, 2018

MEMBERS OF THE BOARD OF EDUCATION

TERM EXPIRES

Patrick Bates, President	2018
Eileen C. Miller, Vice President	2020
Maricia E. Chiarelli	2018
Robert Iocona	2019
Dr. Anne Nielsen	2020
Ron Rattigan	2018
Dr. Julie Stanton	2019
Amy Wojciechowski	2020
Travis Zigo	2019
Richard Morris Jr. (Alloway Township representative)	
Michael Kinney (Upper Pittsgrove Township representative)	

OTHER OFFICIALS

Virginia Grossman, Superintendent
Rose Wang Chin, School Business Administrator / Board Secretary
James Hackett, Treasurer of School Monies

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT

CONSULTANTS AND ADVISORS

June 30, 2018

AUDIT FIRM

Fred S. Caltabiano
Bowman & Company LLP
Certified Public Accountants & Consultants
6 North Broad Street, Suite 201
Woodbury, New Jersey 08096

ATTORNEY

Frank P. Cavallo, Jr.
Parker McCay P.A.
9000 Midlantic Drive, Suite 300
Mount Laurel, New Jersey 08054

ARCHITECT

Garrison Architects
14000 F. Commerce Parkway
Mount Laurel, New Jersey 08054

OFFICIAL DEPOSITORY

Fulton Bank
1 South Main Street
Woodstown, New Jersey 08098

Franklin Saving Bank
1179 Route 40
Pilesgrove, New Jersey 08098

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Woodstown-Pilesgrove Regional School District
Woodstown, New Jersey 08098

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Emphasis of Matter*Adoption of New Accounting Principles*

As discussed in note 1 to the financial statements, during the fiscal year ended June 30, 2018, the School District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. The adoption of this new accounting principle required the School District to recognize a revenue and expense on the government-wide statement of activities for the State's proportionate share of the postemployment expense associated with the School District. The related disclosures for the implementation of this new accounting pronouncement are included in note 22 in the notes to financial statements. Our opinion is not modified with respect to this matter.

Prior Period Restatement

A periodic physical inventory of the School District's Capital Assets was conducted which resulted in an adjustment to the estimated historical costs of the assets. Net position as of June 30, 2017 on the statement of activities and statement of revenues, expenses and changes in fund net position has been restated, as discussed in note 21 to the financial statements. Our opinion is not modified with respect to this matter.

Other Matters*Required Supplementary Information*

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

Other Information

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

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

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

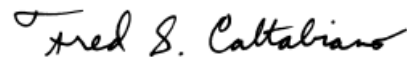
Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 19, 2019 on our consideration of the Woodstown-Pilesgrove Regional School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Woodstown-Pilesgrove Regional School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Woodstown-Pilesgrove Regional School District's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Fred S. Caltabiano
Certified Public Accountant
Public School Accountant No. CS00238100

Woodbury, New Jersey
February 19, 2019

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

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Woodstown-Pilesgrove Regional School District
Woodstown, New Jersey 08098

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Woodstown-Pilesgrove Regional School District, in the County of Salem, State of New Jersey, as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated February 19, 2019. Our report on the financial statements included an emphasis of matter paragraph describing the restatement of the prior period financial statements due to a periodic physical inventory of the School District's Capital Assets, which resulted in an adjustment to the estimated historical costs of assets, as well as a paragraph describing the adoption of a new accounting principle.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Fred S. Caltabiano

Fred S. Caltabiano
Certified Public Accountant
Public School Accountant No. CS00238100

Woodbury, New Jersey
February 19, 2019

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT

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

The Management's Discussion and Analysis (MD&A) of the Woodstown-Pilesgrove Regional School District's (District) financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2018 and 2017. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the notes to the basic financial statements, and financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

- The total assets and deferred outflows of resources of the District exceeded its total liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$347,456.38 (net position).
- Total general fund had \$692,482.01 in fund balance.

Overview of the Financial Statements

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

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

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT

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

Overview of the Financial Statements (Cont'd)

Government-Wide Statements

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

The two government-wide statements report the District's net position and how they have changed. Net position – the difference between the District's assets/deferred outflow of resources and liabilities/deferred inflow of resources – are one way to measure the District's financial health or position.

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

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

- *Governmental activities* – The basic services, such as instruction for regular and special education, maintenance and operations, transportation and administration are included as government activities. Property taxes, state aid and fund balance appropriated finance most of these activities.
- *Business-type activities* – The District charges fees to cover the costs of certain services such as food services, community school, and pre-school.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on the significant funds – not the District as a whole. Funds are used by the District to keep track of specific sources of funding and spending on particular programs:

- May distinguish state or federal grants.
- Funds for capital projects and long-term debt.

The District has three kinds of funds:

- *Governmental funds* – The District's basic services are included in governmental funds, which detail cash and other financial assets and also identify balances that remain at year-end. Governmental funds statements provide a short-term view to determine whether more or less financial resources can be spent in subsequent years.
- *Proprietary funds* – These funds represent charges or fees for such activities as food services, community school, and pre-school.

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT

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

Overview of the Financial Statements (Cont'd)

Fund Financial Statements (Cont'd)

- *Fiduciary funds* – The District is the trustee for assets that belong to others. The student activities funds which include clubs, classes, athletics and scholarship funds are maintained in this fund. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes. These funds are not included in the government-wide financial statements since the District is not permitted to use these assets in the District operation.
- *Notes to the Financial Statement* - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Financial Analysis of the District as a Whole

Table 1 provides a summary of the District's net position for fiscal years 2018 and 2017.

TABLE 1
Net Position

	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>Change</u>	<u>% Change</u>
Current and Other Assets	\$ 3,674,874.62	\$ 5,575,092.89	\$(1,900,218.27)	-34.08%
Capital Assets	<u>25,362,464.90</u>	<u>23,605,328.51</u>	<u>1,757,136.39</u>	<u>7.44%</u>
Total Assets	<u>29,037,339.52</u>	<u>29,180,421.40</u>	<u>(143,081.88)</u>	<u>-0.49%</u>
Deferred Outflow of Resources	<u>2,202,250.00</u>	<u>3,326,245.00</u>	<u>(1,123,995.00)</u>	<u>-33.79%</u>
Long-Term Liabilities	26,535,676.78	30,707,946.49	(4,172,269.71)	-13.59%
Other Liabilities	<u>1,661,414.61</u>	<u>2,367,991.73</u>	<u>(706,577.12)</u>	<u>-29.84%</u>
Total Liabilities	<u>28,197,091.39</u>	<u>33,075,938.22</u>	<u>(4,878,846.83)</u>	<u>-14.75%</u>
Deferred Inflow of Resources	<u>2,695,041.75</u>	<u>541,956.75</u>	<u>2,153,085.00</u>	<u>397.28%</u>
Net Position:				
Net Investment in Capital Assets	8,151,850.62	7,271,391.39	880,459.23	12.11%
Restricted	540,105.91	18,931.02	521,174.89	2753.02%
Unrestricted (Deficit)	<u>(8,344,500.15)</u>	<u>(8,401,550.98)</u>	<u>57,050.83</u>	<u>-0.68%</u>
Total Net Position (Deficit)	<u>\$ 347,456.38</u>	<u>\$ (1,111,228.57)</u>	<u>\$ 1,458,684.95</u>	<u>-131.27%</u>

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT

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

Financial Analysis of the District as a Whole (Cont'd)

Table 2 reflects changes in net position for fiscal years 2018 and 2017.

TABLE 2
Change in Net Position

Revenues:	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>Change</u>	<u>% Change</u>
Program revenues:				
Charges for services	\$ 4,667,993.22	\$ 4,460,119.40	\$ 207,873.82	4.66%
Operating grants and contributions	10,266,255.25	13,099,271.26	(2,833,016.01)	-21.63%
General revenues:				
Property taxes	12,228,598.00	11,969,911.00	258,687.00	2.16%
Federal & state grants	8,497,945.84	10,701,588.30	(2,203,642.46)	-20.59%
Other	<u>700,716.26</u>	<u>662,203.51</u>	<u>38,512.75</u>	<u>5.82%</u>
Total Revenues	<u>36,361,508.57</u>	<u>40,893,093.47</u>	<u>(4,531,584.90)</u>	<u>-11.08%</u>
Expenses:				
Governmental activities				
Instruction:				
Regular	7,535,734.70	7,078,006.37	457,728.33	6.47%
Special education	2,547,539.93	2,606,419.84	(58,879.91)	-2.26%
Other instruction	990,291.18	860,839.27	129,451.91	15.04%
Support services:				
Tuition	1,039,999.86	845,641.61	194,358.25	22.98%
Student and instruction related	2,320,190.69	2,295,417.89	24,772.80	1.08%
General administrative services	724,834.65	680,911.64	43,923.01	6.45%
School administrative services	1,333,255.11	1,256,648.41	76,606.70	6.10%
Central services, admin information tech	471,582.44	511,360.86	(39,778.42)	-7.78%
Plant operations and maintenance	2,004,488.90	1,924,002.01	80,486.89	4.18%
Pupil transportation	972,783.91	867,307.41	105,476.50	12.16%
Unallocated benefits	13,447,040.16	17,273,723.46	(3,826,683.30)	-22.15%
Interest on long-term debt	610,183.65	633,069.28	(22,885.63)	-3.62%
Unallocated depreciation	<u>426,607.39</u>	<u>190,725.60</u>	<u>235,881.79</u>	<u>123.68%</u>
Total governmental activities expenses	<u>34,424,532.57</u>	<u>37,024,073.65</u>	<u>(2,599,541.08)</u>	<u>-7.02%</u>
Business-type activities				
Food service	444,248.21	552,868.46	(108,620.25)	-19.65%
Community school	18,176.99	14,874.46	3,302.53	22.20%
Pre-school	<u>15,865.85</u>	<u>38,845.86</u>	<u>(22,980.01)</u>	<u>-59.16%</u>
Total business-type activities expenses	<u>478,291.05</u>	<u>606,588.78</u>	<u>(128,297.73)</u>	<u>-21.15%</u>
Total Expenses	<u>34,902,823.62</u>	<u>37,630,662.43</u>	<u>(2,727,838.81)</u>	<u>-7.25%</u>
Net Increase (Decrease) in Net Position	1,458,684.95	3,262,431.04	(1,803,746.09)	-55.29%
Beginning Net Position (Deficit)	<u>(1,111,228.57)</u>	<u>(4,373,659.61)</u>	<u>(1,800,443.56)</u>	<u>41.17%</u>
Ending Net Position (Deficit)	<u>\$ 347,456.38</u>	<u>\$ (1,111,228.57)</u>	<u>\$ 1,458,684.95</u>	<u>-131.27%</u>

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT

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

Financial Analysis of the District as a Whole (Cont'd)

Governmental-Type Activities

- There was an increase of \$1,166,257.40 in governmental activities net position. Mainly due to capital assets additions, from the ongoing referendum projects.
- Property taxes increased \$258,687.00 or 2.16% from the prior year. Most of this increase is the product of funding general fund services and programs, and debt service requirements.
- Total Government Activities Expenses (GASB level) decreased \$2,599,541.08 or 7.02% from the prior year.
 - TPAF/PERS Pension related expenses and revenues related to GASB 68, decreased by \$1,775,340.00 over the prior year (\$5,354,266.00 - \$7,129,606.00).
 - OPEB related expenses and revenues related to GASB 75, decreased by \$1,591,361.00 over the prior year (\$3,789,730.00 - \$5,381,091.00).
 - Total Salaries charged to the general fund budget decreased by \$60,992.31 or -0.44% compared to the prior year (\$13,838,100.38 - \$13,899,092.69)
 - Total Other Expenses charged to the general fund budget increased by \$121,868.92 or 1.45% compared to the prior year (\$8,537,787.36 - \$8,415,918.44).

Business-Type Activities

- There was an increase of \$292,427.55 in business-type activities net position, mainly due to pension liability decrease. In February 2018, the School District contracted with a Food Service Management Company to operate the School District's cafeterias.

General Fund Budgetary Highlights

During the course of the 2018 fiscal year, the District modified its general fund budget numerous times.

The original budgetary basis anticipated revenues was \$22,735,616.00. The final budgetary basis anticipated revenues was \$22,723,312.00, actual revenues were \$26,238,211.72.

During fiscal year 2018, the District budgeted \$10,814,414.00 and \$7,137,998.00 for property taxes (general tax levy) and state aid revenues, respectively. The District also received \$713,865.15 and \$2,543,552.00 in reimbursed T.P.A.F. Social Security Aid and T.P.A.F. Pension Contributions, respectively.

The original budgetary basis expenditures was \$22,974,162.42. The final budgetary basis expenditures was \$22,974,162.42, actual expenditures were \$25,633,304.89.

The District's expenditures also include the reimbursed T.P.A.F. Social Security Aid and T.P.A.F. Pension Contributions of \$713,865.15 and \$2,543,552.00 respectively, which contributes to an unfavorable expenditure variance for the fiscal year.

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT

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

Financial Analysis of the Government's Funds

As stated earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$2,946,177.65, a decrease of (\$1,290,702.14) in comparison with the prior year. Mainly due to spending, the capital projects funds available for the referendum projects.

Of the combined ending fund balances of \$2,946,177.65, \$(117,764.25) constitutes unassigned fund balance (does not include final June State Aid Revenue). The remainder of fund balance is assigned or restricted to indicate that it is not available for new spending because it has already been committed. For example, to liquidate contracts and purchase orders of the prior period fund balance of \$66,842.09 is assigned. \$2,256,993.90 is restricted for capital projects.

The general fund is the main operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$(114,464.25) (does not include final June State Aid Revenue), while total fund balance was \$692,482.01.

Proprietary Funds - The District's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position (deficit) consisted of the following: (\$179,185.27) for the food service program, \$47,851.35 for the community school, and \$46,353.63 for the pre-school. Other factors concerning the finance of this fund have already been addressed in the discussion of the District's business-type activities.

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT

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

Capital Asset and Debt Administration

Capital Assets - The District's investment in capital assets for its governmental and business-type activities as of June 30, 2018 amounts to \$25,362,464.90 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, and equipment.

There were major HVAC projects during the 2017-2018 year in the completion stage.

TABLE 3
Capital Assets

Capital Assets (Net of Depreciation):	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Land	\$ 871,740.00	\$ 871,740.00
Construction in Progress		12,987,521.15
Machinery and Equipment	759,593.00	759,593.00
Building and Improvements	32,145,606.00	15,969,459.04
Site Improvements	<u>707,750.00</u>	<u>707,750.00</u>
Total Capital Assets	<u>34,484,689.00</u>	<u>31,296,063.19</u>
Less: Accumulated Depreciation	<u>(9,122,224.10)</u>	<u>(7,690,734.68)</u>
Net Capital Assets	<u>\$ 25,362,464.90</u>	<u>\$ 23,605,328.51</u>

Additional information on the District's capital assets can be found in the Notes to the Financial Statements.

Long-term Debt - At the end of the current fiscal year, the District had total bonded debt outstanding of \$19,367,000.00 (debt outstanding end of prior year was \$20,282,000.00). The entire District's bonded debt is governmental as opposed to business-type. The bonds have a final maturity date of March 15, 2035.

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT

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

Economic Factors and Next Year's Budget

For the 2017-18 school year, the District was able to sustain its budget through property taxes, federal and state aid, and miscellaneous revenue sources.

One of the most important factors affecting the District's budget is state aid. The 2018-19 budget was adopted with a 1.85% tax levy increase; based in part on the state aid the District anticipates receiving. The anticipated state aid general fund amount is shown below.

Summary of budgeted state aid revenue anticipated - general fund

<u>Fiscal Year</u>	<u>Amount</u>	<u>Change</u>	
2018-2019	\$7,192,286	\$54,288	
2017-2018	7,137,998	-65,000	**
2016-2017	7,202,998	39,197	
2015-2016	7,163,801	-0-	
2014-2015	7,163,801		

** = \$12,304.00 more was rescinded after adoption of budget

Any reduction of state aid and increase in expenditures will put an additional burden on the taxpayers of the Borough of Woodstown and the Township of Pilesgrove.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Rose Wang Chin, Business Administrator/Board Secretary at:

Woodstown-Pilesgrove Regional School District
135 East Avenue
Woodstown, New Jersey 08098

BASIC FINANCIAL STATEMENTS

GOVERNMENT - WIDE FINANCIAL STATEMENTS

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT
Statement of Net Position
June 30, 2018

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 1,194,223.68	\$ 112,965.09	\$ 1,307,188.77
Receivables, net	2,339,361.38	10,040.81	2,349,402.19
Inventory		18,283.66	18,283.66
Capital Assets, net (Note 6)	<u>25,304,815.00</u>	<u>57,649.90</u>	<u>25,362,464.90</u>
Total Assets	<u>28,838,400.06</u>	<u>198,939.46</u>	<u>29,037,339.52</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions (Note 9)	<u>2,145,522.00</u>	<u>56,728.00</u>	<u>2,202,250.00</u>
LIABILITIES:			
Internal Balances	(48,244.20)	48,244.20	-
Accounts Payable:			
Other		18,044.19	18,044.19
Related to Pensions	289,279.00	7,649.00	296,928.00
Note Payable	85,000.00		85,000.00
Accrued Interest	171,150.37		171,150.37
Unearned Revenue	8,694.86	11,408.60	20,103.46
Noncurrent Liabilities (Note 8):			
Due within One Year	1,068,717.15	1,471.44	1,070,188.59
Due beyond One Year	<u>26,337,307.46</u>	<u>198,369.32</u>	<u>26,535,676.78</u>
Total Liabilities	<u>27,911,904.64</u>	<u>285,186.75</u>	<u>28,197,091.39</u>
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions (Note 9)	2,097,624.00	55,461.00	2,153,085.00
Related to Property Taxes	<u>541,956.75</u>		<u>541,956.75</u>
Total Deferred Inflows of Resources	<u>2,639,580.75</u>	<u>55,461.00</u>	<u>2,695,041.75</u>
NET POSITION:			
Net Investment in Capital Assets	8,094,200.72	57,649.90	8,151,850.62
Restricted for:			
Debt Service	1.74		1.74
Capital Projects	200,001.00		200,001.00
Other Purposes	340,103.17		340,103.17
Unrestricted (Deficit)	<u>(8,201,869.96)</u>	<u>(142,630.19)</u>	<u>(8,344,500.15)</u>
Total Net Position (Deficit)	<u>\$ 432,436.67</u>	<u>\$ (84,980.29)</u>	<u>\$ 347,456.38</u>

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

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2018

Functions / Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities:						
Instruction:						
Regular	\$ 7,535,734.70	\$ 4,374,647.28	\$ 531,819.63	\$ (2,629,267.79)	\$ -	\$ (2,629,267.79)
Special Education	2,547,539.93			(2,547,539.93)		(2,547,539.93)
Other Instruction	990,291.18			(990,291.18)		(990,291.18)
Support Services:						
Tuition	1,039,999.86			(1,039,999.86)		(1,039,999.86)
Student and Instruction Related Services	2,320,190.69		127,363.50	(2,192,827.19)		(2,192,827.19)
General Administrative Services	724,834.65			(724,834.65)		(724,834.65)
School Administrative Services	1,333,255.11			(1,333,255.11)		(1,333,255.11)
Central Services / Admin. Information Technology	471,582.44			(471,582.44)		(471,582.44)
Plant Operations and Maintenance	2,004,488.90			(2,004,488.90)		(2,004,488.90)
Pupil Transportation	972,783.91			(972,783.91)		(972,783.91)
Unallocated Benefits	13,447,040.16		9,411,024.15	(4,036,016.01)		(4,036,016.01)
Interest on Long-Term Debt	610,183.65			(610,183.65)		(610,183.65)
Unallocated Depreciation	426,607.39			(426,607.39)		(426,607.39)
Total Governmental Activities	34,424,532.57	4,374,647.28	10,070,207.28	(19,979,678.01)	-	(19,979,678.01)
Business-Type Activities:						
Food Service	444,248.21	223,090.94	196,047.97		(25,109.30)	(25,109.30)
Community School	18,176.99	13,515.00			(4,661.99)	(4,661.99)
Pre-School	15,865.85	56,740.00			40,874.15	40,874.15
Total Business-Type Activities	478,291.05	293,345.94	196,047.97	-	11,102.86	11,102.86
Total Government	\$ 34,902,823.62	\$ 4,667,993.22	\$ 10,266,255.25	(19,979,678.01)	11,102.86	(19,968,575.15)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes				10,814,414.00		10,814,414.00
Property Taxes, Levied for Debt Service				1,414,184.00		1,414,184.00
Federal and State Aid - Unrestricted				8,497,945.84		8,497,945.84
Miscellaneous				700,427.57	288.69	700,716.26
Transfers:						
General Fund Contribution to Food Service Fund				(20,000.00)	20,000.00	
Special Items:						
Change in Pension Liability (Note 8)				(261,036.00)	261,036.00	
Total General Revenues, Transfers, and Special Items				21,145,935.41	281,324.69	21,427,260.10
Change in Net Position				1,166,257.40	292,427.55	1,458,684.95
Net Position (Deficit) -- July 1 (Restated)				(733,820.73)	(377,407.84)	(1,111,228.57)
Net Position (Deficit) -- June 30				\$ 432,436.67	\$ (84,980.29)	\$ 347,456.38

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

FUND FINANCIAL STATEMENTS

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT
 Governmental Funds
 Balance Sheet
 June 30, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 460,989.85	\$ -	\$ 733,232.09	\$ 1.74	\$ 1,194,223.68
Interfunds Receivable	83,706.60				83,706.60
Intergovernmental Accounts Receivable:					
Federal		40,857.26			40,857.26
State	252,877.84		1,523,761.81		1,776,639.65
Other	521,864.47				521,864.47
Total Assets	<u>\$ 1,319,438.76</u>	<u>\$ 40,857.26</u>	<u>\$ 2,256,993.90</u>	<u>\$ 1.74</u>	<u>\$ 3,617,291.66</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:					
Liabilities:					
Interfunds Payable		\$ 35,462.40			\$ 35,462.40
Note Payable	\$ 85,000.00				85,000.00
Unearned Revenue		8,694.86			8,694.86
Total Liabilities	<u>85,000.00</u>	<u>44,157.26</u>	<u>-</u>	<u>-</u>	<u>129,157.26</u>
Deferred Inflows of Resources:					
Related to Prepaid Property Taxes	541,956.75				541,956.75
Fund Balances:					
Restricted:					
Capital Reserve	200,001.00				200,001.00
Maintenance Reserve	218,929.00				218,929.00
Tuition Reserve	121,174.17				121,174.17
Capital Projects			\$ 2,256,993.90		2,256,993.90
Debt Service				\$ 1.74	1.74
Assigned:					
Designated for Subsequent Year's Expenditures	200,000.00				200,000.00
Other Purposes	66,842.09				66,842.09
Unassigned (Deficit)	(114,464.25)	(3,300.00)			(117,764.25)
Total Fund Balances (Deficit)	<u>692,482.01</u>	<u>(3,300.00)</u>	<u>2,256,993.90</u>	<u>1.74</u>	<u>2,946,177.65</u>
Total Liabilities and Fund Balances	<u>\$ 1,319,438.76</u>	<u>\$ 40,857.26</u>	<u>\$ 2,256,993.90</u>	<u>\$ 1.74</u>	

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 \$34,337,624.00 and the accumulated depreciation is \$9,032,809.00.	25,304,815.00
Interest on long-term debt in the statement of activities is accrued, regardless of when due.	(171,150.37)
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.	(20,070,351.61)
Net Pension Liability	(7,335,673.00)
Accounts Payable related to the April 1, 2019 Required PERS pension contribution that is not liquidated with current financial resources.	(289,279.00)
Deferred Outflows of Resources - Related to Pensions	2,145,522.00
Deferred Inflows of Resources - Related to Pensions	<u>(2,097,624.00)</u>
Net Position of Governmental Activities	<u>\$ 432,436.67</u>

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

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT
 Governmental Funds
 Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Fiscal Year Ended June 30, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Tax Levy	\$ 10,814,414.00	\$ -	\$ -	\$ 1,414,184.00	\$ 12,228,598.00
Tuition Charges	4,374,647.28				4,374,647.28
Miscellaneous Revenues	554,118.75	34,565.82		111,743.00	700,427.57
State Sources	10,490,024.15	33,000.00	1,277,659.12		11,800,683.27
Federal Sources	20,364.54	591,617.31			611,981.85
Total Revenues	26,253,568.72	659,183.13	1,277,659.12	1,525,927.00	29,716,337.97
EXPENDITURES:					
Current:					
Regular Instruction	7,086,214.37				7,086,214.37
Special Education Instruction	1,944,619.07	531,819.63			2,476,438.70
Other Instruction	990,291.18				990,291.18
Support Services and Undistributed Costs:					
Tuition	1,039,999.86				1,039,999.86
Student and Instruction Related Services	2,192,827.19	127,363.50			2,320,190.69
General Administrative Services	582,632.19				582,632.19
School Administrative Services	1,333,255.11				1,333,255.11
Central Services / Admin. Information Tech.	471,582.44				471,582.44
Plant Operations and Maintenance	1,791,185.21				1,791,185.21
Pupil Transportation	972,783.91				972,783.91
Unallocated Benefits	7,201,620.36				7,201,620.36
Debt Service:					
Principal				915,000.00	915,000.00
Interest and Other Charges	6,294.00			610,926.28	617,220.28
Capital Outlay			3,188,625.81		3,188,625.81
Total Expenditures	25,613,304.89	659,183.13	3,188,625.81	1,525,926.28	30,987,040.11
Excess (Deficiency) of Revenues over Expenditures	640,263.83	-	(1,910,966.69)	0.72	(1,270,702.14)
OTHER FINANCING SOURCES (USES):					
Operating Transfers Out - Food Service Fund	(20,000.00)				(20,000.00)
Total Other Financing Sources and Uses	(20,000.00)	-	-	-	(20,000.00)
Net Change in Fund Balances	620,263.83	-	(1,910,966.69)	0.72	(1,290,702.14)
Fund Balance (Deficit) -- July 1	72,218.18	(3,300.00)	4,167,960.59	1.02	4,236,879.79
Fund Balance (Deficit) -- June 30	\$ 692,482.01	\$ (3,300.00)	\$ 2,256,993.90	\$ 1.74	\$ 2,946,177.65

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

WOODSTOWN-PILES GROVE REGIONAL SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Fiscal Year Ended June 30, 2018

Total Net Change in Fund Balances - Governmental Funds		\$ (1,290,702.14)
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Depreciation Expense	\$ (1,422,024.63)	
Capital Outlays	3,188,625.81	1,766,601.18
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		915,000.00
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. (+)		7,036.63
Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.		(406,970.00)
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		175,291.73
Change in Net Position of Governmental Activities		\$ 1,166,257.40

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

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT
Proprietary Fund
Combining Statement of Net Position
June 30, 2018

	Business-Type Activities - Enterprise Funds			
	Food Service	Community School	Pre-School	Total
ASSETS:				
Current Assets:				
Cash and Cash Equivalents	\$ 21,400.68	\$ 45,210.78	\$ 46,353.63	\$ 112,965.09
Accounts Receivable:				
State	274.98			274.98
Federal	9,765.83			9,765.83
Inventories	18,283.66			18,283.66
Total Current Assets	<u>49,725.15</u>	<u>45,210.78</u>	<u>46,353.63</u>	<u>141,289.56</u>
Noncurrent Assets:				
Machinery and Equipment (Note 6)	129,400.00	17,665.00		147,065.00
Less Accumulated Depreciation	(81,686.67)	(7,728.43)		(89,415.10)
Total Noncurrent Assets	<u>47,713.33</u>	<u>9,936.57</u>	<u>-</u>	<u>57,649.90</u>
Total Assets	<u>97,438.48</u>	<u>55,147.35</u>	<u>46,353.63</u>	<u>198,939.46</u>
DEFERRED OUTFLOWS OF RESOURCES:				
Related to Pensions (Note 9)	56,728.00			56,728.00
Total Deferred Outflows of Resources	<u>56,728.00</u>	<u>-</u>	<u>-</u>	<u>56,728.00</u>
LIABILITIES:				
Current Liabilities:				
Interfund Payable	40,948.20	7,296.00		48,244.20
Accounts Payable:				
Other	18,044.19			18,044.19
Related to Pensions	7,649.00			7,649.00
Unearned Revenue	11,408.60			11,408.60
Compensated Absences	1,471.44			1,471.44
Total Current Liabilities	<u>79,521.43</u>	<u>7,296.00</u>	<u>-</u>	<u>86,817.43</u>
Noncurrent Liabilities (Note 8):				
Compensated Absences	4,414.32			4,414.32
Net Pension Liability	193,955.00			193,955.00
Total Noncurrent Liabilities	<u>198,369.32</u>	<u>-</u>	<u>-</u>	<u>198,369.32</u>
DEFERRED INFLOWS OF RESOURCES:				
Related to Pensions (Note 9)	55,461.00			55,461.00
Total Deferred Inflows of Resources	<u>55,461.00</u>	<u>-</u>	<u>-</u>	<u>55,461.00</u>
NET POSITION:				
Net Investment in Capital Assets	47,713.33	9,936.57	-	57,649.90
Unrestricted (Deficit)	(226,898.60)	37,914.78	46,353.63	(142,630.19)
Total Net Position (Deficit)	<u>\$ (179,185.27)</u>	<u>\$ 47,851.35</u>	<u>\$ 46,353.63</u>	<u>\$ (84,980.29)</u>

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

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT
Proprietary Fund
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2018

	Business-Type Activities - Enterprise Funds			
	Food Service	Community School	Pre-School	Total
OPERATING REVENUES:				
Charges for Services:				
Daily Sales - Reimbursable Programs	\$ 125,472.96			\$ 125,472.96
Daily Sales - Non-Reimbursable Programs	97,617.98			97,617.98
Fees		\$ 13,515.00	\$ 56,740.00	70,255.00
Total Operating Revenues	<u>223,090.94</u>	<u>13,515.00</u>	<u>56,740.00</u>	<u>293,345.94</u>
OPERATING EXPENSES:				
Salaries	151,412.47	14,384.02	14,365.85	180,162.34
Employee Benefits	64,785.02			64,785.02
Depreciation	7,256.66	2,208.13		9,464.79
Cost of Sales-Reimbursable Programs	124,690.08			124,690.08
Cost of Sales-Non-Reimbursable Programs	37,836.80			37,836.80
Supplies and Materials	17,940.58			17,940.58
Pension Expense	11,814.00			11,814.00
Miscellaneous	28,512.60	1,584.84	1,500.00	31,597.44
Total Operating Expenses	<u>444,248.21</u>	<u>18,176.99</u>	<u>15,865.85</u>	<u>478,291.05</u>
Operating Income (Loss)	<u>(221,157.27)</u>	<u>(4,661.99)</u>	<u>40,874.15</u>	<u>(184,945.11)</u>
NONOPERATING REVENUES (EXPENSES):				
State Sources:				
State School Lunch Program	4,406.56			4,406.56
Federal Sources:				
National School Lunch Program	143,757.96			143,757.96
National School Breakfast Program	16,424.01			16,424.01
Food Distribution Program	31,459.44			31,459.44
Interest Earnings	176.26	112.43		288.69
Total Nonoperating Revenues (Expenses)	<u>196,224.23</u>	<u>112.43</u>	<u>-</u>	<u>196,336.66</u>
TRANSFERS:				
Board Contribution - Transfer from General Fund	<u>20,000.00</u>			<u>20,000.00</u>
SPECIAL ITEMS:				
Change in Pension Liability	<u>261,036.00</u>			<u>261,036.00</u>
Change in Net Position	256,102.96	(4,549.56)	40,874.15	292,427.55
Net Position (Deficit) -- July 1 (Restated)	<u>(435,288.23)</u>	<u>52,400.91</u>	<u>5,479.48</u>	<u>(377,407.84)</u>
Net Position (Deficit) -- June 30	<u>\$ (179,185.27)</u>	<u>\$ 47,851.35</u>	<u>\$ 46,353.63</u>	<u>\$ (84,980.29)</u>

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

WOODSTOWN-PIESGROVE REGIONAL SCHOOL DISTRICT
Proprietary Fund
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2018

Business-Type Activities -
Enterprise Funds

	Food Service	Community School	Pre-School	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from Customers	\$ 234,499.54	\$ 13,515.00	\$ 56,740.00	\$ 304,754.54
Payments to Employees	(177,853.88)	(7,088.02)	(14,365.85)	(199,307.75)
Payments for Employee Benefits	(64,785.02)			(64,785.02)
Payments to Suppliers	(125,324.68)	(3,120.84)	(1,500.00)	(129,945.52)
Net Cash Provided by (Used for) Operating Activities	<u>(133,464.04)</u>	<u>3,306.14</u>	<u>40,874.15</u>	<u>(89,283.75)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
State Sources	4,376.58			4,376.58
Federal Sources	159,578.92			159,578.92
Board Contribution	20,000.00			20,000.00
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>183,955.50</u>	<u>-</u>	<u>-</u>	<u>183,955.50</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchases of Noncurrent Assets				-
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest Income	176.26	112.43		288.69
Net Cash Provided by (Used for) Investing Activities	<u>176.26</u>	<u>112.43</u>	<u>-</u>	<u>288.69</u>
Net Increase (Decrease) in Cash and Cash Equivalents	50,667.72	3,418.57	40,874.15	94,960.44
Cash and Cash Equivalents (Deficit) -- July 1	<u>(29,267.04)</u>	<u>41,792.21</u>	<u>5,479.48</u>	<u>18,004.65</u>
Cash and Cash Equivalents (Deficit) -- June 30	<u>\$ 21,400.68</u>	<u>\$ 45,210.78</u>	<u>\$ 46,353.63</u>	<u>\$ 112,965.09</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ (221,157.27)	\$ (4,661.99)	\$ 40,874.15	\$ (184,945.11)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:				
Food Distribution Program	31,459.44			31,459.44
Depreciation and Net Amortization	7,256.66	2,208.13		9,464.79
Increase (Decrease) in Net Pension Liability	11,814.00			11,814.00
(Increase) Decrease in Inventories	(22.62)			(22.62)
Increase (Decrease) in Accounts Payable	25,777.15	5,760.00		31,537.15
Increase (Decrease) in Unearned Revenue	11,408.60			11,408.60
Total Adjustments	<u>87,693.23</u>	<u>7,968.13</u>	<u>-</u>	<u>95,661.36</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (133,464.04)</u>	<u>\$ 3,306.14</u>	<u>\$ 40,874.15</u>	<u>\$ (89,283.75)</u>

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

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT
 Fiduciary Funds
 Statement of Fiduciary Net Position
 June 30, 2018

	<u>Private-Purpose Trust Funds</u>		<u>Agency Funds</u>	
	<u>Unemployment Compensation Trust</u>	<u>Scholarship Trust</u>	<u>Student Activity</u>	<u>Payroll</u>
ASSETS:				
Cash and Cash Equivalents	\$ 237,724.44	\$ 13,280.65	\$ 302,931.25	\$ -
Due from Student Activity Fund		7,496.00		
Total Assets	<u>237,724.44</u>	<u>20,776.65</u>	<u>\$ 302,931.25</u>	<u>\$ -</u>
LIABILITIES:				
Payable to Student Groups			\$ 295,435.25	\$ -
Due to Scholarship Trust			7,496.00	
Total Liabilities	<u>-</u>	<u>-</u>	<u>\$ 302,931.25</u>	<u>\$ -</u>
NET POSITION:				
Held in Trust for Scholarships		20,776.65		
Held in Trust for Unemployment Claims and Other Purposes	<u>237,724.44</u>			
Total Net Position	<u>\$ 237,724.44</u>	<u>\$ 20,776.65</u>		

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

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT
 Fiduciary Funds
 Statement of Changes in Fiduciary Net Position
 For the Fiscal Year Ended June 30, 2018

	<u>Private-Purpose Trust Funds</u>	
	<u>Unemployment Compensation Trust</u>	<u>Scholarship Trust</u>
ADDITIONS:		
Contributions:		
Plan Member	\$ 39,674.84	\$ -
Total Contributions	<u>39,674.84</u>	<u>-</u>
Investment Earnings:		
Interest and Dividends	601.92	96.86
Total Investment Earnings	<u>601.92</u>	<u>96.86</u>
Total Additions	<u>40,276.76</u>	<u>96.86</u>
DEDUCTIONS:		
Scholarships Awarded		200.00
Reimbursements Claims / Other	19,254.80	97.79
Total Deductions	<u>19,254.80</u>	<u>297.79</u>
Change in Net Position	21,021.96	(200.93)
Net Position -- July 1	<u>216,702.48</u>	<u>20,977.58</u>
Net Position -- June 30	<u>\$ 237,724.44</u>	<u>\$ 20,776.65</u>

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

WOODSTOWN-PILES GROVE REGIONAL SCHOOL DISTRICT
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2018

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Description of the Financial Reporting Entity

The School District is a Type II district located in the County of Salem, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students in grades Pre-K through 12 at its three schools. The School District has an approximate enrollment at June 30, 2018 of 1,474.

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

Component Units

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

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

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

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

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

Government-wide and Fund Financial Statements

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

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

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

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

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

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

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

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

The School District reports the following major governmental funds:

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

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, ad valorem tax revenues, and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to, or remodeling of buildings, and the purchase of built-in equipment.

Special Revenue Fund - The special revenue fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

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

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

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

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

The School District reports the following major proprietary funds:

Enterprise Funds

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

Community School Fund - This fund accounts for the financial activity related to provide educational and recreational activities to the community.

Pre-School Fund - This fund accounts for the financial activity related to preschool for certain students.

Additionally, the School District reports the following fund types:

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

The School District maintains the following fiduciary funds:

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

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

Scholarship Fund - Revenues consist of donations and interest income. Expenditures represent scholarships, which are awarded in accordance with the trust requirements.

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

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

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

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

Budgets / Budgetary Control

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

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only, and the special revenue fund. N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

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

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

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

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to assign a portion of the applicable appropriation, is utilized for budgetary control purposes. Encumbrances are a component of fund balance at fiscal year-end as they do not constitute expenditures or liabilities, but rather commitments related to unperformed contracts for goods and services. Open encumbrances in the governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

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

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

Cash, Cash Equivalents and Investments

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

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

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

Inventories

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

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

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

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

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

Prepaid Expenses

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

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

Short-Term Interfund Receivables / Payables

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

Capital Assets

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

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings & Building Improvements	20-50 Years
Site Improvements	10-20 Years
Machinery and Equipment	5-10 Years

The School District does not possess any infrastructure assets.

Deferred Outflows and Deferred Inflows of Resources

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

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

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

Prepaid Property Taxes - When an asset is recorded in governmental fund financial statements but the revenue is not available, the government reports a deferred inflow of resources until such time as the revenue becomes available. During fiscal year 2018, the Township of Pilesgrove prepaid a 2018-2019 school year tax payment of \$541,956.75.

Tuition Payable

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

Unearned Revenue

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

Compensated Absences

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

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

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

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

Pensions

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

Net Position

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Accounting Estimates

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

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

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

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. *The adoption of this Statement required the School District to recognize a revenue and expense on the government-wide statement of activities for the State's proportionate share of the postemployment expense associated with the School District. In addition, the School District was required to include additional note disclosures (see note 22) and required supplementary information related to postemployment benefits.*

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

Recently Issued Accounting Pronouncements

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Impact of Recently Issued Accounting Principles (Cont'd)****Recently Issued Accounting Pronouncements (Cont'd)**

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

Note 2: CASH AND CASH EQUIVALENTS

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

As of June 30, 2018, the School District's bank balances of \$3,153,289.40 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 2,846,742.39
Uninsured and Uncollateralized	<u>306,547.01</u>
Total	<u><u>\$ 3,153,289.40</u></u>

Note 3: CAPITAL RESERVE ACCOUNT

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

Note 3: CAPITAL RESERVE ACCOUNT (CONT'D)

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long Range Facilities Plan ("LRFP"). Upon submission of the LRFP to the Department, a school district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A school district may also appropriate additional amounts when the express approval of the voters has been obtained by either a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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	\$ 1.00
Increased by:	
Deposits - Board Resolution	<u>200,000.00</u>
Ending Balance, June 30, 2018	<u>\$ 200,001.00</u>

The June 30, 2018 LRFP balance of local support costs of uncompleted projects at June 30, 2018 exceeds the Capital Reserve Account balance.

Note 4: ACCOUNTS RECEIVABLE

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

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

<u>Description</u>	<u>Governmental Funds</u>			<u>Proprietary Funds</u>		<u>Total</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Activities</u>	<u>Food Service Fund</u>	
Federal Awards		\$ 40,857.26		\$ 40,857.26	\$ 9,765.83	\$ 50,623.09
State Awards	\$ 252,877.84		\$ 1,523,761.81	1,776,639.65	274.98	1,776,914.63
Other:						
Tuition	420,406.27			420,406.27		420,406.27
Academy	101,458.20			101,458.20		101,458.20
	<u>\$ 774,742.31</u>	<u>\$ 40,857.26</u>	<u>\$ 1,523,761.81</u>	<u>\$ 2,339,361.38</u>	<u>\$ 10,040.81</u>	<u>\$ 2,349,402.19</u>

Note 5: INVENTORY

Inventory recorded at June 30, 2018 in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, consisted of the following:

Food	\$ 7,835.02
Supplies	4,743.83
Commodities	<u>5,704.81</u>
	<u>\$ 18,283.66</u>

Note 6: CAPITAL ASSETS

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

	<u>Balance</u> <u>July 1, 2017</u>	<u>Increases</u>	<u>Transfers /</u> <u>Decreases</u>	<u>Balance</u> <u>June 30, 2018</u>
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 871,740.00			\$ 871,740.00
Construction in Progress	12,987,521.15	\$ 3,188,625.81	\$ (16,176,146.96)	
Total Capital Assets, not being Depreciated	<u>13,859,261.15</u>	<u>3,188,625.81</u>	<u>(16,176,146.96)</u>	<u>871,740.00</u>
Capital Assets, being Depreciated:				
Building & Building Improvements	15,969,459.04		16,176,146.96	32,145,606.00
Site Improvements	707,750.00			707,750.00
Machinery and Equipment	612,528.00			612,528.00
Total Capital Assets, being Depreciated	<u>17,289,737.04</u>	<u>-</u>	<u>16,176,146.96</u>	<u>33,465,884.00</u>
Total Capital Assets, Cost	<u>31,148,998.19</u>	<u>3,188,625.81</u>	<u>-</u>	<u>34,337,624.00</u>
Less Accumulated Depreciation for:				
Building & Building Improvements	(6,530,843.05)	(1,380,941.30)		(7,911,784.35)
Site Improvements	(707,750.00)			(707,750.00)
Machinery and Equipment	(372,191.32)	(41,083.33)		(413,274.65)
Total Accumulated Depreciation	<u>(7,610,784.37)</u>	<u>(1,422,024.63)</u>	<u>-</u>	<u>(9,032,809.00)</u>
Total Capital Assets, being Depreciated, Net	<u>9,678,952.67</u>	<u>(1,422,024.63)</u>	<u>16,176,146.96</u>	<u>24,433,075.00</u>
Governmental Activities Capital Assets, Net	<u>\$ 23,538,213.82</u>	<u>\$ 1,766,601.18</u>	<u>-</u>	<u>\$ 25,304,815.00</u>

Note 6: CAPITAL ASSETS (CONT'D)

Capital asset activity for the fiscal year ended June 30, 2018 is as follows (Cont'd):

	<u>Balance</u> <u>July 1, 2017</u>	<u>Increases</u>	<u>Transfers /</u> <u>Decreases</u>	<u>Balance</u> <u>June 30, 2018</u>
Business-Type Activities:				
Capital Assets, being Depreciated:				
Machinery and Equipment	\$ 147,065.00			\$ 147,065.00
Less Accumulated Depreciation for:				
Machinery and Equipment	(79,950.31)	\$ (9,464.79)		(89,415.10)
Business-Type Activities Capital Assets, Net	<u>\$ 67,114.69</u>	<u>\$ (9,464.79)</u>	<u>\$ -</u>	<u>\$ 57,649.90</u>

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

Governmental Activities:

Regular Instruction	\$ 568,809.86
Special Education Instruction	71,101.23
General Administration	142,202.46
Plant Operations and Maintenance	213,303.69
Unallocated	<u>426,607.39</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,422,024.63</u>

Business-Type Activities:

Food Service	\$ 7,256.66
Community School	<u>2,208.13</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 9,464.79</u>

Note 7: SHORT-TERM OBLIGATIONS

State School Aid Anticipation Note - N.J.S.A. 18A:22-44.2 states that if a board of education of a school district is notified by the Commissioner of Education that one or more June State school aid payments will not be made until the following school budget year, and the district demonstrates through a written application to the Commissioner the need to borrow and the Commissioner approves that application, the board may borrow on or before June 30 of the current school budget year, but not earlier than June 8 of the current school budget year, a sum not exceeding the amount of the delayed State school aid payments, and may execute and deliver promissory notes therefor through private sale or delivery thereof. In accordance with this statute, on June 8, 2018, the School District issued a State School Aid Anticipation Note in the amounts of \$85,000.00, at an annual interest rate of 3.75%, maturing on July 7, 2018. The State of New Jersey shall pay, on behalf of the School District, the required interest due on the note.

<u>Description</u>	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>
State School Aid Anticipation Note	<u>\$ 671,795.00</u>	<u>\$ 85,000.00</u>	<u>\$ (671,795.00)</u>	<u>\$ 85,000.00</u>

Note 8: LONG-TERM LIABILITIES

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

	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2018</u>	<u>Due within One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 20,282,000.00		\$ (915,000.00)	\$ 19,367,000.00	\$ 945,000.00
Total Bonds Payable	20,282,000.00	-	(915,000.00)	19,367,000.00	945,000.00
Other Liabilities:					
Obligations under Capital Lease	219,897.71		(119,289.53)	100,608.18	49,792.58
Compensated Absences	607,302.63	\$ 15,378.61	(64,984.81)	557,696.43	66,923.57
Pension (PERS) Payment Deferral	51,443.00		(6,396.00)	45,047.00	7,001.00
Net Pension Liability	10,018,109.00	2,301,857.31	(4,984,293.31)	7,335,673.00	
Total Other Liabilities	10,896,752.34	2,317,235.92	(5,174,963.65)	8,039,024.61	123,717.15
Governmental Activities Long-Term Liabilities	\$ 31,178,752.34	\$ 2,317,235.92	\$ (6,089,963.65)	\$ 27,406,024.61	\$ 1,068,717.15

The bonds payable are liquidated by the debt service fund, while obligations under capital lease, compensated absences, pension deferral, and net pension liability are liquidated by the general fund.

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

	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2018</u>	<u>Due within One Year</u>
Business-Type Activities:					
Other Liabilities:					
Compensated Absences Payable	\$ 17,209.00	\$ 666.27	\$ (11,989.52)	\$ 5,885.76	\$ 1,471.44
Net Pension Liability	628,128.00	60,863.69	(495,036.69)	193,955.00	
Business-Type Activities Long-Term Liabilities	\$ 645,337.00	\$ 61,529.96	\$ (507,026.21)	\$ 199,840.76	\$ 1,471.44

Compensated absences and net pension liability are liquidated by the food service enterprise fund.

During Fiscal Year 2018, the estimated percentage of Pension Obligations allocated to the Food Service Enterprise fund was 2.50% compared to 7.50% in the prior year, because in February 2018 the School District contracted with a vendor to operate the cafeterias. This decrease caused a Special Item in the financial statements.

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

On March 26, 2013, the School District issued \$9,958,000.00 general obligation bonds at interest rates varying from 2.50% to 3.50% for various construction and renovation projects. The final maturity of these bonds is March 15, 2033. The bonds will be paid from property taxes.

On March 17, 2015, the School District issued \$11,907,000.00 general obligation bonds at interest rates varying from 2.75% to 3.25% for various construction and renovation projects. The final maturity of these bonds is March 15, 2035. The bonds will be paid from property taxes.

Note 8: LONG-TERM LIABILITIES (CONT'D)

Bonds Payable (Cont'd) - Principal and interest due on bonds outstanding is as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 945,000.00	\$ 586,801.28	\$ 1,531,801.28
2020	975,000.00	561,888.78	1,536,888.78
2021	1,005,000.00	534,888.78	1,539,888.78
2022	1,030,000.00	507,063.78	1,537,063.78
2023	1,070,000.00	478,563.78	1,548,563.78
2024-2028	5,905,000.00	1,889,268.90	7,794,268.90
2029-2033	6,840,000.00	932,183.84	7,772,183.84
2034-2035	1,597,000.00	77,805.00	1,674,805.00
Total	<u>\$ 19,367,000.00</u>	<u>\$ 5,568,464.14</u>	<u>\$ 24,935,464.14</u>

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

Obligations under Capital Lease - The School District is leasing copiers, computers, and maintenance equipment with a total cost of \$583,882.00 under capital leases. All capital leases are for terms of three to five years. Capital leases are depreciated in a manner consistent with the School District's depreciation policy for owned assets.

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 49,792.58	\$ 2,068.59	\$ 51,861.17
2020	50,815.60	1,045.57	51,861.17
Total	<u>\$ 100,608.18</u>	<u>\$ 3,114.16</u>	<u>\$ 103,722.34</u>

Compensated Absences - As previously stated, compensated absences will be paid from the fund from which the employees' salaries are paid. Refer to note 13 for a description of the School District's policy.

Public Employees' Retirement System (PERS) Payment Deferral - On March 17, 2009, P.L. 2009, c.19 (S-21) was signed into legislation and provided regular and vocational school districts the option of deferring fifty percent (50%) of the school district's 2008-09 regular PERS pension liability. School districts that elected to defer the pension liability were required to begin repaying the deferred amount over fifteen (15) years, starting in April of 2012. The amount to be paid will fluctuate based on the pension system investment earnings on the unfunded liability. At any time, however, upon requesting a payoff amount from the Division of Pensions and Benefits, a school district may pay off the deferred amount. The deferral of the aforementioned PERS payment was only an option for 2008-09 fiscal year. Commencing in fiscal year June 30, 2010, and beyond, the full annual PERS pension liability is required to be budgeted and paid.

Note 8: LONG-TERM LIABILITIES (CONT'D)**Public Employees' Retirement System (PERS) Payment Deferral (Cont'd) -**

The School District adopted a resolution electing to defer fifty percent (50%) of the April 2009 payment, equaling a total deferral of \$79,013.00. The following is a schedule for the payment of the PERS deferral, based on an interest rate of 8.25%. N.J.S.A 43:15A-24b requires the use of "regular interest" when the actuary calculates the amortization of the unfunded accrued liability of the pension system, which is set by the State Treasurer (N.J.S.A. 43:15A-6n) and currently is 8.25%.

Principal and interest due on the outstanding pension deferral is as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Deferral</u> <u>Payment</u>	<u>Interest</u>	<u>Total</u> <u>Projected</u> <u>Payment</u>
2019	\$ 7,001.00	\$ 5,485.00	\$ 12,486.00
2020	3,544.71	3,138.80	6,683.51
2021	3,837.15	2,846.36	6,683.51
2022	4,153.72	2,529.79	6,683.51
2023	4,496.40	2,187.11	6,683.51
2024-2026	22,014.02	4,720.04	26,734.06
Total	<u>\$ 45,047.00</u>	<u>\$ 20,907.10</u>	<u>\$ 65,954.10</u>

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

Note 9: PENSION PLANS

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

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

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans****Plan Descriptions**

Teachers' Pension and Annuity Fund - The Teachers' Pension and Annuity Fund is a cost-sharing multiple-employer defined benefit pension plan, with a special funding situation, which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The State of New Jersey (the "State") is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF's designated purpose is to provide retirement benefits, death, disability and medical benefits to certain qualified members. Membership in the TPAF is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, who have titles that are unclassified, professional and certified. The TPAF's Board of Trustees is primarily responsible for the administration of the TPAF.

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

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

Vesting and Benefit Provisions

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

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

Teachers' Pension and Annuity Fund (Cont'd) - The following represents the membership tiers for TPAF:

Tier Definition

- 1 Members who were enrolled prior to July 1, 2007
- 2 Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010
- 4 Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 before age 65 with 30 years or more of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier.

Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

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

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

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

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

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

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

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

The School District's contractually required contribution rate for the fiscal year ended June 30, 2018 was 12.14% of the School District's covered payroll, of which 0.00% of payroll was required from the School District and 100.00% of payroll was required from the State of New Jersey. The School District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2018 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2017, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2018 was \$1,179,808.00, and was paid by April 1, 2018. School District employee contributions to the pension plan during the fiscal year ended June 30, 2018 were \$727,570.47.

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

The School District's contractually required contribution rate for the fiscal year ended June 30, 2018 was 15.01% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2017, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2018 was \$296,928.00, and was paid by April 1, 2018. School District employee contributions to the pension plan during the fiscal year ended June 30, 2018 were \$147,745.71.

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

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

For the fiscal year ended June 30, 2018, employee contributions totaled \$10,227.57, and the School District recognized pension expense, which equaled the required contributions, of \$5,725.21. There were no forfeitures during the fiscal year.

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

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

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

School District's Proportionate Share of Net Pension Liability	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the School District	<u>70,839,890.00</u>
	<u>\$ 70,839,890.00</u>

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2017. For the June 30, 2017 measurement date, the School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At June 30, 2017, the School District proportion was 0.00% due to the 100% special funding situation with the State of New Jersey. For the June 30, 2017 measurement date, the State's proportionate share of the TPAF net pension liability associated with the School District was 0.1050668963%, which was an increase of 0.0015421524% from its proportion measured as of June 30, 2016.

For the fiscal year ended June 30, 2018, the School District recognized \$4,907,429.00 in pension expense and revenue, in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2017 measurement date.

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

Public Employees' Retirement System - At June 30, 2018, the School District reported a liability of \$7,529,628.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2017. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2017 measurement date, the School District's proportion was 0.0323459844%, which was a decrease of 0.0036002261% from its proportion measured as of June 30, 2016.

For the fiscal year ended June 30, 2018, the School District recognized pension expense of \$458,651.00, in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2017 measurement date.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 177,297.00	\$ -
Changes of Assumptions	1,516,961.00	1,511,399.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	51,272.00	-
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	159,792.00	641,686.00
School District Contributions Subsequent to the Measurement Date	296,928.00	-
	<u>\$ 2,202,250.00</u>	<u>\$ 2,153,085.00</u>

\$296,928.00, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	
2019	\$ 91,554.00
2020	181,781.00
2021	54,939.00
2022	(350,165.00)
2023	(225,872.00)
	<u>\$ (247,763.00)</u>

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

Public Employees' Retirement System (Cont'd) - The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

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

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

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

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

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

Discount Rate - The discount rates used to measure the total pension liability at June 30, 2017 were 4.25% and 5.00% for TPAF and PERS, respectively. For TPAF and PERS, the respective single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rates for TPAF and PERS assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined amount for TPAF and PERS and the local employers contributed 100% of the actuarially determined amount for PERS. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2036 for TPAF and 2040 for PERS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2036 for TPAF and 2040 for PERS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

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

	TPAF		
	1% Decrease (3.25%)	Current Discount Rate (4.25%)	1% Increase (5.25%)
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	84,160,011.00	70,839,890.00	59,866,716.00
	<u>\$ 84,160,011.00</u>	<u>\$ 70,839,890.00</u>	<u>\$ 59,866,716.00</u>

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

	PERS		
	1% Decrease (4.00%)	Current Discount Rate (5.00%)	1% Increase (6.00%)
School District's Proportionate Share of the Net Pension Liability	\$ 9,341,015.00	\$ 7,529,628.00	\$ 6,020,519.00

Pension Plan Fiduciary Net Position

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

Note 10: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2018, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance were \$1,507,676.00, \$36,588.00, \$997,407.00, and \$1,881.00, respectively.

Note 11: RISK MANAGEMENT

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

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

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

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

<u>Fiscal Year Ended June 30,</u>	<u>School District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Income</u>	<u>Claims Incurred</u>	<u>Ending Balance</u>
2018	\$ -	\$ 39,674.84	\$ 601.92	\$ 19,254.80	\$ 237,724.44
2017	-	45,725.22	648.80	45,544.85	216,702.48
2016	-	23,423.00	675.31	67,104.00	215,873.31

Note 12: DEFERRED COMPENSATION

The School District offers its employees a choice of eight deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457. The plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. The plan administrators are as follows:

The Equitable	First Investors
Lincoln Investment Planning, Inc	The Travelers
American Express Financial	Aetna Life Insurance Company
Prudential Insurance Company	Metropolitan Life Insurance Company

Note 13: COMPENSATED ABSENCES

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

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

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2018, the liability for compensated absences reported on the government-wide statement of net position and on the proprietary fund statement of net position was \$557,696.43 and \$5,885.76, respectively.

Note 14: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

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

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 83,706.60	
Special Revenue		\$ 35,462.40
Food Service		40,948.20
Community School		7,296.00
	<u>\$ 83,706.60</u>	<u>\$ 83,706.60</u>

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

\$20,000.00 was a budgeted transferred from the General Fund to the Food Service Enterprise Fund to contribute to the operation of the Food Service Fund.

Note 15: CONTINGENCIES

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

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

Note 16: CONCENTRATIONS

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

Note 17: COMMITMENTS

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

<u>Contract</u>	<u>Amount Outstanding</u>
Middle/High and Shoemaker School HVAC	\$ 462,418.20

Note 18: DEFICIT FUND BALANCES

The School District has a deficit fund balance of \$114,464.25 in the general fund and \$3,300.00 in the special revenue fund as of June 30, 2018 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general and special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the GAAP funds statements of \$117,764.25 is less than the June state aid payments.

The School District had an accumulated deficit of \$226,898.60 in the food service fund as of June 30, 2018. The accumulated deficit was caused, in large part, by liabilities related to the net pension liability and accumulated absences in the amount of \$193,955.00. The remaining deficit of \$32,943.60 is the result of the School District of expenditures in the food service fund exceeding revenues.

Note 19: FUND BALANCES**RESTRICTED**

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

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

For Tuition - In accordance with N.J.A.C. 6A:23A-3.1(f)(8), the School District has restricted fund balance in the amount of \$121,174.17 in a legal reserve for tuition adjustments. This restricted fund balance represents foreseeable future tuition adjustments up to a maximum of 10% of the estimated tuition cost of the respective contract year. As of June 30, 2018, \$121,174.17 has been restricted for the contract year 2017-2018.

For Capital Reserve Account - As of June 30, 2018, the balance in the capital reserve account is \$200,001.00. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

For Maintenance Reserve Account - As of June 30, 2018, the balance in the maintenance reserve account is \$218,929.00. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

Capital Projects Fund – On March 26, 2013 and March 17, 2015, the School District issued \$9,958,000.00 and \$11,907,000.00, respectively, of general obligation bonds pursuant to Chapter 24 of Title 18A of the New Jersey Statutes, as amended and supplemented ("School Bond Law"). The Bonds were authorized by a proposal adopted by the Board and approved by the voters of the School District at elections held November 4, 2012 and November 6, 2014, respectively. The bond issuance was approved by the voters for repairs and improvements at Woodstown High School, Woodstown Middle School, Mary S. Shoemaker Elementary and construction of a new Early Childhood Learning Center. As of June 30, 2018, the restricted fund balance amount was \$2,256,993.90.

ASSIGNED

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

General Fund

For Subsequent Year's Expenditures - The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2019 \$200,000.00 of general fund balance at June 30, 2018.

Other Purposes - As of June 30, 2018, the School District had \$66,842.09 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

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

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

General Fund - As of June 30, 2018, a deficit of \$114,464.25 of general fund balance was unassigned.

Special Revenue Fund - As of June 30, 2018, the fund balance of the special revenue fund was a deficit of \$3,300.00, thus resulting in the fund balance classification of unassigned. The deficit is a result from a delay in the payment of state aid until the following fiscal year. As stated in note 18, since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties. The unassigned deficit on the GAAP financial statements of \$3,300.00 equal to the last state aid payment.

Note 20: ARBITRAGE REBATE

The Tax Reform Act of 1986 placed restriction on investments of the proceeds of certain tax-exempt bonds issued after December 31, 1986. Specifically, investment earnings which are above arbitrage bond yield are required to be rebated to the United States Treasury Department within sixty days of the end of the fifth bond year. A bond year is defined as ending on the anniversary date of bond settlement.

The School District has two bond issues outstanding as of June 30, 2018 that are subject to rebate calculations. Rebate calculations on these bonds are required to be made at least once every five years. The School District prepares rebate calculations for purposes of determining any contingent liability for rebate in accordance with the requirements. As of June 30, 2018, the School District has determined that no arbitrage rebate liability exists. The amount of contingent liability for rebate may change as a result of future events.

Note 21: RESTATEMENT OF PRIOR PERIOD NET POSITION

The School District conducted a periodic physical inventory of its Capital Assets, which resulted in an adjustment to the estimated historical costs of the assets. The cumulative effect on the financial statements as reported for June 30, 2017 is as follows:

	<u>As Reported June 30, 2017</u>	<u>Prior Period Adjustment</u>	<u>As Restated June 30, 2017</u>
<u>Governmental Activities</u>			
Capital Assets, being Depreciated:			
Buildings and Improvements	\$ 16,399,921.33	\$ (430,462.29)	\$ 15,969,459.04
Site Improvements	617,126.00	90,624.00	707,750.00
Equipment	3,961,549.00	(3,349,021.00)	612,528.00
Less Accumulated Depreciation for:			
Buildings and Improvements	(5,662,383.00)	(868,460.05)	(6,530,843.05)
Site Improvements	(294,541.00)	(413,209.00)	(707,750.00)
Equipment	(3,604,134.00)	3,231,942.68	(372,191.32)
Capital Assets, net	25,276,799.48	(1,738,585.66)	23,538,213.82
Total Assets	30,776,951.86	(1,738,585.66)	29,038,366.20
Net Investment in Capital Assets	8,942,862.36	(1,738,585.66)	7,204,276.70
Total Net Position	1,004,764.93	(1,738,585.66)	(733,820.73)
<u>Business-Type Activities</u>			
Capital Assets, being Depreciated:			
Machinery and Equipment	\$ 136,227.00	\$ 10,838.00	\$ 147,065.00
Less Accumulated Depreciation for:			
Machinery and Equipment	(105,343.00)	25,392.69	(79,950.31)
Capital Assets, net	30,884.00	36,230.69	67,114.69
Total Assets	105,824.51	36,230.69	142,055.20
Net Investment in Capital Assets	30,884.00	36,230.69	67,114.69
Total Net Position	(413,638.53)	36,230.69	(377,407.84)

Note 22: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN****General Information about the OPEB Plan**

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

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

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

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

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

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

Total Non-Employer OPEB Liability

The State of New Jersey, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to the OPEB Plan for qualified retired TPAF, PERS, PFRS and ABP participants. The School District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. The State's proportionate share of the net OPEB liability associated with the School District as of June 30, 2018 was \$68,929,329.00. Since the OPEB liability associated with the School District is 100% attributable to the State, the OPEB liability will be referred to as the total Non-Employer OPEB Liability.

Note 22: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Total Non-Employer OPEB Liability (Cont'd)**

The total Non-Employer OPEB Liability was measured as of June 30, 2017, and was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. The total Non-Employer OPEB Liability as of June 30, 2016 was determined by an actuarial valuation as of June 30, 2016. For the June 30, 2017 measurement date, the State's proportionate share of the Non-Employer OPEB Plan Liability associated with the School District was .1285039751%, which was a decrease of .0004806206% from its proportion measured as of June 30, 2016.

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

Salary Increases -

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

(1) - Based on years of service

(2) - Based on age

Inflation Rate - 2.50%.

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

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

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

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

Note 22: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Total Non-Employer OPEB Liability (Cont'd)**

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

Balance at June 30, 2017		\$ 74,594,093.00
Changes for the Year:		
Service Cost	\$ 2,586,164.00	
Interest Cost	2,177,878.00	
Changes in Assumptions	(8,891,045.00)	
Gross Benefit Payments	(1,596,550.00)	
Member Contributions	<u>58,789.00</u>	
Net Changes		<u>(5,664,764.00)</u>
Balance at June 30, 2018		<u>\$ 68,929,329.00</u>

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

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

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

	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 81,824,086.52</u>	<u>\$ 68,929,329.00</u>	<u>\$ 58,701,084.78</u>

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State of New Jersey's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District	<u>\$ 56,687,709.70</u>	<u>\$ 68,929,329.00</u>	<u>\$ 85,186,055.39</u>

Note 22: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - (CONT'D)**STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (CONT'D)****Total Non-Employer OPEB Liability (Cont'd)**

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Non-Employer OPEB Liability - For the fiscal year ended June 30, 2018, the School District recognized \$3,789,730.00 in OPEB expense and revenue, in the government-wide financial statements, for the State's proportionate share of the OPEB Plan's OPEB Expense, associated with the School District. This expense and revenue was based on the OPEB Plan's June 30, 2017 measurement date.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Proportion	\$ -	\$ 219,631.00
Changes of Assumptions or Other Inputs	<u>-</u>	<u>8,151,995.00</u>
	<u>\$ -</u>	<u>\$ 8,371,626.00</u>

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

Fiscal Year Ending <u>June 30,</u>	
2019	\$ (980,284.20)
2020	(980,284.20)
2021	(980,284.20)
2022	(980,284.20)
2023	(980,284.20)
Thereafter	<u>(3,470,204.99)</u>
	<u>\$ (8,371,626.00)</u>

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES

WOODSTOWN-PILES GROVE REGIONAL SCHOOL DISTRICT
 General Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Amendments	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 10,814,414.00	\$ -	\$ 10,814,414.00	\$ 10,814,414.00	\$ -
Tuition From Other LEAs Within the State	4,214,772.00	-	4,214,772.00	4,374,647.28	159,875.28
Unrestricted Miscellaneous Revenues	544,192.00	-	544,192.00	554,118.75	9,926.75
Total - Local Sources	15,573,378.00	-	15,573,378.00	15,743,180.03	169,802.03
State Sources:					
Extraordinary Aid	125,000.00	-	125,000.00	206,986.00	81,986.00
Categorical Special Education Aid	689,961.00	-	689,961.00	689,961.00	-
Equalization Aid	5,523,895.00	-	5,523,895.00	5,523,895.00	-
Categorical Security Aid	140,608.00	-	140,608.00	140,608.00	-
Adjustment Aid	251,966.00	(12,304.00)	239,662.00	239,662.00	-
Categorical Transportation Aid	358,511.00	-	358,511.00	358,511.00	-
Under Adequacy Aid	13,257.00	-	13,257.00	13,257.00	-
PARCC Readiness Aid	11,620.00	-	11,620.00	11,620.00	-
Per Pupil Growth Aid	11,620.00	-	11,620.00	11,620.00	-
Professional Learning Community Aid	11,560.00	-	11,560.00	11,560.00	-
Non Public Transportation Aid	-	-	-	9,570.00	9,570.00
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)	-	-	-	997,407.00	997,407.00
Teacher's Pension & Annuity Fund (On-Behalf - Non-Budgeted)	-	-	-	1,507,676.00	1,507,676.00
TPAF Non-contributory Insurance (On-Behalf - Non-Budgeted)	-	-	-	36,588.00	36,588.00
Long-Term Disability Insurance (On-Behalf - Non-Budgeted)	-	-	-	1,881.00	1,881.00
Reimbursed TPAF Social Security (Non-Budgeted)	-	-	-	713,865.15	713,865.15
Total State Sources	7,137,998.00	(12,304.00)	7,125,694.00	10,474,667.15	3,348,973.15
Federal Sources:					
SEMI Medicaid Program	24,240.00	-	24,240.00	20,364.54	(3,875.46)
Total - Federal Sources	24,240.00	-	24,240.00	20,364.54	(3,875.46)
Total Revenues	22,735,616.00	(12,304.00)	22,723,312.00	26,238,211.72	3,514,899.72

(Continued)

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT

General Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Amendments	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
EXPENDITURES:					
GENERAL CURRENT EXPENSE					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	\$ 72,293.00	\$ (863.85)	\$ 71,429.15	\$ 71,429.15	\$ -
Kindergarten - Salaries of Teachers	370,561.00	47,401.90	417,962.90	417,962.60	0.30
Grades 1-5 - Salaries of Teachers	1,749,628.00	17,084.02	1,766,712.02	1,766,703.54	8.48
Grades 6-8 - Salaries of Teachers	1,127,082.57	(28,116.46)	1,098,966.11	1,097,881.86	1,084.25
Grades 9-12 - Salaries of Teachers	3,191,287.50	(21,383.31)	3,169,904.19	3,169,737.86	166.33
Regular Programs - Home Instruction:					
Salaries of Teachers	19,387.90	9,439.22	28,827.12	28,819.77	7.35
Purchased Professional-Educational Services	3,000.00	3,161.36	6,161.36	6,161.36	-
Other Purchased Services (400-500 series)	527.33	(390.22)	137.11	137.11	-
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	20,119.00	(2,669.90)	17,449.10	17,445.92	3.18
Purchased Professional-Educational Services	5,100.00	300.00	5,400.00	5,109.06	290.94
Purchased Technical Services	28,000.00	2,856.78	30,856.78	30,856.78	-
Other Purchased Services (400-500 series)	222,906.00	12,596.02	235,502.02	227,699.82	7,802.20
General Supplies	275,005.38	14.96	275,020.34	201,613.96	73,406.38
Textbooks	57,450.00	(18,164.73)	39,285.27	34,546.32	4,738.95
Other Objects	6,714.00	19,526.98	26,240.98	10,109.26	16,131.72
Total Regular Programs - Instruction	7,149,061.68	40,792.77	7,189,854.45	7,086,214.37	103,640.08
Special Education - Instruction					
Behavioral Disabilities:					
Salaries of Teachers	50,450.00	4,420.00	54,870.00	54,870.00	-
Other Salaries for Instruction	132,153.00	(34,382.10)	97,770.90	97,770.90	-
Total Behavioral Disabilities	182,603.00	(29,962.10)	152,640.90	152,640.90	-
Multiple Disabilities:					
Salaries of Teachers	180,852.00	(21,671.49)	159,180.51	159,180.51	-
Other Salaries for Instruction	462.50	5,193.37	5,655.87	5,002.75	653.12
General Supplies	4,850.00	(1,697.16)	3,152.84	3,142.52	10.32
Textbooks	900.00	(900.00)	-	-	-
Other Objects	400.00	(400.00)	-	-	-
Total Multiple Disabilities	187,464.50	(19,475.28)	167,989.22	167,325.78	663.44

(Continued)

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT
 General Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Budget Amendments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable/ (Unfavorable)</u>
Resource Room/Resource Center:					
Salaries of Teachers	\$ 1,551,483.00	\$ (74,973.98)	\$ 1,476,509.02	\$ 1,465,313.70	\$ 11,195.32
Other Salaries for Instruction	77,527.00	11,182.15	88,709.15	85,584.67	3,124.48
General Supplies	6,800.00	(3,380.00)	3,420.00	3,268.80	151.20
Textbooks	1,500.00	(1,500.00)	-	-	-
Total Resource Room/Resource Center	<u>1,637,310.00</u>	<u>(68,671.83)</u>	<u>1,568,638.17</u>	<u>1,554,167.17</u>	<u>14,471.00</u>
Preschool Disabilities - Part-Time:					
Salaries of Teachers	41,726.00	1,408.00	43,134.00	43,116.48	17.52
Other Salaries for Instruction	28,451.00	(7,406.55)	21,044.45	17,683.79	3,360.66
General Supplies	1,800.00	-	1,800.00	1,497.05	302.95
Total Preschool Disabilities - Part-Time	<u>71,977.00</u>	<u>(5,998.55)</u>	<u>65,978.45</u>	<u>62,297.32</u>	<u>3,681.13</u>
Home Instruction:					
Purchased Professional-Educational Services	3,850.00	4,337.90	8,187.90	8,187.90	-
Total Home Instruction	<u>3,850.00</u>	<u>4,337.90</u>	<u>8,187.90</u>	<u>8,187.90</u>	<u>-</u>
Total Special Education - Instruction	<u>2,083,204.50</u>	<u>(119,769.86)</u>	<u>1,963,434.64</u>	<u>1,944,619.07</u>	<u>18,815.57</u>
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	393,105.00	(34,541.64)	358,563.36	354,382.20	4,181.16
General Supplies	10,103.00	3,200.00	13,303.00	12,189.01	1,113.99
Total Basic Skills/Remedial - Instruction	<u>403,208.00</u>	<u>(31,341.64)</u>	<u>371,866.36</u>	<u>366,571.21</u>	<u>5,295.15</u>
Bilingual Education - Instruction:					
Salaries of Teachers	4,000.00	(2,783.00)	1,217.00	-	1,217.00
General Supplies	250.00	-	250.00	220.00	30.00
Total Bilingual Education - Instruction	<u>4,250.00</u>	<u>(2,783.00)</u>	<u>1,467.00</u>	<u>220.00</u>	<u>1,247.00</u>
School-Spon. Cocurricular Actvts. - Inst.:					
Salaries	76,000.00	-	76,000.00	63,028.00	12,972.00
Purchased Services (300-500 series)	3,500.00	-	3,500.00	2,804.55	695.45
Supplies and Materials	750.00	-	750.00	167.00	583.00
Total School-Spon. Cocurricular Actvts. - Inst.	<u>80,250.00</u>	<u>-</u>	<u>80,250.00</u>	<u>65,999.55</u>	<u>14,250.45</u>

(Continued)

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT
 General Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Amendments	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
School-Spon. Cocurricular Athletics - Inst.:					
Salaries	\$ 321,192.00	\$ -	\$ 321,192.00	\$ 320,293.75	\$ 898.25
Purchased Services (300-500 series)	85,752.00	1,243.00	86,995.00	86,994.15	0.85
Supplies and Materials	63,700.00	(3,617.00)	60,083.00	50,420.59	9,662.41
Other Objects	13,700.00	2,899.00	16,599.00	16,566.93	32.07
Total School-Spon. Cocurricular Athletics - Inst.	484,344.00	525.00	484,869.00	474,275.42	10,593.58
Other Alternative Ed Program - Inst.					
Salaries of Teachers	-	83,225.00	83,225.00	83,225.00	-
Total Other Alternative Ed Program - Inst.	-	83,225.00	83,225.00	83,225.00	-
Total Instruction	10,204,318.18	(29,351.73)	10,174,966.45	10,021,124.62	153,841.83
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	-	31,972.20	31,972.20	31,972.20	-
Tuition to Other LEAs Within the State - Special	-	36,228.86	36,228.86	36,228.86	-
Tuition to Vocational School Districts - Regular	152,600.00	-	152,600.00	152,600.00	-
Tuition to CSSD & Regional Day Schools	634,370.00	(47,278.92)	587,091.08	584,954.28	2,136.80
Tuition to Private Schools for the Disabled - Within State	68,895.00	51,992.52	120,887.52	120,887.52	-
Tuition to Private Schools for the Disabled & Other LEA - Spl,O/S St	29,402.00	(2.00)	29,400.00	29,400.00	-
Tuition - State Facilities	83,957.00	-	83,957.00	83,957.00	-
Total Undistributed Expenditures - Instruction:	969,224.00	72,912.66	1,042,136.66	1,039,999.86	2,136.80
Attendance and Social Work Services:					
Purchased Professional and Technical Services	600.00	-	600.00	-	600.00
Total Attendance and Social Work Services	600.00	-	600.00	-	600.00
Health Services:					
Salaries	230,643.00	9,350.87	239,993.87	239,034.59	959.28
Purchased Professional and Technical Services	21,024.00	-	21,024.00	21,024.00	-
Other Purchased Services (400-500 series)	400.00	-	400.00	115.25	284.75
Supplies and Materials	3,450.00	-	3,450.00	2,722.85	727.15
Other Objects	100.00	-	100.00	-	100.00
Total Health Services	255,617.00	9,350.87	264,967.87	262,896.69	2,071.18

(Continued)

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT
 General Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2018

	Original <u>Budget</u>	Budget <u>Amendments</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ <u>(Unfavorable)</u>
Speech, OT, PT and Related Services:					
Salaries	\$ 106,701.00	\$ (53,231.53)	\$ 53,469.47	\$ 53,469.47	\$ -
Purchased Professional - Educational Services	123,862.00	139,033.75	262,895.75	262,895.75	-
Supplies and Materials	4,000.00	(4,000.00)	-	-	-
Total Speech, OT, PT and Related Services	<u>234,563.00</u>	<u>81,802.22</u>	<u>316,365.22</u>	<u>316,365.22</u>	<u>-</u>
Special Education - Extraordinary Services:					
Salaries	205,330.00	21,535.35	226,865.35	225,561.19	1,304.16
Purchased Professional - Educational Services	2,000.00	(2,000.00)	-	-	-
Total Special Education - Extraordinary Services	<u>207,330.00</u>	<u>19,535.35</u>	<u>226,865.35</u>	<u>225,561.19</u>	<u>1,304.16</u>
Guidance:					
Salaries of Other Professional Staff	535,466.59	(6,858.75)	528,607.84	526,826.57	1,781.27
Salaries of Secretarial and Clerical Assistants	39,544.00	138.96	39,682.96	39,682.96	-
Other Purchased Prof. and Tech. Services	14,640.00	(3,480.00)	11,160.00	8,338.20	2,821.80
Other Purchased Services (400-500 series)	1,134.00	(389.00)	745.00	-	745.00
Supplies and Materials	16,187.00	3,480.00	19,667.00	12,033.45	7,633.55
Other Objects	4,400.00	-	4,400.00	3,314.76	1,085.24
Total Guidance	<u>611,371.59</u>	<u>(7,108.79)</u>	<u>604,262.80</u>	<u>590,195.94</u>	<u>14,066.86</u>
Child Study Teams:					
Salaries of Other Professional Staff	221,111.00	7,881.78	228,992.78	227,530.68	1,462.10
Salaries of Secretarial and Clerical Assistants	49,098.00	600.00	49,698.00	49,698.00	-
Purh. Prof. - Educational Services	1,000.00	(800.01)	199.99	-	199.99
Other Purchased Prof. and Tech. Services	14,000.00	15,978.05	29,978.05	28,570.00	1,408.05
Mis. Purchase Serv. (400-500 series other than Residential Costs)	1,200.00	331.04	1,531.04	1,531.04	-
Supplies and Materials	9,200.00	(4,212.00)	4,988.00	4,797.14	190.86
Other Objects	3,800.00	-	3,800.00	1,443.00	2,357.00
Total Child Study Teams	<u>299,409.00</u>	<u>19,778.86</u>	<u>319,187.86</u>	<u>313,569.86</u>	<u>5,618.00</u>

(Continued)

WOODSTOWN-PILES GROVE REGIONAL SCHOOL DISTRICT
 General Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2018

	Original <u>Budget</u>	Budget <u>Amendments</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ <u>(Unfavorable)</u>
Improvement of Instructional Services:					
Salaries of Supervisor of Instruction	\$ 114,385.00	\$ (57,265.84)	\$ 57,119.16	\$ 17,960.89	\$ 39,158.27
Salaries of Secretarial and Clerical Assistants	102,360.00	35,405.03	137,765.03	128,109.15	9,655.88
Other Salaries	8,140.00	(2,861.20)	5,278.80	4,799.20	479.60
Supplies and Materials	1,500.00	-	1,500.00	900.70	599.30
Total Improvement of Instructional Services	226,385.00	(24,722.01)	201,662.99	151,769.94	49,893.05
Educational Media Services - School Library:					
Salaries	258,035.00	(570.83)	257,464.17	256,871.21	592.96
Salaries of Technology Coordinators	-	1,000.00	1,000.00	1,000.00	-
Purchased Professional and Technical Services	9,372.00	54.50	9,426.50	9,135.70	290.80
Supplies and Materials	5,999.00	-	5,999.00	4,688.31	1,310.69
Other Objects	150.00	-	150.00	-	150.00
Total Educational Media Services - School Library	273,556.00	483.67	274,039.67	271,695.22	2,344.45
Instructional Staff Training Services:					
Salaries of Other Professional Staff	60,081.00	(300.00)	59,781.00	51,573.05	8,207.95
Purchased Professional - Educational Services	16,500.00	(6,300.00)	10,200.00	4,089.99	6,110.01
Other Purchased Services (400-500 series)	2,500.00	3,000.00	5,500.00	4,464.58	1,035.42
Supplies and Materials	2,500.00	(1,000.00)	1,500.00	645.51	854.49
Total Instructional Staff Training Services	81,581.00	(4,600.00)	76,981.00	60,773.13	16,207.87
Support Services - General Administration:					
Salaries	222,610.00	1,109.84	223,719.84	223,719.84	-
Unused Vacation Payment to Termin/Retired Staff	17,000.00	(17,000.00)	-	-	-
Legal Services	27,350.00	44,764.47	72,114.47	72,114.47	-
Audit Fees	10,000.00	12,500.00	22,500.00	22,500.00	-
Architectural/Engineering Services	26,100.00	(26,100.00)	-	-	-
Other Purchased Professional Services	-	26,203.56	26,203.56	24,303.56	1,900.00
Communications/Telephone	128,100.00	14,287.56	142,387.56	142,387.56	-
BOE Other Purchased Services	5,000.00	(3,270.54)	1,729.46	1,729.46	-
Other Purchased Services (400-500 series)	17,000.00	54,330.11	71,330.11	71,330.11	-
General Supplies	11,000.00	(8,088.66)	2,911.34	2,911.34	-
Miscellaneous Expenditures	9,000.00	2,050.00	11,050.00	11,050.00	-
BOE Membership Dues and Fees	12,000.00	(1,414.15)	10,585.85	10,585.85	-
Total Support Services - General Administration	485,160.00	99,372.19	584,532.19	582,632.19	1,900.00

(Continued)

WOODSTOWN-PILES GROVE REGIONAL SCHOOL DISTRICT

General Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Amendments	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	\$ 476,675.00	\$ 18,979.29	\$ 495,654.29	\$ 495,654.29	\$ -
Salaries of Other Professional Staff	326,825.00	15,411.72	342,236.72	342,236.72	-
Salaries of Secretarial and Clerical Assistants	393,327.00	(24,913.82)	368,413.18	367,941.78	471.40
Purchased Professional and Technical Services	73,300.00	5,567.16	78,867.16	78,123.66	743.50
Other Purchased Services (400-500 series)	12,900.00	13,196.80	26,096.80	23,246.76	2,850.04
Supplies and Materials	13,828.67	-	13,828.67	6,838.79	6,989.88
Other Objects	36,450.00	(1,239.55)	35,210.45	19,213.11	15,997.34
Total Support Services - School Administration	1,333,305.67	27,001.60	1,360,307.27	1,333,255.11	27,052.16
Undistributed Expenditures - Central Services:					
Salaries	300,305.00	-	300,305.00	299,256.28	1,048.72
Purchased Professional Services	900.00	20,700.00	21,600.00	13,950.00	7,650.00
Misc. Purch. Services (400-500 Series)	25,400.00	15,219.23	40,619.23	24,320.98	16,298.25
Supplies and Materials	5,000.00	8,448.86	13,448.86	4,504.28	8,944.58
Miscellaneous Expenditures	2,200.00	(85.85)	2,114.15	1,564.96	549.19
Total Undist. Expend. - Central Services	333,805.00	44,282.24	378,087.24	343,596.50	34,490.74
Undistributed Expenditures - Admin. Info. Tech.:					
Salaries	153,955.92	(30,762.70)	123,193.22	122,985.94	207.28
Purchased Professional Services	5,000.00	-	5,000.00	5,000.00	-
Total Undist. Expend. - Admin. Info. Tech.	158,955.92	(30,762.70)	128,193.22	127,985.94	207.28
Undist. Expend. -Required Maintenance for School Facilities:					
Salaries	118,064.00	(60,655.47)	57,408.53	54,539.98	2,868.55
Cleaning, Repair, and Maintenance Services	63,200.00	(924.00)	62,276.00	32,704.97	29,571.03
General Supplies	44,900.00	-	44,900.00	24,448.29	20,451.71
Total Undist. Expend. -Required Maintenance for School Facilities	226,164.00	(61,579.47)	164,584.53	111,693.24	52,891.29

(Continued)

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT

General Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Amendments	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Custodial Services:					
Salaries	\$ 640,057.00	\$ 7,807.81	\$ 647,864.81	\$ 646,451.40	\$ 1,413.41
Salaries of Non-Instructional Aides	27,608.00	(27,608.00)	-	-	-
Purchased Professional and Technical Services	21,420.00	(7,528.58)	13,891.42	10,180.00	3,711.42
Cleaning, Repair and Maintenance Services	33,500.00	-	33,500.00	28,752.40	4,747.60
Rental of Land/Bldgs other than Lease Purchase	11,000.00	-	11,000.00	10,582.34	417.66
Other Purchased Property Services	38,900.00	17,945.65	56,845.65	56,845.65	-
Insurance	149,000.00	(1,062.23)	147,937.77	147,539.77	398.00
General Supplies	105,189.66	3,510.93	108,700.59	104,338.11	4,362.48
Energy - Natural Gas	120,000.00	(27,237.77)	92,762.23	84,935.75	7,826.48
Energy - Electricity	300,800.00	24,386.00	325,186.00	302,931.20	22,254.80
Energy - Oil	4,800.00	-	4,800.00	3,065.04	1,734.96
Other Objects	500.00	-	500.00	214.00	286.00
Total Custodial Services	1,452,774.66	(9,786.19)	1,442,988.47	1,395,835.66	47,152.81
Care and Upkeep of Grounds:					
Salaries	92,894.00	1,235.81	94,129.81	94,129.81	-
Cleaning, Repair and Maintenance Services	14,000.00	-	14,000.00	7,625.35	6,374.65
General Supplies	16,000.00	(1,235.81)	14,764.19	6,350.50	8,413.69
Total Care and Upkeep of Grounds	122,894.00	-	122,894.00	108,105.66	14,788.34
Security:					
Purchased Professional and Technical Services	154,065.00	21,705.00	175,770.00	175,550.65	219.35
Total Security	154,065.00	21,705.00	175,770.00	175,550.65	219.35
Total Undist. Expend. - Oper. & Maint. Of Plant	1,955,897.66	(49,660.66)	1,906,237.00	1,791,185.21	115,051.79 (Continued)

WOODSTOWN-PILES GROVE REGIONAL SCHOOL DISTRICT

General Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Amendments	Final Budget	Actual	Variance Final to Actual Favorable/ (Unfavorable)
Student Transportation Services:					
Salaries - Between Home & School - Regular	\$ 39,138.00	\$ 10,499.97	\$ 49,637.97	\$ 49,634.93	\$ 3.04
Contr Serv - Aid in Lieu of Payments - Nonpublic	50,110.00	(3,960.02)	46,149.98	38,085.50	8,064.48
Contr Serv - Aid in Lieu of Payments - Choice Schl	442.00	3,768.00	4,210.00	3,674.10	535.90
Contract Serv (Bet. Home & School)-Vendors	392,696.00	(192.02)	392,503.98	370,399.50	22,104.48
Contract Services (Other than Between Home & School)-Vendors	138,072.00	2,784.18	140,856.18	120,653.47	20,202.71
Contract Services (Between Home and Sch) - Joint Agrmts	20,866.00	8,741.50	29,607.50	29,607.50	-
Contract Services (Special Ed) - Vendors	40,860.00	(8,741.50)	32,118.50	28,363.40	3,755.10
Contract Services (Special Ed) - Joint Agreements	33,397.00	-	33,397.00	12,076.81	21,320.19
Contr Serv (Reg. Students)-ESCs	78,450.00	(47,283.00)	31,167.00	26,767.70	4,399.30
Contr Serv (Spl. Ed. Students)-ESCs	246,238.00	47,283.00	293,521.00	293,521.00	-
Total Student Transportation Services	1,040,269.00	12,900.11	1,053,169.11	972,783.91	80,385.20
Unallocated Benefits:					
Social Security Contributions	275,000.00	75,451.06	350,451.06	341,583.49	8,867.57
Other Retirement Contributions - PERS	323,000.00	23,147.42	346,147.42	318,501.45	27,645.97
Other Retirement Contributions - Deferred PERS	12,000.00	(12,000.00)	-	-	-
Unemployment Compensation	10,000.00	(5,931.48)	4,068.52	-	4,068.52
Workmen's Compensation	208,500.00	(33,000.00)	175,500.00	175,395.06	104.94
Health Benefits	3,357,600.00	(311,380.88)	3,046,219.12	3,003,777.23	42,441.89
Tuition Reimbursement	42,500.00	2,500.00	45,000.00	37,317.83	7,682.17
Other Employee Benefits	67,920.40	-	67,920.40	67,628.15	292.25
Total Unallocated Benefits	4,296,520.40	(261,213.88)	4,035,306.52	3,944,203.21	91,103.31
On-Behalf Contributions:					
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)	-	-	-	997,407.00	(997,407.00)
Teacher's Pension & Annuity Fund (On-Behalf - Non-Budgeted)	-	-	-	1,507,676.00	(1,507,676.00)
TPAF Non-contributory Insurance (On-Behalf - Non-Budgeted)	-	-	-	36,588.00	(36,588.00)
Long-Term Disability Insurance (On-Behalf - Non-Budgeted)	-	-	-	1,881.00	(1,881.00)
Reimbursed TPAF Social Security (Non-Budgeted)	-	-	-	713,865.15	(713,865.15)
Total On-Behalf Contributions	-	-	-	3,257,417.15	(3,257,417.15)
Total Personal Services - Employee Benefits	4,296,520.40	(261,213.88)	4,035,306.52	7,201,620.36	(3,166,313.84)
Total Undistributed Expenditures	12,763,550.24	9,351.73	12,772,901.97	15,585,886.27	(2,812,984.30)
TOTAL GENERAL CURRENT EXPENSE	22,967,868.42	(20,000.00)	22,947,868.42	25,607,010.89	(2,659,142.47)

(Continued)

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT
 General Fund
 Required Supplementary Information
 Budgetary Comparison Schedule
 For the Fiscal Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Budget Amendments</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Final to Actual Favorable/ (Unfavorable)
CAPITAL OUTLAY					
Facilities Acquisition and Construction Services					
Assessment for Debt Service on SDA Funding	\$ 6,294.00	\$ -	\$ 6,294.00	\$ 6,294.00	\$ -
Total Facilities Acquisition and Construction Services	<u>6,294.00</u>	<u>-</u>	<u>6,294.00</u>	<u>6,294.00</u>	<u>-</u>
TOTAL CAPITAL OUTLAY	<u>6,294.00</u>	<u>-</u>	<u>6,294.00</u>	<u>6,294.00</u>	<u>-</u>
TOTAL EXPENDITURES	<u>22,974,162.42</u>	<u>(20,000.00)</u>	<u>22,954,162.42</u>	<u>25,613,304.89</u>	<u>(2,659,142.47)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(238,546.42)</u>	<u>7,696.00</u>	<u>(230,850.42)</u>	<u>624,906.83</u>	<u>855,757.25</u>
Other Financing Sources (Uses):					
Operating Transfer Out:					
Transfer to Food Service Fund - Board Contribution		(20,000.00)	(20,000.00)	(20,000.00)	-
Total Other Financing Sources (Uses):	<u>-</u>	<u>(20,000.00)</u>	<u>(20,000.00)</u>	<u>(20,000.00)</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(238,546.42)	(12,304.00)	(250,850.42)	604,906.83	855,757.25
Fund Balance, July 1	<u>740,713.18</u>	<u>-</u>	<u>740,713.18</u>	<u>740,713.18</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 502,166.76</u>	<u>\$ (12,304.00)</u>	<u>\$ 489,862.76</u>	<u>\$ 1,345,620.01</u>	<u>\$ 855,757.25</u>
Recapitulation:					
Fund Balances:					
Restricted:					
Capital Reserve				\$ 200,001.00	
Maintenance Reserve				218,929.00	
Tuition Reserve				121,174.17	
Assigned:					
Designated for Subsequent Year's Expenditures				200,000.00	
Other Purposes				66,842.09	
Unassigned				538,673.75	
				<u>1,345,620.01</u>	
Reconciliation to Governmental Funds Statements(GAAP):					
June State Aid Payments not recognized on GAAP Basis				(653,138.00)	
				<u>\$ 692,482.01</u>	

WOODSTOWN-PIESGROVE REGIONAL SCHOOL DISTRICT
Special Revenue Fund
Required Supplementary Information
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2018

REVENUES:	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
State Sources:					
Preschool Education	\$ 33,000.00	\$ -	\$ 33,000.00	\$ 33,000.00	\$ -
Local Sources	-	11,845.94	11,845.94	11,653.90	192.04
Federal Sources:					
Title I	189,621.00	59,237.00	248,858.00	228,175.39	20,682.61
Title II	32,082.00	(569.00)	31,513.00	31,512.00	1.00
Title IV	-	10,000.00	10,000.00	10,000.00	-
I.D.E.A., Part B, Basic	291,957.00	12,818.00	304,775.00	304,775.00	-
I.D.E.A., Part B, Preschool	-	4,445.00	4,445.00	4,445.00	-
Emergency Impact Aid	-	4,250.00	4,250.00	4,250.00	-
Carl Perkins	-	8,046.00	8,046.00	8,043.92	2.08
Total - Federal Sources	513,660.00	98,227.00	611,887.00	591,201.31	20,685.69
Total Revenues	546,660.00	110,072.94	656,732.94	635,855.21	20,877.73
EXPENDITURES:					
Instruction:					
Salaries of Teachers	254,703.00	(39,195.00)	215,508.00	201,577.00	13,931.00
Purchased Professional and Technical Services	-	2,000.00	2,000.00	2,000.00	-
Other Purchased Services (400-500 series)	291,957.00	17,263.00	309,220.00	309,220.00	-
Supplies and Materials	-	8,093.00	8,093.00	8,089.92	3.08
General Supplies	-	11,845.94	11,845.94	11,653.90	192.04
Other Objects	-	1,300.00	1,300.00	1,278.39	21.61
Total Instruction	546,660.00	1,306.94	547,966.94	533,819.21	14,147.73
Support Services:					
Other Salaries	-	19,578.00	19,578.00	12,848.00	6,730.00
Personal Services - Employee Benefits	-	35,205.00	35,205.00	35,205.00	-
Other Purchased Services (400-500 series)	-	7,976.00	7,976.00	7,976.00	-
Supplies and Material	-	2,730.00	2,730.00	2,730.00	-
Total Support Services	-	65,489.00	65,489.00	58,759.00	6,730.00
Capital Outlay:					
Instructional Equipment	-	43,277.00	43,277.00	43,277.00	-
Total Capital Outlay	-	43,277.00	43,277.00	43,277.00	-
Total Expenditures	546,660.00	110,072.94	656,732.94	635,855.21	20,877.73
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

WOODSTOWN-PIESGROVE REGIONAL SCHOOL DISTRICT

Required Supplementary Information
Budgetary Comparison Schedule
Note to RSI - Part II
For the Fiscal Year Ended June 30, 2018

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 26,238,211.72	\$ 635,855.21
Differences - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current Year		(2,415.58)
Prior Year		25,743.50
The June 2017 State aid payments are recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	668,495.00	3,300.00
The June 2018 State aid payments are recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	<u>(653,138.00)</u>	<u>(3,300.00)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 26,253,568.72</u></u>	<u><u>\$ 659,183.13</u></u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 25,613,304.89	\$ 635,855.21
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Current Year		(2,415.58)
Prior Year		25,743.50
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	<u><u>\$ 25,613,304.89</u></u>	<u><u>\$ 659,183.13</u></u>

**REQUIRED SUPPLEMENTARY INFORMATION
PART III**

WOODSTOWN-PIESGROVE REGIONAL SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of the School District's Proportionate Share of the Net Pension Liability
 Public Employees' Retirement System (PERS)
 Last Five Plan Years

	<u>Measurement Date Ending June 30,</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.0323459844%	0.0359462105%	0.0355214300%	0.0352776700%	0.0341259400%
School District's Proportionate Share of the Net Pension Liability	\$ 7,529,628.00	\$ 10,646,237.00	\$ 7,973,848.00	\$ 6,604,944.00	\$ 6,522,145.00
School District's Covered Payroll (Plan Measurement Period)	\$ 2,404,868.00	\$ 2,621,008.00	\$ 2,289,240.00	\$ 2,416,804.00	\$ 2,416,804.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	313.10%	406.19%	348.32%	273.29%	269.87%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.10%	40.14%	47.93%	52.08%	48.72%

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

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT

Required Supplementary Information
 Schedule of the School District's Contributions
 Public Employees' Retirement System (PERS)
 Last Five Fiscal Years

	Fiscal Year Ended June 30,				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 296,928.00	\$ 299,651.00	\$ 319,341.00	\$ 305,389.00	\$ 290,824.00
Contributions in Relation to the Contractually Required Contribution	<u>(296,928.00)</u>	<u>(299,651.00)</u>	<u>(319,341.00)</u>	<u>(305,389.00)</u>	<u>(290,824.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll (Fiscal Year)	\$ 1,978,368.00	\$ 2,112,493.00	\$ 2,288,240.00	\$ 2,416,804.00	\$ 2,416,804.00
Contributions as a Percentage of School District's Covered Payroll	15.01%	14.18%	13.96%	12.64%	12.03%

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

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of the School District's Proportionate Share of the Net Pension Liability
 Teachers' Pension and Annuity Fund (TPAF)
 Last Five Plan Years

	Measurement Date Ending June 30,				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability Associated with the School District	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the School District	<u>70,839,890.00</u>	<u>81,439,155.00</u>	<u>65,917,965.00</u>	<u>55,651,903.00</u>	<u>51,891,559.00</u>
	<u>\$ 70,839,890.00</u>	<u>\$ 81,439,155.00</u>	<u>\$ 65,917,965.00</u>	<u>\$ 55,651,903.00</u>	<u>\$ 51,891,559.00</u>
School District's Covered Payroll (Plan Measurement Period)	\$ 12,538,764.00	\$ 12,614,432.00	\$ 10,655,366.00	\$ 10,735,863.00	\$ 10,735,863.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	564.97%	645.60%	618.64%	518.37%	483.35%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	25.41%	22.33%	28.71%	33.64%	33.76%

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

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT

Required Supplementary Information
Schedule of the School District's Contributions
Teachers' Pension and Annuity Fund (TPAF)
Last Ten Fiscal Years

This schedule is not applicable.

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

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

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT
Notes to Required Supplementary Information - Part III
For the Fiscal Year Ended June 30, 2018

Teachers' Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None

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

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None

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

**REQUIRED SUPPLEMENTARY INFORMATION
PART IV**

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of Changes in the School District's Total OPEB Liability and Related Ratios
 Last Plan Year

	Measurement Date Ending <u>June 30,</u> <u>2017</u>
Total Non-Employer OPEB Liability - State's Proportionate Share of the Total OPEB Liability Associated with the School District	
Changes for the Year:	
Service Cost	\$ 2,586,164.00
Interest Cost	2,177,878.00
Changes in Assumptions	(8,891,045.00)
Gross Benefit Payments	(1,596,550.00)
Member Contributions	<u>58,789.00</u>
Net Change in Total Non-Employer OPEB Liability	(5,664,764.00)
Total Non-Employer OPEB Liability - Beginning of Fiscal Year	<u>74,594,093.00</u>
Total Non-Employer OPEB Liability - End of Fiscal Year	<u>\$ 68,929,329.00</u>
School District's Covered Payroll (Plan Measurement Period)	<u>\$ 12,481,008.00</u>
State's Proportionate Share of the Total Non-Employer OPEB Liability Associated with the School District as a Percentage of Covered Payroll	552.27%

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

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT
Notes to Required Supplementary Information - Part IV
For the Fiscal Year Ended June 30, 2018

Changes of Benefit Terms - None

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

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

WOODSTOWN-PILES GROVE REGIONAL SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2018

	<u>Total</u>	<u>E.S.S.A.</u>			<u>I.D.E.A.</u>		<u>Total Brought Forward</u>
		<u>Title I</u>	<u>Title II</u>	<u>Title IV</u>	<u>Basic</u>	<u>Preschool</u>	
REVENUES:							
Federal Sources	\$ 591,201.31	\$ 228,175.39	\$ 31,512.00	\$ 10,000.00	\$ 304,775.00	\$ 4,445.00	\$ 12,293.92
State Sources	33,000.00						33,000.00
Local Sources	11,653.90						11,653.90
Total Revenues	635,855.21	228,175.39	31,512.00	10,000.00	304,775.00	4,445.00	56,947.82
EXPENDITURES:							
Instruction:							
Salaries of Teachers	201,577.00	143,958.00	24,619.00				33,000.00
Purchased Professional and Technical Services	2,000.00	2,000.00					-
Other Purchased Services (400-500 series)	309,220.00				304,775.00	4,445.00	-
Supplies and Material	8,089.92	46.00					8,043.92
General Supplies	11,653.90						11,653.90
Other Objects	1,278.39	1,278.39					-
Total Instruction	533,819.21	147,282.39	24,619.00	-	304,775.00	4,445.00	52,697.82
Support Services:							
Other Salaries	12,848.00	8,598.00					4,250.00
Personal Services - Employee Benefits	35,205.00	28,312.00	6,893.00				-
Other Purchased Services (400-500 series)	7,976.00	7,976.00					-
Supplies and Material	2,730.00	2,730.00					-
Total Support Services	58,759.00	47,616.00	6,893.00	-	-	-	4,250.00
Capital Outlay:							
Instructional Equipment	43,277.00	33,277.00		10,000.00			
Total Capital Outlay	43,277.00	33,277.00	-	10,000.00	-	-	-
Total Expenditures	635,855.21	228,175.39	31,512.00	10,000.00	304,775.00	4,445.00	56,947.82
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2018

	Total Carried Forward	Emergency Impact Aid	Carl Perkins	ECLC Foundation Donation	Case Grant	Preschool Education
REVENUES:						
Federal Sources	\$ 12,293.92	\$ 4,250.00	\$ 8,043.92			
State Sources	33,000.00					\$ 33,000.00
Local Sources	11,653.90			\$ 4,694.49	\$ 6,959.41	
Total Revenues	56,947.82	4,250.00	8,043.92	4,694.49	6,959.41	33,000.00
EXPENDITURES:						
Instruction:						
Salaries of Teachers	33,000.00					33,000.00
Purchased Professional and Technical Services	-					
Other Purchased Services (400-500 series)	-					
Supplies and Material	8,043.92		8,043.92			
General Supplies	11,653.90			4,694.49	6,959.41	
Other Objects	-					
Total Instruction	52,697.82	-	8,043.92	4,694.49	6,959.41	33,000.00
Support Services:						
Other Salaries	4,250.00	4,250.00				
Personal Services - Employee Benefits	-					
Other Purchased Services (400-500 series)	-					
Supplies and Material	-					
Total Support Services	4,250.00	4,250.00	-	-	-	-
Capital Outlay:						
Instructional Equipment	-					
Total Capital Outlay	-	-	-	-	-	-
Total Expenditures	56,947.82	4,250.00	8,043.92	4,694.49	6,959.41	33,000.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

WOODSTOWN-PIESGROVE REGIONAL SCHOOL DISTRICT
 Special Revenue Fund
 Schedule of Preschool Education Aid Expenditures - Budgetary Basis
 All Programs
 For the Fiscal Year Ended June 30, 2018

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance
Instruction:					
Salaries of Teachers	\$ 33,000.00	\$ -	\$ 33,000.00	\$ 33,000.00	\$ -
Total Instruction	33,000.00	-	33,000.00	33,000.00	-
Total Expenditures	<u>\$ 33,000.00</u>	<u>\$ -</u>	<u>\$ 33,000.00</u>	<u>\$ 33,000.00</u>	<u>\$ -</u>

Calculation of Budget and Carryover

Total 2017-2018 Preschool Education Aid Allocation	\$ 33,000.00
Add: Actual Preschool Education Aid/ECPA Aid Carryover June 30, 2017	-
Add: Budgeted transfer from the General Fund 2017-18	<u>-</u>
Total Preschool Education Aid Funds Available for 2017-18 Budget	33,000.00
Less: 2017-18 Budgeted Preschool Education Aid (Prior Year Budgeted Carryover)	<u>33,000.00</u>
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2018	-
Add: June 30, 2018 Unexpended Preschool Education Aid	<u>-</u>
2017-18 Carryover - Preschool Education Aid/Preschool	<u>\$ -</u>
2017-18 Preschool Education Aid Carryover Budgeted for Preschool Programs 2018-19	<u>\$ -</u>

CAPITAL PROJECTS FUND

WOODSTOWN-PIESGROVE REGIONAL SCHOOL DISTRICT
 Capital Projects Fund
 Summary Schedule of Project Expenditures
 For the Fiscal Year Ended June 30, 2018

Project Title	Approval Date	Appropriations	Expenditures to Date			Unexpended Balance June 30, 2018
			Prior Years	Adjustments	Current Year	
5910-050-12-1000 Woodstown High School/Middle School New Multi-Purpose Room & Renovate Science Rooms	11/6/2012	\$ 6,177,558.00	\$ 6,150,575.25	\$ (70,625.84)	\$ -	\$ 97,608.59
5910-N03-12-1000 Woodstown New Early Childhood Center	11/6/2012	3,781,100.00	3,781,100.00	-	-	-
5910-060-14-1002 Woodstown High School - HVAC, Vertical Movement, Electrical, Plumbing	11/4/2014	17,876,998.00	11,547,714.15	70,625.84	2,857,929.22	3,400,728.79
5910-060-14-1002 Mary S. Shoemaker Elementary School - HVAC, Vertical Movement, Electrical, Plumbing	11/4/2014	1,968,750.00	1,439,807.00	-	330,696.59	198,246.41
		<u>\$ 29,804,406.00</u>	<u>\$ 22,919,196.40</u>	<u>\$ 0.00</u>	<u>\$ 3,188,625.81</u>	<u>\$ 3,696,583.79</u>
					Reserved for Encumbrances \$ 462,418.20	
					Reserved for Capital Projects <u>3,234,165.59</u>	
						<u>\$ 3,696,583.79</u>

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT
 Capital Projects Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis
 For the Fiscal Year Ended June 30, 2018

REVENUES:	
State Sources - SCC Grant	\$ -
Bond Proceeds	-
Transfer from Capital Outlay	-
Total Revenues	-
EXPENDITURES:	
Other Purchased Professional & Technical Services	406,147.20
Construction Services	2,760,636.33
Other Object	21,842.28
Total Expenditures	3,188,625.81
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,188,625.81)
Fund Balance - July 1	6,885,209.60
Fund Balance - June 30	\$ 3,696,583.79
Reconciliation to Governmental Fund Statements (GAAP):	
Fund Balance - June 30	\$ 3,696,583.79
State Sources - SCC Grant not recognized on GAAP basis	(1,439,589.89)
Fund Balance per Governmental Funds (GAAP)	\$ 2,256,993.90

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
 Woodstown High School/Middle School New Multi-Purpose Room & Renovate Science Rooms
 From Inception and for the Fiscal Year Ended June 30, 2018

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ -	\$ -	\$ -	\$ -
Bond Proceeds	5,798,950.00	-	5,798,950.00	5,798,950.00
Transfer from Capital Outlay	658.00	-	658.00	658.00
Total Revenues	<u>5,799,608.00</u>	<u>-</u>	<u>5,799,608.00</u>	<u>5,799,608.00</u>
Expenditures and Other Financing Uses				
Other Purchased Professional & Technical Services	568,258.00	-	568,258.00	568,258.00
Construction Services	5,121,708.00	-	5,121,708.00	5,213,795.00
Other Object	12,033.41	-	12,033.41	17,555.00
Total Expenditures	<u>5,701,999.41</u>	<u>-</u>	<u>5,701,999.41</u>	<u>5,799,608.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 97,608.59</u>	<u>\$ -</u>	<u>\$ 97,608.59</u>	<u>\$ -</u>

Additional Project Information:

Project Number	5910-050-12-1000
Project Number SDA	N/A
Grant Date	N/A
Bond Authorization Date	11/6/2012
Bonds Authorized	\$ 6,176,900.00
Bonds Issued	\$ 6,176,900.00
Original Authorized Cost	\$ 6,177,558.00
Additional Authorized Cost	\$ (377,950.00)
Revised Authorized Cost	\$ 5,799,608.00
Percentage Increase over Original Authorized Cost	-6.12%
Percentage Completion	98.32%
Original Target Completion Date	6/30/2016
Revised Target Completion Date	N/A

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
 Woodstown New Early Childhood Center
 From Inception and for the Fiscal Year Ended June 30, 2018

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ -	\$ -	\$ -	\$ -
Bond Proceeds	4,159,050.00	-	4,159,050.00	4,159,050.00
Transfer from Capital Outlay	-	-	-	-
Total Revenues	<u>4,159,050.00</u>	<u>-</u>	<u>4,159,050.00</u>	<u>4,159,050.00</u>
Expenditures and Other Financing Uses				
Other Purchased Professional & Technical Services	630,946.00	-	630,946.00	630,946.00
Construction Services	3,474,190.00	-	3,474,190.00	3,474,190.00
Other Object	53,914.00	-	53,914.00	53,914.00
Total Expenditures	<u>4,159,050.00</u>	<u>-</u>	<u>4,159,050.00</u>	<u>4,159,050.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Additional Project Information:

Project Number	5910-N03-12-1000
Project Number SDA	N/A
Grant Date	N/A
Bond Authorization Date	11/6/2012
Bonds Authorized	\$ 3,781,100.00
Bonds Issued	\$ 3,781,100.00
Original Authorized Cost	\$ 3,781,100.00
Additional Authorized Cost	\$ 377,950.00
Revised Authorized Cost	\$ 4,159,050.00
Percentage Increase over Original Authorized Cost	10.00%
Percentage Completion	100.00%
Original Target Completion Date	6/30/2016
Revised Target Completion Date	N/A

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
 Woodstown High School - HVAC, Vertical Movement, Electrical, Plumbing
 From Inception and for the Fiscal Year Ended June 30, 2018

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ 7,150,799.00	\$ -	\$ 7,150,799.00	\$ 7,150,799.00
Bond Proceeds	10,725,750.00	-	10,725,750.00	10,725,750.00
Transfer from Capital Outlay	449.00	-	449.00	449.00
Total Revenues	<u>17,876,998.00</u>	<u>-</u>	<u>17,876,998.00</u>	<u>17,876,998.00</u>
Expenditures and Other Financing Uses				
Other Purchased Professional & Technical Services	1,270,761.33	382,756.75	1,653,518.08	1,653,518.08
Construction Services	10,266,695.66	2,463,283.45	12,729,979.11	16,130,707.90
Other Object	80,883.00	11,889.02	92,772.02	92,772.02
Total Expenditures	<u>11,618,339.99</u>	<u>2,857,929.22</u>	<u>14,476,269.21</u>	<u>17,876,998.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 6,258,658.01</u>	<u>\$ (2,857,929.22)</u>	<u>\$ 3,400,728.79</u>	<u>\$ -</u>

Additional Project Information:

Project Number	5910-050-14-1001
SDA Grant Number	G5-6348
Grant Date	5/14/2015
Bond Authorization Date	11/4/2014
Bonds Authorized	\$ 10,725,750.00
Bonds Issued	\$ 10,725,750.00
Original Authorized Cost	\$ 17,876,998.00
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 17,876,998.00

Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	80.98%
Original Target Completion Date	6/30/2017
Revised Target Completion Date	N/A

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status--Budgetary Basis
 Mary S. Shoemaker Elementary School - HVAC, Vertical Movement, Electrical, Plumbing
 From Inception and for the Fiscal Year Ended June 30, 2018

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	\$ 787,500.00	\$ -	\$ 787,500.00	\$ 787,500.00
Bond Proceeds	1,181,250.00	-	1,181,250.00	1,181,250.00
Transfer from Capital Outlay	-	-	-	-
Total Revenues	<u>1,968,750.00</u>	<u>-</u>	<u>1,968,750.00</u>	<u>1,968,750.00</u>
Expenditures and Other Financing Uses				
Other Purchased Professional & Technical Services	139,914.40	23,390.45	163,304.85	163,304.85
Construction Services	1,279,366.60	297,352.88	1,576,719.48	1,774,965.89
Other Object	<u>20,526.00</u>	<u>9,953.26</u>	<u>30,479.26</u>	<u>30,479.26</u>
Total Expenditures	<u>1,439,807.00</u>	<u>330,696.59</u>	<u>1,770,503.59</u>	<u>1,968,750.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 528,943.00</u>	<u>\$ (330,696.59)</u>	<u>\$ 198,246.41</u>	<u>\$ -</u>

Additional Project Information:

Project Number	5910-060-14-1002
SDA Grant Number	G5-6349
Grant Date	5/14/2015
Bond Authorization Date	11/4/2014
Bonds Authorized	\$ 1,181,250.00
Bonds Issued	\$ 1,181,250.00
Original Authorized Cost	\$ 1,968,750.00
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 1,968,750.00

Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	89.93%
Original Target Completion Date	6/30/2017
Revised Target Completion Date	N/A

PROPRIETARY FUNDS

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT
Proprietary Fund
Combining Statement of Net Position
June 30, 2018

	Business-Type Activities - Enterprise Funds			
	<u>Food Service</u>	<u>Community School</u>	<u>Pre-School</u>	<u>Total</u>
ASSETS:				
Current Assets:				
Cash and Cash Equivalents	\$ 21,400.68	\$ 45,210.78	\$ 46,353.63	\$ 112,965.09
Accounts Receivable:				
State	274.98			274.98
Federal	9,765.83			9,765.83
Inventories	18,283.66			18,283.66
Total Current Assets	<u>49,725.15</u>	<u>45,210.78</u>	<u>46,353.63</u>	<u>141,289.56</u>
Noncurrent Assets:				
Machinery and Equipment	129,400.00	17,665.00		147,065.00
Less Accumulated Depreciation	<u>(81,686.67)</u>	<u>(7,728.43)</u>		<u>(89,415.10)</u>
Total Noncurrent Assets	<u>47,713.33</u>	<u>9,936.57</u>	-	<u>57,649.90</u>
Total Assets	<u>97,438.48</u>	<u>55,147.35</u>	<u>46,353.63</u>	<u>198,939.46</u>
DEFERRED OUTFLOWS OF RESOURCES:				
Related to Pensions	<u>56,728.00</u>			<u>56,728.00</u>
Total Deferred Outflows of Resources	<u>56,728.00</u>	-	-	<u>56,728.00</u>
LIABILITIES:				
Current Liabilities:				
Interfund Payable	40,948.20	7,296.00		48,244.20
Accounts Payable:				
Other	18,044.19			18,044.19
Related to Pensions	7,649.00			7,649.00
Unearned Revenue	11,408.60			11,408.60
Compensated Absences	1,471.44			1,471.44
Total Current Liabilities	<u>79,521.43</u>	<u>7,296.00</u>	-	<u>86,817.43</u>
Noncurrent Liabilities:				
Compensated Absences	4,414.32			4,414.32
Net Pension Liability	193,955.00			193,955.00
Total Noncurrent Liabilities	<u>198,369.32</u>	-	-	<u>198,369.32</u>
DEFERRED INFLOWS OF RESOURCES:				
Related to Pensions	<u>55,461.00</u>			<u>55,461.00</u>
Total Deferred Inflows of Resources	<u>55,461.00</u>	-	-	<u>55,461.00</u>
NET POSITION:				
Net Investment in Capital Assets	47,713.33	9,936.57	-	57,649.90
Unrestricted (Deficit)	<u>(226,898.60)</u>	<u>37,914.78</u>	<u>46,353.63</u>	<u>(142,630.19)</u>
Total Net Position (Deficit)	<u>\$ (179,185.27)</u>	<u>\$ 47,851.35</u>	<u>\$ 46,353.63</u>	<u>\$ (84,980.29)</u>

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT
 Proprietary Fund
 Combining Statement of Revenues, Expenses and Changes in Fund Net Position
 For the Fiscal Year Ended June 30, 2018

	Business-Type Activities - Enterprise Funds			
	<u>Food Service</u>	<u>Community School</u>	<u>Pre-School</u>	<u>Total</u>
OPERATING REVENUES:				
Charges for Services:				
Daily Sales - Reimbursable Programs	\$ 125,472.96			\$ 125,472.96
Daily Sales - Non-Reimbursable Programs	97,617.98			97,617.98
Fees		\$ 13,515.00	\$ 56,740.00	70,255.00
Total Operating Revenues	<u>223,090.94</u>	<u>13,515.00</u>	<u>56,740.00</u>	<u>293,345.94</u>
OPERATING EXPENSES:				
Salaries	151,412.47	14,384.02	14,365.85	180,162.34
Employee Benefits	64,785.02			64,785.02
Depreciation	7,256.66	2,208.13		9,464.79
Cost of Sales-Reimbursable Programs	124,690.08			124,690.08
Cost of Sales-Non-Reimbursable Programs	37,836.80			37,836.80
Supplies and Materials	17,940.58			17,940.58
Pension Expense	11,814.00			11,814.00
Miscellaneous	28,512.60	1,584.84	1,500.00	31,597.44
Total Operating Expenses	<u>444,248.21</u>	<u>18,176.99</u>	<u>15,865.85</u>	<u>478,291.05</u>
Operating Income / (Loss)	<u>(221,157.27)</u>	<u>(4,661.99)</u>	<u>40,874.15</u>	<u>(184,945.11)</u>
NONOPERATING REVENUES (EXPENSES):				
State Sources:				
School Lunch Program	4,406.56			4,406.56
Federal Sources:				
National School Lunch Program	143,757.96			143,757.96
National School Breakfast Program	16,424.01			16,424.01
Food Distribution Program	31,459.44			31,459.44
Interest Earnings	176.26	112.43		288.69
Total Nonoperating Revenues (Expenses)	<u>196,224.23</u>	<u>112.43</u>	<u>-</u>	<u>196,336.66</u>
TRANSFERS:				
Board Contribution - Transfer from General Fund	<u>20,000.00</u>			<u>20,000.00</u>
SPECIAL ITEMS:				
Change in Pension Liability	<u>261,036.00</u>			<u>261,036.00</u>
Change in Net Position	<u>256,102.96</u>	<u>(4,549.56)</u>	<u>40,874.15</u>	<u>292,427.55</u>
Net Position (Deficit) -- July 1 (Restated)	<u>(435,288.23)</u>	<u>52,400.91</u>	<u>5,479.48</u>	<u>(377,407.84)</u>
Net Position (Deficit) -- June 30	<u>\$ (179,185.27)</u>	<u>\$ 47,851.35</u>	<u>\$ 46,353.63</u>	<u>\$ (84,980.29)</u>

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT

Proprietary Fund

Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2018

	Business-Type Activities - Enterprise Funds			
	Food Service	Community School	Pre-School	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from Customers	\$ 234,499.54	\$ 13,515.00	\$ 56,740.00	\$ 304,754.54
Payments to Employees	(177,853.88)	(7,088.02)	(14,365.85)	(199,307.75)
Payments for Employee Benefits	(64,785.02)			(64,785.02)
Payments to Suppliers	(125,324.68)	(3,120.84)	(1,500.00)	(129,945.52)
Net Cash Provided by (Used for) Operating Activities	(133,464.04)	3,306.14	40,874.15	(89,283.75)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
State Sources	4,376.58			4,376.58
Federal Sources	159,578.92			159,578.92
Board Contribution	20,000.00			20,000.00
Net Cash Provided by (Used for) Noncapital Financing Activities	183,955.50	-	-	183,955.50
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchases of Noncurrent Assets				-
Net Cash Provided by (Used for) Capital and Related Financing Activities	-	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest Income	176.26	112.43		288.69
Net Cash Provided by (Used for) Investing Activities	176.26	112.43	-	288.69
Net Increase (Decrease) in Cash and Cash Equivalents	50,667.72	3,418.57	40,874.15	94,960.44
Cash and Cash Equivalents (Deficit) -- July 1	(29,267.04)	41,792.21	5,479.48	18,004.65
Cash and Cash Equivalents (Deficit) -- June 30	\$ 21,400.68	\$ 45,210.78	\$ 46,353.63	\$ 112,965.09
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ (221,157.27)	\$ (4,661.99)	\$ 40,874.15	\$ (184,945.11)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:				
Food Distribution Program	31,459.44			31,459.44
Depreciation and Net Amortization	7,256.66	2,208.13		9,464.79
Increase (Decrease) in Net Pension Liability	11,814.00			11,814.00
(Increase) Decrease in Inventories	(22.62)			(22.62)
Increase (Decrease) in Accounts Payable	25,777.15	5,760.00		31,537.15
Increase (Decrease) in Unearned Revenue	11,408.60			11,408.60
Total Adjustments	87,693.23	7,968.13	-	95,661.36
Net Cash Provided by (Used for) Operating Activities	\$ (133,464.04)	\$ 3,306.14	\$ 40,874.15	\$ (89,283.75)

FIDUCIARY FUNDS

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Fiduciary Net Position
 June 30, 2018

	<u>Private-Purpose Trust Funds</u>		<u>Agency Funds</u>		<u>Total</u>
	<u>Unemployment Compensation Trust</u>	<u>Scholarship Trust</u>	<u>Student Activities</u>	<u>Payroll</u>	
ASSETS:					
Cash and Cash Equivalents	\$ 237,724.44	\$ 13,280.65	\$ 302,931.25	\$ -	\$ 553,936.34
Due from Student Activity Fund		7,496.00			7,496.00
Total Assets	<u>237,724.44</u>	<u>20,776.65</u>	<u>\$ 302,931.25</u>	<u>\$ -</u>	<u>561,432.34</u>
LIABILITIES:					
Payable to Student Groups			\$ 295,435.25	\$ -	295,435.25
Due to Scholarship Trust			7,496.00		7,496.00
Total Liabilities	<u>-</u>	<u>-</u>	<u>\$ 302,931.25</u>	<u>\$ -</u>	<u>302,931.25</u>
NET POSITION:					
Held in Trust for Scholarships		20,776.65			20,776.65
Held in Trust for Unemployment Claims and Other Purposes	<u>237,724.44</u>				<u>237,724.44</u>
Total Net Position	<u>\$ 237,724.44</u>	<u>\$ 20,776.65</u>			<u>\$ 258,501.09</u>

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Changes in Fiduciary Net Position
 For the Fiscal Year Ended June 30, 2018

	<u>Private-Purpose Trust Funds</u>		
	<u>Unemployment Compensation Trust</u>	<u>Scholarship Trust</u>	<u>Total</u>
ADDITIONS:			
Contributions:			
Plan Member	\$ 39,674.84	\$ -	\$ 39,674.84
Total Contributions	<u>39,674.84</u>	<u>-</u>	<u>39,674.84</u>
Investment Earnings:			
Interest and Dividends	601.92	96.86	698.78
Total Investment Earnings	<u>601.92</u>	<u>96.86</u>	<u>698.78</u>
Total Additions	<u>40,276.76</u>	<u>96.86</u>	<u>40,373.62</u>
DEDUCTIONS:			
Scholarships Awarded		200.00	200.00
Reimbursements Claims / Other	19,254.80	97.79	19,352.59
Total Deductions	<u>19,254.80</u>	<u>297.79</u>	<u>19,552.59</u>
Change in Net Position	21,021.96	(200.93)	20,821.03
Net Position -- July 1	<u>216,702.48</u>	<u>20,977.58</u>	<u>237,680.06</u>
Net Position -- June 30	<u>\$ 237,724.44</u>	<u>\$ 20,776.65</u>	<u>\$ 258,501.09</u>

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT
 Fiduciary Funds
 Student Activities Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2018

	Balance <u>June 30, 2017</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance <u>June 30, 2018</u>
Student Activities Fund	\$ 270,086.23	\$ 556,108.52	\$ 573,561.83	\$ 252,632.92
Athletic Fund	<u>23,550.47</u>	<u>180,710.09</u>	<u>153,962.23</u>	<u>50,298.33</u>
Total	<u>\$ 293,636.70</u>	<u>\$ 736,818.61</u>	<u>\$ 727,524.06</u>	<u>\$ 302,931.25</u>

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT
 Fiduciary Funds
 Payroll and Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2018

	<u>Balance</u> <u>June 30, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>
ASSETS:				
Cash and Cash Equivalents	\$ 2,742.11	\$ 15,698,391.21	\$ 15,701,133.32	\$ -
Total Assets	<u>\$ 2,742.11</u>	<u>\$ 15,698,391.21</u>	<u>\$ 15,701,133.32</u>	<u>\$ -</u>
LIABILITIES:				
Accrued Salaries and Wages	\$ -	\$ 8,544,479.31	8,544,479.31	\$ -
Payroll Deductions and Withholdings	<u>2,742.11</u>	<u>7,153,911.90</u>	<u>7,156,654.01</u>	<u>-</u>
Total Liabilities	<u>\$ 2,742.11</u>	<u>\$ 15,698,391.21</u>	<u>\$ 15,701,133.32</u>	<u>\$ -</u>

LONG-TERM DEBT

WOODSTOWN-PILES GROVE REGIONAL SCHOOL DISTRICT
 Schedule of Serial Bonds
 For the Fiscal Year 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 June 30, 2017</u>	<u>Paid by Budget Appropriation</u>	<u>Balance June 30, 2018</u>
			<u>Date</u>	<u>Amount</u>				
Woodstown High School/Middle School New multi-purpose room & renovate science rooms. New Early Childhood Learning Center	3/26/2013	\$ 9,958,000	03/15/19	\$ 430,000	2.500%	\$ 8,825,000.00	\$ 415,000.00	\$ 8,410,000.00
			03/15/20	450,000	2.500%			
			03/15/21	465,000	2.500%			
			03/15/22	480,000	2.500%			
			03/15/23	500,000	3.000%			
			03/15/24	525,000	3.000%			
			03/15/25	540,000	3.000%			
			03/15/26	560,000	3.000%			
			03/15/27	575,000	3.000%			
			03/15/28	600,000	3.000%			
			03/15/29	615,000	3.125%			
			03/15/30	635,000	3.250%			
			03/15/31	660,000	3.300%			
			03/15/32	675,000	3.338%			
			03/15/33	700,000	3.500%			
High School/Middle School and Shoemaker School various improvement and renovations	3/17/2015	11,907,000	03/15/19	515,000	2.750%	11,457,000.00	500,000.00	10,957,000.00
			03/15/20	525,000	3.000%			
			03/15/21	540,000	3.000%			
			03/15/22	550,000	3.000%			
			03/15/23	570,000	3.000%			
			03/15/24	585,000	3.000%			
			03/15/25	600,000	3.000%			
			03/15/26	620,000	3.000%			
			03/15/27	640,000	3.000%			
			03/15/28	660,000	3.000%			
			03/15/29	680,000	3.000%			
			03/15/30	700,000	3.000%			
			03/15/31	700,000	3.000%			
			03/15/32	725,000	3.125%			
			03/15/33	750,000	3.125%			
03/15/34	800,000	3.250%						
03/15/35	797,000	3.250%						
						<u>\$ 20,282,000.00</u>	<u>\$ 915,000.00</u>	<u>\$ 19,367,000.00</u>

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT

Schedule of Capital Leases Payable
For the Fiscal Year Ended June 30, 2018

<u>Purpose</u>	<u>Date of Lease</u>	<u>Term of Lease</u>	<u>Amount of Original Issue</u>		<u>Interest Rate</u>	<u>Balance 6/30/2017 (a)</u>	<u>Retired Current Year</u>	<u>Balance 6/30/2018 (a)</u>
			<u>Principal</u>	<u>Interest</u>				
Copiers	6/14/2013	5 years	\$ 64,739	\$ 7,201	4.23%	\$ 14,233.33	\$ 14,233.33	\$ -
Computers	7/13/2013	5 years	124,214	4,719	1.90%	25,978.17	25,978.17	-
IT Network	9/1/2013	5 years	145,856	1,628	3.90%	30,286.43	30,286.43	-
Computers	10/15/2015	5 years	231,327	8,789	1.90%	138,763.22	45,386.60	93,376.62
Tractor	10/22/2015	5 years	17,746	1,444	4.07%	10,636.56	3,405.00	7,231.56
						<u>\$ 219,897.71</u>	<u>\$ 119,289.53</u>	<u>\$ 100,608.18</u>

(a) Future Interest Payments Removed from Carrying Value of Leases

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT

Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Budget Modifications / Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive/(Negative) Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,414,184.00	\$ -	\$ 1,414,184.00	\$ 1,414,184.00	\$ -
Miscellaneous	111,743.00	-	111,743.00	111,743.00	-
Total Revenues	<u>1,525,927.00</u>	<u>-</u>	<u>1,525,927.00</u>	<u>1,525,927.00</u>	<u>-</u>
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	610,927.00	-	610,927.00	610,926.28	0.72
Redemption of Principal	915,000.00	-	915,000.00	915,000.00	-
Total Expenditures	<u>1,525,927.00</u>	<u>-</u>	<u>1,525,927.00</u>	<u>1,525,926.28</u>	<u>0.72</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	0.72	0.72
Fund Balance, July 1	<u>1.02</u>	<u>-</u>	<u>1.02</u>	<u>1.02</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 1.02</u>	<u>\$ -</u>	<u>\$ 1.02</u>	<u>\$ 1.74</u>	<u>\$ 0.72</u>

STATISTICAL SECTION

FINANCIAL TRENDS INFORMATION

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

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT
 Net Position by Component
 Last Ten Fiscal Years
(accrual basis of accounting)
 Unaudited

	Fiscal Year Ending June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental Activities										
Net Investment in Capital Assets	8,094,200.72	8,942,862.36	(4,372,064.00)	(8,691,436.00)	2,161,797.00	2,988,365.00	2,815,175.00	2,923,278.00	3,131,191.00	3,046,092.00
Restricted	540,105.91	18,931.02	9,592,408.00	12,082,015.00	1,021,516.00	9,348,269.00	693,579.00	1,043,710.00	477,338.00	20,634.00
Unrestricted (Deficit)	(8,201,869.96)	(7,957,028.45)	(7,200,180.00)	(6,808,844.00)	(355,112.00)	(8,362,289.00)	693,241.00	(221,041.00)	(399,546.00)	(62,125.00)
Total Governmental Activities Net Position	<u>432,436.67</u>	<u>1,004,764.93</u>	<u>(1,979,836.00)</u>	<u>(3,418,265.00)</u>	<u>2,828,201.00</u>	<u>3,974,345.00</u>	<u>4,201,995.00</u>	<u>3,745,947.00</u>	<u>3,208,983.00</u>	<u>3,004,601.00</u>
Business-Type Activities										
Net Investment in Capital Assets	57,649.90	30,884.00	43,443.00	52,469.00	42,064.00	47,557.00	46,168.00	50,560.00	50,442.00	23,377.00
Unrestricted (Deficit)	(142,630.19)	(444,522.53)	(380,613.00)	(372,698.00)	(1,453.00)	162,600.00	255,030.00	249,999.00	250,012.00	147,310.00
Total Business-Type Activities Net Position	<u>(84,980.29)</u>	<u>(413,638.53)</u>	<u>(337,170.00)</u>	<u>(320,229.00)</u>	<u>40,611.00</u>	<u>210,157.00</u>	<u>301,198.00</u>	<u>300,559.00</u>	<u>300,454.00</u>	<u>170,687.00</u>
Government-Wide										
Net Investment in Capital Assets	8,151,850.62	8,973,746.36	(4,328,621.00)	(8,638,967.00)	2,203,861.00	3,035,922.00	2,861,343.00	2,973,838.00	3,181,633.00	3,069,469.00
Restricted	540,105.91	18,931.02	9,592,408.00	12,082,015.00	1,021,516.00	9,348,269.00	693,579.00	1,043,710.00	477,338.00	20,634.00
Unrestricted (Deficit)	(8,344,500.15)	(8,401,550.98)	(7,580,793.00)	(7,181,542.00)	(356,565.00)	(8,199,689.00)	948,271.00	28,958.00	(149,534.00)	85,185.00
Total Government-Wide Net Position	<u>347,456.38</u>	<u>591,126.40</u>	<u>(2,317,006.00)</u>	<u>(3,738,494.00)</u>	<u>2,868,812.00</u>	<u>4,184,502.00</u>	<u>4,503,193.00</u>	<u>4,046,506.00</u>	<u>3,509,437.00</u>	<u>3,175,288.00</u>

Note: GASB 68 was implemented for June 30, 2015 year end

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT
 Changes in Net Position
 Last Ten Fiscal Years
(accrual basis of accounting)
 Unaudited

	Fiscal Year Ending June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Expenses										
Governmental activities:										
Instruction:										
Regular	7,535,734.70	7,078,006.37	6,890,189.00	7,219,581.00	7,183,330.00	7,317,384.00	6,863,729.00	6,642,145.00	7,374,047.00	7,225,533.00
Special education	2,547,539.93	2,606,419.84	2,628,113.00	2,566,495.00	2,124,715.00	1,943,162.00	1,742,193.00	1,551,075.00	1,749,763.00	1,692,165.00
Other instruction	990,291.18	860,839.27	855,778.00	947,783.00	886,661.00	755,998.00	841,121.00	740,987.00	833,501.00	757,917.00
Support services:										
Tuition	1,039,999.86	845,641.61	660,539.00	504,710.00	954,329.00	738,591.00	656,391.00	837,334.00	664,541.00	763,021.00
Student & instruction related services	2,320,190.69	2,295,417.89	2,199,543.00	2,226,052.00	2,374,011.00	2,270,966.00	2,148,823.00	1,837,464.00	2,219,189.00	2,024,296.00
General admin, central services, IT	1,196,417.09	1,192,272.50	1,285,064.00	1,016,464.00	920,424.00	928,248.00	836,509.00	837,370.00	1,201,988.00	1,017,392.00
School Administrative	1,333,255.11	1,256,648.41	1,010,346.00	1,283,138.00	1,295,068.00	1,202,794.00	1,136,745.00	1,088,911.00	957,801.00	1,180,347.00
Plant operations and maintenance	2,004,488.90	1,924,002.01	2,166,468.00	2,168,131.00	2,126,950.00	2,087,814.00	2,355,647.00	1,854,404.00	1,920,772.00	1,930,725.00
Pupil transportation	972,783.91	867,307.41	954,529.00	898,109.00	919,485.00	753,104.00	754,250.00	787,446.00	885,584.00	847,124.00
Employee benefits	13,447,040.16	12,877,336.46	10,292,654.00	9,133,020.00	6,098,306.00	5,709,827.00	5,093,193.00	4,929,257.00	5,214,763.00	4,885,697.00
Interest on long-term debt	610,183.65	633,069.28	644,244.00	424,830.00	266,331.00	78,572.00	2,974.00	5,114.00	-	-
Unallocated depreciation	426,607.39	190,725.60	221,710.00	151,493.00	150,327.00	122,766.00	113,794.00	117,234.00	112,551.00	105,146.00
Total governmental activities expenses	<u>34,424,532.57</u>	<u>32,627,686.65</u>	<u>29,809,177.00</u>	<u>28,539,806.00</u>	<u>25,299,937.00</u>	<u>23,909,226.00</u>	<u>22,545,369.00</u>	<u>21,228,741.00</u>	<u>23,134,500.00</u>	<u>22,429,363.00</u>
Business-type activities:										
Food service	444,248.21	552,868.46	614,643.00	618,765.00	623,270.00	642,432.00	630,377.00	625,122.00	581,184.00	569,258.00
Community school	18,176.99	14,874.46	67,018.00	80,820.00	189,229.00	201,281.00	341,357.00	344,360.00	183,681.00	185,778.00
Pre-school	15,865.85	38,845.86	-	-	-	-	-	-	-	-
Total business-type activities expense	<u>478,291.05</u>	<u>606,588.78</u>	<u>681,661.00</u>	<u>699,585.00</u>	<u>812,499.00</u>	<u>843,713.00</u>	<u>971,734.00</u>	<u>969,482.00</u>	<u>764,865.00</u>	<u>755,036.00</u>
Total government expenses	<u>34,902,823.62</u>	<u>33,234,275.43</u>	<u>30,490,838.00</u>	<u>29,239,391.00</u>	<u>26,112,436.00</u>	<u>24,752,939.00</u>	<u>23,517,103.00</u>	<u>22,198,223.00</u>	<u>23,899,365.00</u>	<u>23,184,399.00</u>

(Continued)

WOODSTOWN-PILES GROVE REGIONAL SCHOOL DISTRICT
 Changes in Net Position
 Last Ten Fiscal Years
(accrual basis of accounting)
 Unaudited

	Fiscal Year Ending June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Program revenues										
Governmental activities:										
Charges for services:										
Instruction (tuition)	4,374,647.28	4,136,599.21	4,531,208.00	4,598,805.00	3,975,425.00	4,056,556.00	4,450,941.00	3,865,952.00	4,509,399.00	4,408,433.00
Operating grants and contributions	10,070,207.28	8,476,973.93	5,998,769.00	4,693,403.00	1,965,370.00	2,194,986.00	1,768,097.00	1,453,949.00	1,475,832.00	1,451,833.00
Total governmental activities program revenues	14,444,854.56	12,613,573.14	10,529,977.00	9,292,208.00	5,940,795.00	6,251,542.00	6,219,038.00	5,319,901.00	5,985,231.00	5,860,266.00
Business-type activities:										
Charges for services:										
Food service	223,090.94	261,837.85	294,407.00	309,256.00	335,759.00	337,059.00	419,478.00	445,246.00	434,902.00	435,196.00
Community school	13,515.00	21,485.00	236,428.00	82,593.00	443,772.00	396,359.00	362,971.00	331,144.00	288,021.00	254,555.00
Pre-school	56,740.00	40,197.34	-	-	-	-	-	-	-	-
Operating grants and contributions	196,047.97	225,910.33	63,550.00	220,074.00	226,872.00	229,469.00	236,232.00	192,930.00	171,506.00	158,133.00
Total business type activities program revenues	489,393.91	549,430.52	594,385.00	611,923.00	1,006,403.00	962,887.00	1,018,681.00	969,320.00	894,429.00	847,884.00
Total government program revenues	14,934,248.47	13,163,003.66	11,124,362.00	9,904,131.00	6,947,198.00	7,214,429.00	7,237,719.00	6,289,221.00	6,879,660.00	6,708,150.00
Net (expense)/revenue										
Governmental activities	(19,979,678.01)	(20,014,113.51)	(19,279,200.00)	(19,247,598.00)	(19,359,142.00)	(17,657,684.00)	(16,326,331.00)	(15,908,840.00)	(17,149,269.00)	(16,569,097.00)
Business-type activities	11,102.86	(57,158.26)	(87,276.00)	(87,662.00)	193,904.00	119,174.00	46,947.00	(162.00)	129,564.00	92,848.00
Total government-wide net expense	(19,968,575.15)	(20,071,271.77)	(19,366,476.00)	(19,335,260.00)	(19,165,238.00)	(17,538,510.00)	(16,279,384.00)	(15,909,002.00)	(17,019,705.00)	(16,476,249.00)
General revenues and other changes in net position										
Governmental activities:										
Property taxes levied for general purposes	10,814,414.00	10,602,367.00	10,146,692.00	9,947,738.00	9,752,685.00	9,414,398.00	9,229,803.00	9,229,803.00	8,874,811.00	8,603,163.00
Property taxes levied for debt service	1,414,184.00	1,367,544.00	901,877.00	631,439.00	255,210.00	-	-	-	-	-
Grants and contributions	8,497,945.84	10,701,588.30	9,267,974.00	7,920,698.00	7,869,587.00	7,759,232.00	7,434,344.00	7,095,114.00	8,401,297.00	7,456,658.00
Miscellaneous income	700,427.57	661,979.39	471,288.00	418,074.00	53,611.00	45,932.00	73,454.00	120,887.00	77,813.00	50,452.00
Cancellation of capital lease	-	-	-	-	26,843.00	-	-	-	-	-
Adjustment to fixed assets	-	-	-	-	(54,100.00)	-	-	-	-	-
Bond issuance costs	-	-	-	(58,861.00)	-	-	-	-	-	-
Transfers	(20,000.00)	-	(70,202.00)	6,340.00	363,590.00	210,472.00	46,542.00	-	-	-
Special Items	(261,036.00)	-	-	-	-	-	-	-	-	-
Total governmental activities	21,145,935.41	23,333,478.69	20,717,629.00	18,865,428.00	18,267,426.00	17,430,034.00	16,784,143.00	16,445,804.00	17,353,921.00	16,110,273.00
Business-type activities:										
Investment earnings	288.69	224.12	133.00	187.00	140.00	257.00	234.00	267.00	203.00	430.00
Transfers	20,000.00	-	70,202.00	93,660.00	(363,590.00)	(210,472.00)	(46,542.00)	-	-	-
Special Items	261,036.00	-	-	-	-	-	-	-	-	-
Total business-type activities	281,324.69	224.12	70,335.00	93,847.00	(363,450.00)	(210,215.00)	(46,308.00)	267.00	203.00	430.00
Total government-wide	21,427,260.10	23,333,702.81	20,787,964.00	18,959,275.00	17,903,976.00	17,219,819.00	16,737,835.00	16,446,071.00	17,354,124.00	16,110,703.00
Change in net position										
Governmental activities	1,166,257.40	3,319,365.18	1,438,429.00	(382,170.00)	(1,091,716.00)	(227,650.00)	457,812.00	536,964.00	204,652.00	(458,824.00)
Business-type activities	292,427.55	(56,934.14)	(16,941.00)	6,185.00	(169,546.00)	(91,041.00)	639.00	105.00	129,767.00	93,278.00
Total government	1,458,684.95	3,262,431.04	1,421,488.00	(375,985.00)	(1,261,262.00)	(318,691.00)	458,451.00	537,069.00	334,419.00	(365,546.00)

Note: GASB 68 was implemented for June 30, 2015 year end

Note: GASB 68 was implemented for June 30, 2018 year end

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,									
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
General Fund										
Restricted	540,104.17	18,930.00	265,420.00	547,053.00	642,920.00	1,647,346.00	2,119,602.00	1,451,959.00	459,761.00	1.00
Assigned	266,842.09	250,850.42	-	-	-	-	-	-	-	-
Unassigned (Deficit)	(114,464.25)	(197,562.24)	(422,969.00)	(565,509.00)	(278,461.00)	(61,444.00)	(217,073.00)	(180,863.00)	322,188.00	444,630.00
Total General Fund	<u>692,482.01</u>	<u>72,218.18</u>	<u>(157,549.00)</u>	<u>(18,456.00)</u>	<u>364,459.00</u>	<u>1,585,902.00</u>	<u>1,902,529.00</u>	<u>1,271,096.00</u>	<u>781,949.00</u>	<u>444,631.00</u>
All Other Governmental Funds										
Restricted	2,256,995.64	4,167,961.61	9,326,987.00	12,063,085.00	982,161.00	8,863,564.00	-	17,577.00	17,577.00	20,363.00
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned (Deficit)	(3,300.00)	(3,300.00)	(3,300.00)	(3,300.00)	(3,300.00)	(3,300.00)	(3,300.00)	(3,300.00)	(3,300.00)	(3,300.00)
Total all Other Governmental Funds	<u>2,253,695.64</u>	<u>4,164,661.61</u>	<u>9,323,687.00</u>	<u>12,059,785.00</u>	<u>978,861.00</u>	<u>8,860,264.00</u>	<u>(3,300.00)</u>	<u>14,277.00</u>	<u>14,277.00</u>	<u>17,063.00</u>

Source: District Records

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT
 Changes in Fund Balances, Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues										
Local Tax Levy	12,228,598.00	11,969,911.00	11,048,569.00	10,579,177.00	10,007,895.00	9,414,398.00	9,229,803.00	9,229,803.00	8,874,811.00	8,603,163.00
Tuition Charges	4,374,647.28	4,136,599.21	4,531,208.00	4,598,805.00	3,975,425.00	4,056,556.00	4,450,941.00	3,865,952.00	4,509,399.00	4,408,433.00
Miscellaneous Revenues	700,427.57	661,979.39	471,288.00	418,074.00	53,610.00	45,932.00	73,454.00	120,888.00	77,813.00	50,452.00
State Sources	11,800,683.27	13,642,607.42	11,442,466.00	9,543,271.00	9,240,009.00	9,317,531.00	8,543,280.00	7,963,171.00	8,023,970.00	8,436,323.00
Federal Sources	611,981.85	598,731.81	628,253.00	640,084.00	594,948.00	636,687.00	659,161.00	585,892.00	1,853,159.00	472,168.00
Total Revenues	29,716,337.97	31,009,828.83	28,121,784.00	25,779,411.00	23,871,887.00	23,471,104.00	22,956,639.00	21,765,706.00	23,339,152.00	21,970,539.00
Expenditures										
Instruction										
Regular Instruction	7,086,214.37	6,973,332.86	7,034,950.00	7,356,274.00	7,333,310.00	7,387,870.00	6,946,926.00	6,673,535.00	7,519,166.00	7,193,837.00
Special Education Instruction	2,476,438.70	2,574,632.24	2,612,112.00	2,555,561.00	2,113,866.00	1,934,302.00	1,733,981.00	1,542,615.00	1,741,641.00	1,684,577.00
Other Instruction	990,291.18	860,839.27	855,778.00	947,783.00	886,661.00	755,998.00	841,121.00	740,987.00	833,501.00	757,917.00
Support Services:										
Tuition	1,039,999.86	845,641.61	660,539.00	504,710.00	954,329.00	738,591.00	656,391.00	837,334.00	664,541.00	763,021.00
Student & Instruction Related Services	2,320,190.69	2,295,417.89	2,194,972.00	2,222,928.00	2,370,911.00	2,268,435.00	2,146,477.00	1,835,047.00	2,216,868.00	2,022,128.00
General Admin, Central Services, IT	1,054,214.63	1,128,697.30	1,010,346.00	1,016,464.00	920,424.00	928,248.00	836,509.00	837,370.00	957,801.00	1,017,392.00
School Administrative Services	1,333,255.11	1,256,648.41	1,285,064.00	1,283,138.00	1,295,068.00	1,202,794.00	1,136,745.00	1,088,911.00	1,201,988.00	1,180,347.00
Plant Operations and Maintenance	1,791,185.21	1,828,639.21	1,956,185.00	2,024,446.00	1,984,371.00	1,971,376.00	2,247,719.00	1,743,213.00	1,814,023.00	1,830,999.00
Pupil Transportation	972,783.91	867,307.41	954,529.00	898,109.00	919,485.00	753,104.00	754,250.00	787,446.00	885,584.00	847,124.00
Unallocated Benefits	7,201,620.36	7,219,958.83	6,903,434.00	6,601,622.00	6,059,696.00	5,645,079.00	5,043,489.00	5,184,986.00	4,999,784.00	4,767,714.00
Capital Outlay	3,188,625.81	8,598,377.48	4,692,257.00	921,540.00	8,571,477.00	1,571,581.00	72,924.00	277,033.00	189,557.00	784,394.00
Debt Service:										
Principal	915,000.00	850,000.00	375,000.00	358,000.00	-	-	-	-	-	-
Interest and Other Charges	617,220.28	639,595.28	640,680.00	292,242.00	272,760.00	-	-	-	-	-
Total Expenditures	30,987,040.11	35,939,087.79	31,175,846.00	26,982,817.00	33,682,358.00	25,157,378.00	22,416,532.00	21,548,477.00	23,024,454.00	22,849,450.00
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	(1,270,702.14)	(4,929,258.96)	(3,054,062.00)	(1,203,406.00)	(9,810,471.00)	(1,686,274.00)	540,107.00	217,229.00	314,698.00	(878,911.00)
Other Financing Sources (Uses)										
Bond Proceeds	-	-	-	11,907,000.00	-	9,958,000.00	-	-	-	-
Capital Leases (non-budgeted)	-	-	249,073.00	46,936.00	344,035.00	64,739.00	28,970.00	271,919.00	19,834.00	220,500.00
Prior Year Adjustment	-	-	-	-	-	-	(1,764.00)	-	-	-
Bond Issuance Cost	-	-	-	(58,861.00)	-	-	-	-	-	-
Transfers In	-	-	-	100,449.00	363,590.00	211,130.00	49,258.00	-	-	-
Transfers Out	(20,000.00)	-	(70,202.00)	(94,109.00)	-	(658.00)	(2,716.00)	-	-	-
Total Other Financing Sources (Uses)	(20,000.00)	-	178,871.00	11,901,415.00	707,625.00	10,233,211.00	73,748.00	271,919.00	19,834.00	220,500.00
Net Change in Fund Balances	(1,290,702.14)	(4,929,258.96)	(2,875,191.00)	10,698,009.00	(9,102,846.00)	8,546,937.00	613,855.00	489,148.00	334,532.00	(658,411.00)
Debt Service as a percentage of noncapital expenditures	5.51%	5.45%	3.84%	2.50%	1.09%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: District Records

Note: Noncapital expenditures are total expenditures less capital outlay.

WOODSTOWN-PILES GROVE REGIONAL SCHOOL DISTRICT
 General Fund Other Local Revenue By Source
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,									
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Miscellaneous Revenue										
Interest on investments	8,921.18	7,307.07	15,428.00	7,170.00	8,026.00	7,734.00	4,255.00	3,835.00	3,518.00	11,127.00
Athletic Gate Receipts	13,463.89	10,752.92	14,423.00	-	-	-	7,810.00	5,451.00	9,284.00	12,473.00
Rentals	11,338.68	11,024.02	7,805.00	12,534.00	25,512.00	30,639.00	15,176.00	5,616.00	16,178.00	6,508.00
Prior Year Refunds	-	-	-	-	-	4,412.00	14,800.00	29,200.00	21,295.00	17,315.00
Miscellaneous	9,219.00	16,273.80	9,389.00	4,563.00	2,522.00	3,147.00	13,689.00	50,903.00	9,089.00	2,597.00
Lead Testing	3,885.00	-	-	-	-	-	-	-	-	-
Academy	507,291.00	496,935.09	424,243.00	379,480.00	-	-	-	-	-	-
Total Miscellaneous Revenues	<u>554,118.75</u>	<u>542,292.90</u>	<u>471,288.00</u>	<u>403,747.00</u>	<u>36,060.00</u>	<u>45,932.00</u>	<u>55,730.00</u>	<u>95,005.00</u>	<u>59,364.00</u>	<u>50,020.00</u>

Source: District Records

REVENUE CAPACITY INFORMATION

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

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT
 Assessed Value and Actual Value of Taxable Property
 Last Ten Years
Unaudited

Year	Land	Residential	Farm / Q Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^b	Percentage of Net Assessed to Estimated Full Cash Valuations
Woodstown												
2017	2,332,300	232,183,400	121,900	39,012,100	-	10,306,500	283,956,200	1,111,236	285,067,436	266,701,947	1.636	106.89%
2016	2,239,200	234,699,300	196,400	39,355,800	-	10,408,100	286,898,800	1,089,033	287,987,833	275,775,444	1.603	104.43%
2015	Information not available								288,898,808	274,933,710	1.479	105.08%
2014									291,719,375	275,299,909	1.389	105.96%
2013									295,109,549	284,048,235	1.301	103.89%
2012									296,779,818	293,732,828	1.213	101.04%
2011									298,185,561	300,345,306	1.169	99.28%
2010									298,031,311	297,040,105	1.174	100.33%
2009									299,377,045	302,563,918	1.145	98.95%
2008		299,963,174	278,653,459	1.056	107.65%							
Pilesgrove												
2017	8,974,700	339,005,600	70,074,100	50,484,300	-	7,466,300	476,005,000	-	476,005,000	436,092,469	1.587	109.15%
2016	9,133,300	335,580,800	72,908,400	49,663,400	-	7,466,300	474,752,200	-	474,752,200	435,064,947	1.546	109.12%
2015	Information not available								478,754,300	436,260,593	1.415	109.74%
2014									481,080,200	440,218,965	1.354	109.28%
2013									485,281,400	448,341,940	1.269	108.24%
2012									492,623,399	476,987,201	1.180	103.28%
2011									491,507,899	492,299,260	1.168	99.84%
2010									493,098,647	490,873,553	1.163	100.45%
2009									491,754,406	487,686,282	1.107	100.83%
2008		485,903,245	479,644,645	1.118	101.30%							

Source: Abstract of Ratables for the County of Salem

- a - Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies
- b - Tax rates are per \$100

WOODSTOWN-PIESGROVE REGIONAL SCHOOL DISTRICT

Direct and Overlapping Property Tax Rates

Per \$100.00 of Assessed Valuation

Last Ten Years

Unaudited

Year	School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Municipal	County	
<u>Woodstown</u>						
2018	1.468	0.190	1.658	0.706	1.105	3.469
2017	1.447	0.189	1.636	0.680	1.079	3.395
2016	1.420	0.183	1.603	0.650	1.037	3.290
2015	1.479	-	1.479	0.630	0.951	3.060
2014	1.389	-	1.389	0.606	0.907	2.902
2013	1.301	-	1.301	0.575	0.922	2.798
2012	1.213	-	1.213	0.553	0.930	2.696
2011	1.169	-	1.169	0.533	0.900	2.602
2010	1.174	-	1.174	0.510	0.873	2.557
2009	1.145	-	1.145	0.481	0.898	2.524
<u>Piles Grove</u>						
2018	1.455	0.188	1.643	0.283	1.101	3.027
2017	1.403	0.184	1.587	0.283	1.059	2.929
2016	1.369	0.177	1.546	0.273	0.991	2.810
2015	1.415	-	1.415	0.273	0.912	2.600
2014	1.354	-	1.354	0.272	0.878	2.504
2013	1.269	-	1.269	0.263	0.882	2.414
2012	1.180	-	1.180	0.250	0.906	2.336
2011	1.168	-	1.168	0.249	0.896	2.313
2010	1.163	-	1.163	0.125	0.877	2.165
2009	1.107	-	1.107	0.122	0.879	2.108

Source: Abstract of Ratables for the County of Salem

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT

Principal Property Taxpayers
Current Year and Nine Years Ago*Unaudited*

Woodstown Taxpayer	2018			2009		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Hillcrest Gardens Apartments	4,600,000.00	1	1.64%			
Erdners Busy Corner Warehouse Inc.	3,661,000.00	2	1.30%			
Woodstown Development Group LLC	2,985,400.00	3	1.06%			
Hillcrest II Limited Partnership	2,200,000.00	4	0.78%			
ARHC SCWDSNJ01, LLC	2,062,300.00	5	0.73%	Information Not Available		
The Bank	1,716,000.00	6	0.61%			
Taxpayer 1	1,464,000.00	7	0.52%			
McDonald's (JDKD Enterprises LP)	1,093,900.00	8	0.39%			
Ekiz Brothers Investment, LLC	989,300.00	9	0.35%			
Warner Investment Co	980,000.00	10	0.35%			
Total	<u>21,751,900.00</u>		<u>7.75%</u>	<u>-</u>		<u>-</u>

Pilesgrove Taxpayer	2018			2009		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Friends Home of Woodstown Inc.	7,570,400.00	1	1.60%			
ASP Realty, Inc.	5,228,100.00	2	1.10%			
Richard E Pierson	4,140,300.00	3	0.87%			
Pilesgrove Solar LLC % Con Edison	3,593,700.00	4	0.76%	Information Not Available		
Wawa Inc.	2,486,500.00	5	0.52%			
Barbich, Louis J ET AL Trustees	2,444,100.00	6	0.52%			
Cowtown Bawl Inc.	2,279,900.00	7	0.48%			
JRC Assets LP - Rite Aid	2,112,300.00	8	0.45%			
Franklin Savings Bank	1,936,600.00	9	0.41%			
Pierson-Gaskill Golf Properties Inc.	1,830,500.00	10	0.39%			
Total	<u>33,622,400.00</u>		<u>7.09%</u>	<u>-</u>		<u>-</u>

Source: Municipal Tax Assessor

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy (1)		Collections in Subsequent Years
		Amount	Percentage of Levy	
Woodstown	4,673,734.00	4,673,734.00	100.00%	-
Pilesgrove	7,554,864.00	7,554,864.00	100.00%	-
2018	12,228,598.00	12,228,598.00	100.00%	-
Woodstown	4,627,580.00	4,627,580.00	100.00%	-
Pilesgrove	7,342,331.00	7,342,331.00	100.00%	-
2017	11,969,911.00	11,969,911.00	100.00%	-
2016	11,048,569.00	11,048,569.00	100.00%	-
2015	10,579,177.00	10,579,177.00	100.00%	-
2014	10,007,895.00	10,007,895.00	100.00%	-
2013	9,414,398.00	9,414,398.00	100.00%	-
2012	9,229,803.00	9,229,803.00	100.00%	-
2011	9,229,803.00	9,229,803.00	100.00%	-
2010	8,874,811.00	8,874,781.00	100.00%	-
2009	8,603,163.00	8,603,163.00	100.00%	-

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

Source: District Records

Debt Capacity Information

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

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Unaudited

Fiscal Year Ended June 30,	Governmental Activities		Business-Type Activities	Total District	Percentage of Personal Income (1)	Per Capita (2)
	General Obligation Bonds	Capital Leases	Capital Leases			
2018						
Woodstown	7,362,466	38,247	-	7,400,713	Unavailable	Unavailable
Pilesgrove	12,004,534	62,361	-	12,066,895	Unavailable	Unavailable
	<u>19,367,000</u>	<u>100,608</u>	<u>-</u>	<u>19,467,608</u>		
2017						
Woodstown	7,792,119	84,482	-	7,876,601	Unavailable	2,280
Pilesgrove	12,489,881	135,415	-	12,625,296	Unavailable	3,162
	<u>20,282,000</u>	<u>219,897</u>	<u>-</u>	<u>20,501,897</u>		
2016	21,132,000	369,525	-	21,501,525	6.36%	2,834
2015	21,507,000	269,784	-	21,776,784	6.85%	2,934
2014	9,958,000	362,665	-	10,320,665	3.29%	1,380
2013	9,958,000	198,553	-	10,156,553	3.18%	1,348
2012	-	224,725	-	224,725	0.07%	30
2011	-	263,404	-	263,404	0.09%	35
2010	-	211,673	-	211,673	0.07%	27
2009	-	359,113	-	359,113	0.12%	45

(1) Personal income has been estimated based upon the municipal population and per capita

(2) Population information provided by the NJ Dept. Of Labor and Workforce Development

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property (1)	Per Capita (2)
	General Obligation Bonds	Deductions			
2018					
Woodstown	7,362,466	-	7,362,466	Unavailable	Unavailable
Pilesgrove	12,004,534	-	12,004,534	Unavailable	Unavailable
	<u>19,367,000</u>	<u>-</u>	<u>19,367,000</u>		
2017					
Woodstown	7,792,119	-	7,792,119	2.73%	2,256
Pilesgrove	12,489,881	-	12,489,881	2.62%	3,128
	<u>20,282,000</u>	<u>-</u>	<u>20,282,000</u>	<u>2.66%</u>	
2016	21,132,000	-	21,132,000	3.58%	2,785
2015	21,507,000	-	21,507,000	3.62%	2,898
2014	9,958,000	-	9,958,000	1.67%	1,332
2013	9,958,000	-	9,958,000	1.67%	1,321
2012	-	-	-	0.00%	-
2011	-	-	-	0.00%	-
2010	-	-	-	0.00%	-
2009	-	-	-	0.00%	-

(1) Net Assessed Valuation provided by Abstract of Ratables, County Board of Taxation

(2) Population information provided by the NJ Dept. Of Labor and Workforce Development

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2017
Unaudited

Woodstown	Debt <u>Outstanding</u>	Estimated Percentage <u>Applicable</u>	Net Debt Estimated Share of Overlapping <u>Debt</u>
<u>Governmental Unit</u>			
Debt repaid with property taxes			
Borough of Woodstown	1,208,080.44	100.00%	1,208,080.44
County of Salem - Borough's Share	40,364,364.00	5.40%	<u>2,181,472.53</u>
Subtotal, overlapping debt			3,389,552.97
Woodstown-Pilesgrove Regional School District Direct Debt	7,710,307.73	100.00%	<u>7,710,307.73</u>
Total direct and overlapping debt			<u><u>11,099,860.70</u></u>

Sources:

- (1) Borough of Woodstown's Annual Debt Statement - December 31, 2017
- (2) County of Salem's Audit Report - December 31, 2017

- (A) The debt for this entity was apportioned to the Borough of Woodstown by dividing the Borough's 2017 equalized value by the total 2017 equalized value for the County of Salem, which results in an apportionment of 5.40%.

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2017
Unaudited

Pilesgrove <u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Net Debt Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Township of Pilesgrove	4,708,900.00	100.00%	4,708,900.00
County of Salem - Township's Share	40,364,364.00	8.84%	<u>3,566,992.12</u>
Subtotal, overlapping debt			8,275,892.12
Woodstown-Pilesgrove Regional School District Direct Debt	12,571,692.27	100.00%	<u>12,571,692.27</u>
Total direct and overlapping debt			<u><u>20,847,584.39</u></u>

Sources:

- (1) Township of Pilesgrove's Annual Debt Statement - December 31, 2017
- (2) County of Salem's Audit Report - December 31, 2017

- (A) The debt for this entity was apportioned to the Township of Pilesgrove by dividing the Township's 2017 equalized value by the total 2017 equalized value for the County of Salem, which results in an apportionment of 8.84%.

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT
 Legal Debt Margin Information
 Last Ten Fiscal Years
Unaudited

Legal Debt Margin Calculation for Fiscal Year 2018

	Woodstown	<u>Equalized Valuation Basis (1)</u>		Pilesgrove	<u>Equalized Valuation Basis (1)</u>	
		2017	265,354,827.00		2017	444,822,914.00
		2016	267,081,363.00		2016	433,484,478.00
		2015	<u>274,336,194.00</u>		2015	<u>437,138,696.00</u>
		[A]	<u>806,772,384.00</u>		[A]	<u>1,315,446,088.00</u>
Average equalized valuation of taxable property	[A/3]	268,924,128.00		[A/3]	438,482,029.33	
Debt limit (4% of average equalization value) (2)	[B]	10,756,965.12		[B]	17,539,281.17	
Total Net Debt Applicable to Limit	[C]	<u>7,362,466.00</u>		[C]	<u>12,004,534.00</u>	
Legal Debt Margin	[B-C]	<u>3,394,499.12</u>		[B-C]	<u>5,534,747.17</u>	

Fiscal Year Ended June 30,

	<u>Woodstown</u> <u>2018</u>	<u>Pilesgrove</u> <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>
Debit Limit	10,756,965.12	17,539,281.17	28,349,922.77	28,571,721.00	28,868,728.00	29,536,235.00	30,469,408.00	31,103,570.00	31,307,398.00	30,843,314.00	29,993,623.00
Total net debt applicable to limit (3)	<u>7,362,466.00</u>	<u>12,004,534.00</u>	<u>20,282,000.00</u>	<u>21,132,000.00</u>	<u>21,507,000.00</u>	<u>9,958,000.00</u>	<u>9,958,000.00</u>	-	-	-	-
Legal Debt Margin	<u>3,394,499.12</u>	<u>5,534,747.17</u>	<u>8,067,922.77</u>	<u>7,439,721.00</u>	<u>7,361,728.00</u>	<u>19,578,235.00</u>	<u>20,511,408.00</u>	<u>31,103,570.00</u>	<u>31,307,398.00</u>	<u>30,843,314.00</u>	<u>29,993,623.00</u>
Total net debt applicable to the limit as a percentage of debt limit	68.44%	68.44%	71.54%	73.96%	74.50%	33.71%	32.68%	0.00%	0.00%	0.00%	0.00%

Sources:

(1) Equalized valuation bases were provided by the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

(2) Limit set by NJSA 18A:24-19 for a K through 12 district.

(3) District Records

Demographic and Economic Information

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

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT
 Demographic and Economic Statistics
 Last Ten Years
Unaudited

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
Woodstown				
2017	3,454	Unavailable	Unavailable	4.70%
2016	3,473	156,934,451.00	45,187.00	5.30%
2015	3,503	155,196,912.00	44,304.00	6.30%
2014	3,535	151,474,750.00	42,850.00	6.70%
2013	3,563	149,635,311.00	41,997.00	6.30%
2012	3,599	152,417,650.00	42,350.00	6.00%
2011	3,628	148,192,916.00	40,847.00	5.90%
2010	3,505	139,162,520.00	39,704.00	6.20%
2009	3,349	128,303,539.00	38,311.00	5.90%
2008	3,357	127,911,771.00	38,103.00	3.30%
Pilesgrove				
2017	3,993	Unavailable	Unavailable	4.50%
2016	4,013	181,335,431.00	45,187.00	4.50%
2015	4,039	178,943,856.00	44,304.00	5.20%
2014	4,079	174,785,150.00	42,850.00	7.40%
2013	4,112	172,691,664.00	41,997.00	7.00%
2012	4,146	175,583,100.00	42,350.00	8.90%
2011	4,179	170,699,613.00	40,847.00	8.70%
2010	4,075	161,793,800.00	39,704.00	4.60%
2009	4,548	174,238,428.00	38,311.00	8.60%
2008	4,540	172,987,620.00	38,103.00	5.00%

(1) Population information provided by the NJ Dept. Of Labor and Workforce Development

(2) Personal income has been estimated based upon the municipal population and per capita

(3) Per Capita personal income by municipality-estimated based upon the 2010 Census published

(4) Unemployment data provided by the NJ Dept. of Labor and Workforce Development

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT
 Principal Employers
 Current Year and Nine Years Ago
Unaudited

Employer	2018			2009		
	Approximate Number of Employees	Rank	Percentage of Total Municipal Employment	Approximate Number of Employees	Rank	Percentage of Total Municipal Employment
Woodstown	Information Not Available			Information Not Available		
	<u>-</u>		<u>0.00%</u>	<u>-</u>		<u>0.00%</u>
Pilesgrove	Information Not Available			Information Not Available		
	<u>-</u>		<u>0.00%</u>	<u>-</u>		<u>0.00%</u>

Operating Information

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

WOODSTOWN-PILES GROVE REGIONAL SCHOOL DISTRICT
 Full-time Equivalent District Employees by Function/Program
 Last Ten Fiscal Years
Unaudited

<u>Function/Program</u>	<u>Fiscal Year Ending June 30,</u>									
	<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>
Instruction										
Regular	92.7	95.9	100.1	103.2	102.8	101.8	110.7	106.5	112.7	110.8
Special Education	43.1	43.5	44.1	48.2	47.6	35.4	21.9	20.7	22.2	24.7
Vocational	-	-	-	-	-	-	0.8	1.0	1.6	1.5
Other Instruction	2.0	1.3	1.0	1.0	1.0	1.0	-	-	-	-
Support Services:										
Student & Instruction Related Services	34.7	36.2	35.2	35.2	35.7	45.5	35.4	31.4	35.2	35.2
General Administration Services	2.0	2.0	2.0	2.0	2.0	2.0	6.0	6.0	6.0	6.0
School Administration Services	16.6	16.1	16.1	16.1	14.6	16.6	21.0	22.0	24.6	25.0
Central Services	4.0	4.0	4.0	4.0	4.0	4.0	0.1	0.1	0.1	0.1
Administrative Information Technology	2.0	1.3	1.2	2.1	1.4	2.0	1.4	1.0	1.0	1.0
Plant Operations & Maintenance	18.4	17.6	18.4	19.4	21.3	18.3	17.8	18.2	20.2	19.4
Pupil Transportation	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Other Support Services	-	-	-	-	-	-	-	-	2.4	1.5
Food Service	3.0	13.0	13.0	14.0	14.0	13.0	13.0	12.0	11.5	12.0
Total	<u>219.5</u>	<u>231.9</u>	<u>236.1</u>	<u>246.2</u>	<u>245.4</u>	<u>240.6</u>	<u>229.1</u>	<u>219.9</u>	<u>238.5</u>	<u>238.2</u>

Source: District Personnel Records

WOODSTOWN-PILES GROVE REGIONAL SCHOOL DISTRICT
 Operating Statistics
 Last Ten Fiscal Years
Unaudited

Fiscal Year June 30,	Average Daily Enrollment (ADE) c	Operating Expenditures a	Cost Per Pupil	Percentage Change	Teaching Staff b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) c	Average Daily Attendance (ADA) c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2018	1,569	26,272,488.02	16,745.69	0.37%	146	not available			1,569	1,487	1.23%	94.75%
2017	1,550	25,857,409.03	16,684.35	4.53%	146	10.5	11.1	11.1	1,550	1,474	-2.87%	95.10%
2016	1,596	25,467,909.00	15,961.04	-0.04%	150	10.1	10.1	12.1	1,596	1,514	0.26%	94.86%
2015	1,591	25,411,035.00	15,967.42	3.33%	155	9.0	12.0	12.0	1,591	1,512	-0.99%	94.98%
2014	1,607	24,838,121.00	15,453.13	9.40%	154	9.0	12.0	11.0	1,607	1,535	-3.74%	95.49%
2013	1,670	23,585,797.00	14,124.92	7.43%	150	9.0	9.0	8.0	1,670	1,596	-1.74%	95.57%
2012	1,699	22,343,608.00	13,147.94	3.90%	158	10.3	15.1	13.1	1,699	1,632	1.10%	96.04%
2011	1,681	21,271,444.00	12,654.79	-7.68%	153	11.1	11.8	11.6	1,681	1,617	0.90%	96.18%
2010	1,666	22,834,897.00	13,707.24	7.57%	164	10.3	9.9	11.7	1,666	1,597	-3.79%	95.85%
2009	1,732	22,065,056.00	12,742.58	-1.73%	164	11.0	10.5	11.9	1,732	1,662	3.29%	95.99%

Sources: District records

a Operating expenditures equal total expenditures less debt service and capital outlay.

b Teaching staff includes only full-time equivalents of certificated staff.

c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

WOODSTOWN-PILEGROVE REGIONAL SCHOOL DISTRICT
 School Building Information
 Last Ten Fiscal Years
Unaudited

	Fiscal Year Ending June 30,									
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
<u>District Building</u>										
<u>Elementary</u>										
Mary S. Shoemaker (1958)										
Square Feet	52,853	52,853	52,853	52,853	52,853	56,150	56,150	56,150	56,150	56,150
Capacity (students)	423	423	423	423	423	457	457	457	457	457
Enrollment	459	419	414	414	415	481	511	490	480	506
Early Childhood Learning Center (2013)										
Square Feet	16,856	16,856	16,856	16,856	16,856					
Capacity (students)	131	131	131	131	131					
Enrollment	162	144	154	142	139					
<u>Middle/High School</u>										
Woodstown Middle School (1950)										
Woodstown High School (1915)										
Square Feet	170,621	170,621	170,621	170,621	170,621	161,120	161,120	161,120	161,120	161,120
Capacity (students)	1,035	1,035	1,035	1,035	1,035	1,019	1,019	1,019	1,019	1,019
Enrollment Middle	267	266	286	293	293	402	400	382	389	413
Enrollment High School	586	634	671	684	710	745	760	771	792	802
Total Enrollment	853	900	957	977	1,003	1,147	1,160	1,153	1,181	1,215
<u>Other:</u>										
Administration Building (1938)										
Square Feet	2,784	2,784	2,784	2,784	2,784	2,784	2,784	2,784	2,784	2,784
Number of Schools at June 30, 2018										
Elementary = 2										
Middle/High School = 1										
Other = 1										

Source: District Records

Note: Year of original construction is shown in parentheses. Enrollment is based on the annual October district count.

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT
 Schedule of Required Maintenance Expenditures by School Facility
 Last Ten Fiscal Years
Unaudited

Undistributed Expenditures - Required Maintenance
 for School Facilities
 11-000-261-xxx

* School Facilities	Project # (s)	Fiscal Year Ending June 30,										
		2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	
Unallocated	N/A	71,000.96										
Mary Shoemaker	N/A	3,036.00	19,817.00	23,711.00	17,727.00	91,337.00	50,762.00	233,210.00	13,029.00	39,537.00	23,943.00	
Middle/High School	N/A	24,570.12	59,263.69	116,651.00	106,778.00	141,620.00	170,473.00	412,818.00	45,962.00	110,714.00	138,612.00	
Early Childhood Learning Center	N/A	13,086.16	6,900.00	6,458.00	4,236.00	4,865.00	-	-	-	-	-	
Total School Facilities		111,693.24	85,980.69	146,820.00	128,741.00	237,822.00	221,235.00	646,028.00	58,991.00	150,251.00	162,555.00	

* School facilities as defined under EFCFA.
 (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6:24-1.3)

Source: District Records

WOODSTOWN-PIESGROVE REGIONAL SCHOOL DISTRICT

Insurance Schedule

June 30, 2018

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Property	\$ 69,386,201	\$ 1,000
General Liability	3,000,000	
Legal Liability	1,000,000	
Employee Benefit Liability	1,000,000	1,000
Automobile Liability	1,000,000	10,000
Crime	500,000	
Inland Marine	1,000,000	250
Workers' Compensation	2,000,000	
Umbrella	10,000,000	
Abuse or Molestation	1,000,000	
Earthquake Volcanic Eruption Coverage	1,000,000	25,000
Flood	1,015,000	25,000
Limited Backup of Sewers or Drain (not flood related)	500,000	
Employee Theft	100,000	500
Data Processing	1,000,000	250
Student Accident Insurance - Basic	500,000	1,000
Student Insurance - Catastrophic	5,000,000	25,000
Excess Liability	50,000,000	
Surety Bonds:		
Treasurer	220,000	
Board Secretary	200,000	

Source: District Records

SINGLE AUDIT SECTION

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

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Woodstown-Pilesgrove Regional School District
Woodstown, New Jersey 08098

Report on Compliance for Each Major Federal and State Program

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

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey; Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance, and State of New Jersey Circular 15-08-OMB, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Woodstown-Pilesgrove Regional School District's, in the County of Salem, State of New Jersey, compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the Woodstown-Pilesgrove Regional School District, in the County of Salem, State of New Jersey, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of the Woodstown-Piles Grove Regional School District, in the County of Salem, State of New Jersey, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and State of New Jersey Circular 15-08-OMB, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

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

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

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

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Fred S. Caltabiano

Fred S. Caltabiano
Certified Public Accountant
Public School Accountant No. CS00238100

Woodbury, New Jersey
February 19, 2019

WOODSTOWN-PILES GROVE REGIONAL SCHOOL DISTRICT
 Schedule of Expenditures of Federal Awards, Schedule A
 For the Fiscal Year Ended June 30, 2018

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA Number	Federal FAIN Number	Pass-Through Entity Identifying Number	Program or Award Amount	Grant Period		Balance June 30, 2017	Carryover / (Walkover) Amount
					From	To		
General Fund:								
U.S. Department of Health and Human Services:								
Passed-through State Department of Education:								
Medical Assistance Program (SEMI)	93.778	1705NJ5MAP	N/A	\$ 20,364.54	7/1/2017	6/30/2018		
Total Medicaid Cluster							-	-
Total General Fund and U.S. Department of Health and Human Services							-	-
Special Revenue Fund:								
U.S. Department of Education:								
Passed-through State Department of Education:								
No Child Left Behind (NCLB) / Every Student Succeeds Act (ESSA):								
Title I Grants to Local Educational Agencies	84.010	S010A160030	N/A	232,277.00	7/1/2016	6/30/2017	\$ (25,926.95)	\$ (26,009.00)
Title I Grants to Local Educational Agencies	84.010	S010A170030	N/A	212,779.00	7/1/2017	6/30/2018		26,009.00
Total Title I							(25,926.95)	-
Improving Teacher Quality State Grants (Title II)	84.367	S367A180029	N/A	31,513.00	7/1/2017	6/30/2018		
Student Support and Academic Enrichment (Title IV)	84.424	S424A180031	N/A	10,000.00	7/1/2017	6/30/2018		
Emergency Impact Aid	84.938	N/A	N/A	4,250.00	7/1/2017	6/30/2018		
Individuals with Disabilities Education Act (IDEA):								
Special Education Cluster:								
Special Education - Grants to States (IDEA, Part B)	84.027	H027A170100	N/A	304,775.00	7/1/2017	6/30/2018		
Special Education - Preschool Grants (IDEA Preschool)	84.173	H173A150114	N/A	4,470.00	7/1/2015	6/30/2016	(4,469.78)	
Special Education - Preschool Grants (IDEA Preschool)	84.173	H173A160114	N/A	4,615.00	7/1/2016	6/30/2017	(4,615.00)	
Special Education - Preschool Grants (IDEA Preschool)	84.173	H173A170114	N/A	4,445.00	7/1/2017	6/30/2018		
Total IDEA Special Education Cluster							(9,084.78)	-
Career and Technical Education (Perkins IV)	84.048	V048A160030	N/A	8,703.00	7/1/2016	6/30/2017	391.70	
Career and Technical Education (Perkins IV)	84.048	V048A170030	N/A	8,046.00	7/1/2017	6/30/2018		
Total Career and Technical Education (Perkins IV)							391.70	-
Total Special Revenue Fund and U.S. Department of Education							(34,620.03)	-
Enterprise Fund:								
U.S. Department of Agriculture:								
Passed-through State Department of Education:								
Child Nutrition Cluster:								
Food Distribution Program (Non-Cash Assistance)	10.555	181NJ304N1099	N/A	31,459.44	7/1/2017	6/30/2018		
School Breakfast Program	10.553	171NJ304N1099	N/A	17,034.21	7/1/2016	6/30/2017	(883.78)	
School Breakfast Program	10.553	181NJ304N1099	N/A	16,424.01	7/1/2017	6/30/2018		
National School Lunch Program	10.555	171NJ304N1099	N/A	158,774.08	7/1/2016	6/30/2017	(8,279.00)	
National School Lunch Program	10.555	181NJ304N1099	N/A	143,757.96	7/1/2017	6/30/2018		
Total Child Nutrition Cluster							(9,162.78)	-
Total Enterprise Fund and Total U.S. Department of Agriculture							(9,162.78)	-
Total Federal Financial Assistance							\$ (43,782.81)	\$ -

The accompanying notes to financial statements and notes to schedules of expenditures of federal awards and state financial assistance are an integral part of this schedule.

Cash Received	Budgetary Expenditures			Passed- Through to Sub recipients	Rounding Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2018		
	Pass-Through Funds	Direct Funds	Total Budgetary Expenditures				(Accounts Receivable)	Unearned Revenue	Due to Grantor
\$ 20,364.54	\$ (20,364.54)		\$ (20,364.54)						
20,364.54	(20,364.54)	-	(20,364.54)	-	-	-	-	-	-
20,364.54	(20,364.54)	-	(20,364.54)	-	-	-	-	-	-
51,935.95									
178,977.05	(228,175.39)		(228,175.39)		\$ 0.08		\$ (23,189.26)		
230,913.00	(228,175.39)	-	(228,175.39)	-	0.08	-	(23,189.26)	-	-
29,120.00	(31,512.00)		(31,512.00)				(2,392.00)		
10,000.00	(10,000.00)		(10,000.00)						
	(4,250.00)		(4,250.00)				(4,250.00)		
293,899.00	(304,775.00)		(304,775.00)				(10,876.00)		
4,469.78									
4,615.00									
4,445.00	(4,445.00)		(4,445.00)						
307,428.78	(309,220.00)	-	(309,220.00)	-	-	-	(10,876.00)	-	-
						\$ (391.70)			
7,894.00	(8,043.92)		(8,043.92)		(0.08)		(150.00)		
7,894.00	(8,043.92)	-	(8,043.92)	-	(0.08)	(391.70)	(150.00)	-	-
585,355.78	(591,201.31)	-	(591,201.31)	-	-	(391.70)	(40,857.26)	-	-
31,459.44	(31,459.44)		(31,459.44)						
883.78									
15,140.09	(16,424.01)		(16,424.01)				(1,283.92)		
8,279.00									
135,276.05	(143,757.96)		(143,757.96)				(8,481.91)		
191,038.36	(191,641.41)	-	(191,641.41)	-	-	-	(9,765.83)	-	-
191,038.36	(191,641.41)	-	(191,641.41)	-	-	-	(9,765.83)	-	-
\$ 796,758.68	\$ (803,207.26)	\$ -	\$ (803,207.26)	\$ -	\$ -	\$ (391.70)	\$ (50,623.09)	\$ -	\$ -

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance, Schedule B
 For the Fiscal Year Ended June 30, 2018

State Grantor / Program or Cluster Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2017		Carryover/ (Walkover) Amount
			From	To	Unearned Revenue / (Accounts Receivable)	Due to Grantor	
General Fund:							
New Jersey Department of Education:							
Current Expense:							
State Aid - Public Cluster:							
Equalization Aid	495-034-5120-078	\$ 5,523,895.00	7/1/2016	6/30/2017	\$ (526,517.66)		
Equalization Aid	495-034-5120-078	5,523,895.00	7/1/2017	6/30/2018			
Special Education Categorical Aid	495-034-5120-089	689,961.00	7/1/2016	6/30/2017	(65,783.78)		
Special Education Categorical Aid	495-034-5120-089	689,961.00	7/1/2017	6/30/2018			
Security Aid	495-034-5120-084	140,608.00	7/1/2016	6/30/2017	(13,406.16)		
Security Aid	495-034-5120-084	140,608.00	7/1/2017	6/30/2018			
Adjustment Aid	495-034-5120-085	251,966.00	7/1/2016	6/30/2017	(24,023.50)		
Adjustment Aid	495-034-5120-085	239,662.00	7/1/2017	6/30/2018			
Under Adequacy Aid	495-034-5120-096	13,257.00	7/1/2016	6/30/2017	(1,263.98)		
Under Adequacy Aid	495-034-5120-096	13,257.00	7/1/2017	6/30/2018			
Per Pupil Growth Aid	495-034-5120-097	11,620.00	7/1/2016	6/30/2017	(1,107.90)		
Per Pupil Growth Aid	495-034-5120-097	11,620.00	7/1/2017	6/30/2018			
PARCC Readiness Aid	495-034-5120-098	11,620.00	7/1/2016	6/30/2017	(1,107.90)		
PARCC Readiness Aid	495-034-5120-098	11,620.00	7/1/2017	6/30/2018			
Professional Learning Community Aid	495-034-5120-101	11,560.00	7/1/2016	6/30/2017	(1,102.18)		
Professional Learning Community Aid	495-034-5120-101	11,560.00	7/1/2017	6/30/2018			
Total State Aid - Public Cluster					(634,313.06)	-	-
Categorical Transportation Aid	495-034-5120-014	358,906.00	7/1/2016	6/30/2017	(34,181.94)		
Categorical Transportation Aid	495-034-5120-014	358,511.00	7/1/2017	6/30/2018			
Non Public Transportation Aid	495-034-5120-014	7,830.00	7/1/2016	6/30/2017	(7,830.00)		
Non Public Transportation Aid	495-034-5120-014	9,570.00	7/1/2017	6/30/2018			
Total Transportation Aid					(42,011.94)	-	-
Extraordinary Special Education Aid	100-034-5120-473	209,062.00	7/1/2016	6/30/2017	(209,062.00)		
Extraordinary Special Education Aid	100-034-5120-473	206,986.00	7/1/2017	6/30/2018			
Total Extraordinary Special Education Aid					(209,062.00)	-	-
Reimbursed TPAF Social Security Contributions	495-034-5094-003	762,596.43	7/1/2016	6/30/2017	(37,596.91)		
Reimbursed TPAF Social Security Contributions	495-034-5094-003	713,865.15	7/1/2017	6/30/2018			
Total Reimbursed TPAF Social Security Contributions					(37,596.91)	-	-
Lead Water Testing for Schools Aid	495-034-5120-104	3,885.00	1/1/2016	7/13/2017			
Total General Fund					(922,983.91)	-	-
Special Revenue Fund:							
New Jersey Department of Education:							
Preschool Education Aid	495-034-5120-086	33,000.00	7/1/2016	6/30/2017	(3,300.00)		
Preschool Education Aid	495-034-5120-086	33,000.00	7/1/2017	6/30/2018			
Total Special Revenue Fund / Preschool Education Aid					(3,300.00)	-	-
Capital Projects Fund:							
Education Facilities Construction and Financing Act							
Middle/High School	5910-050-14-1001	7,150,799.00	11/4/2014	6/30/2018	(228,073.23)		
Shoemaker School	5910-060-14-1002	787,500.00	11/4/2014	6/30/2018	(18,029.46)		
Total Capital Projects Fund					(246,102.69)	-	-
Enterprise Fund:							
New Jersey Department of Agriculture:							
State School Lunch Program	100-010-3350-023	4,630.02	7/1/2016	6/30/2017	(245.00)		
State School Lunch Program	100-010-3350-023	4,406.56	7/1/2017	6/30/2018			
Total Enterprise Fund / New Jersey Department of Agriculture					(245.00)	-	-
Total State Financial Assistance subject to Major Program Determination for State Single Audit					(1,172,631.60)	-	-

Cash Received	Total Budgetary Expenditures	Passed- Through to Sub recipients	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2018			Memo	
					(Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
\$ 526,517.66									
5,008,583.16	\$ (5,523,895.00)				\$ (515,311.84)			\$ (515,311.84)	\$ (5,523,895.00)
65,783.78									
625,568.57	(689,961.00)				(64,392.43)			(64,392.43)	(689,961.00)
13,406.16									
127,485.39	(140,608.00)				(13,122.61)			(13,122.61)	(140,608.00)
24,023.50									
217,294.91	(239,662.00)				(22,367.09)			(22,367.09)	(239,662.00)
1,263.98									
12,019.76	(13,257.00)				(1,237.24)			(1,237.24)	(13,257.00)
1,107.90									
10,535.53	(11,620.00)				(1,084.47)			(1,084.47)	(11,620.00)
1,107.90									
10,535.53	(11,620.00)				(1,084.47)			(1,084.47)	(11,620.00)
1,102.18									
10,481.13	(11,560.00)				(1,078.87)			(1,078.87)	(11,560.00)
6,656,817.04	(6,642,183.00)	-	-	-	(619,679.02)	-	-	(619,679.02)	(6,642,183.00)
34,181.94									
325,052.02	(358,511.00)				(33,458.98)			(33,458.98)	(358,511.00)
7,830.00									
	(9,570.00)				(9,570.00)				(9,570.00)
367,063.96	(368,081.00)	-	-	-	(43,028.98)	-	-	(33,458.98)	(368,081.00)
209,062.00									
	(206,986.00)				(206,986.00)				(206,986.00)
209,062.00	(206,986.00)	-	-	-	(206,986.00)	-	-	-	(206,986.00)
37,596.91									
677,543.31	(713,865.15)				(36,321.84)				(713,865.15)
715,140.22	(713,865.15)	-	-	-	(36,321.84)	-	-	-	(713,865.15)
3,885.00	(3,885.00)								(3,885.00)
7,951,968.22	(7,935,000.15)	-	-	-	(906,015.84)	-	-	(653,138.00)	(7,935,000.15)
3,300.00									
29,700.00	(33,000.00)				(3,300.00)			(3,300.00)	(33,000.00)
33,000.00	(33,000.00)	-	-	-	(3,300.00)	-	-	(3,300.00)	(33,000.00)
	(1,217,487.14)				(1,445,560.37)				(5,790,507.67)
	(60,171.98)				(78,201.44)				(708,201.44)
-	(1,277,659.12)	-	-	-	(1,523,761.81)	-	-	-	(6,498,709.11)
245.00									
4,131.58	(4,406.56)				(274.98)				(4,406.56)
4,376.58	(4,406.56)	-	-	-	(274.98)	-	-	-	(4,406.56)
7,989,344.80	(9,250,065.83)	-	-	-	(2,433,352.63)	-	-	(656,438.00)	(14,471,115.82)

(Continued)

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT
 Schedule of Expenditures of State Financial Assistance, Schedule B
 For the Fiscal Year Ended June 30, 2018

State Grantor / Program or Cluster Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2017		Carryover/ (Walkover) Amount
			From	To	Unearned Revenue / (Accounts Receivable)	Due to Grantor	
State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:							
General Fund (Non-Cash Assistance):							
New Jersey Department of the Treasury:							
On-behalf Contributions:							
TPAF Post Retirement Medical	495-034-5094-001	\$ 997,407.00	7/1/2017	6/30/2018			
Teacher's Pension & Annuity Fund	495-034-5094-002	1,507,676.00	7/1/2017	6/30/2018			
TPAF Non-contributory Insurance	495-034-5094-004	36,588.00	7/1/2017	6/30/2018			
Long-Term Disability Insurance	495-034-5094-004	1,881.00	7/1/2017	6/30/2018			
Total General Fund (Non-Cash Assistance)					-	-	-
Total State Financial Assistance					\$ (1,172,631.60)	\$ -	\$ -

The accompanying notes to financial statements and notes to schedules of expenditures of federal awards and state financial assistance are an integral part of this schedule.

Cash Received	Total Budgetary Expenditures	Passed- Through to Sub recipients	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2018			Memo	
					(Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
\$ 997,407.00	\$ (997,407.00)								\$ (997,407.00)
1,507,676.00	(1,507,676.00)								(1,507,676.00)
36,588.00	(36,588.00)								(36,588.00)
1,881.00	(1,881.00)								(1,881.00)
2,543,552.00	(2,543,552.00)	-	-	-	-	-	-	-	(2,543,552.00)
\$ 10,532,896.80	\$ (11,793,617.83)	\$ -	\$ -	\$ -	\$ (2,433,352.63)	\$ -	\$ -	\$ (656,438.00)	\$ (17,014,667.82)

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2018

Note 1: BASIS OF PRESENTATION

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

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Note 3: INDIRECT COST RATE

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

Note 4: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

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

The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is \$15,357.00 for the general fund and \$23,327.92 for the special revenue fund. See exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

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

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 20,364.54	\$ 10,493,909.15	\$ 10,514,273.69
Special Revenue	591,617.31	33,000.00	624,617.31
Capital Projects		1,277,659.12	1,277,659.12
Food Service	191,641.41	4,406.56	196,047.97
	<u>803,623.26</u>	<u>11,808,974.83</u>	<u>12,612,598.09</u>
Total Awards and Financial Assistance	<u>\$ 803,623.26</u>	<u>\$ 11,808,974.83</u>	<u>\$ 12,612,598.09</u>

Note 5: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

Note 6: REIMBURSED AND ON-BEHALF PAYMENTS

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

Note 7: MAJOR PROGRAMS

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

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2018

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X none reported

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
		Child Nutrition Cluster:
<u>10.555</u>	<u>181NJ304N1099</u>	<u>National School Lunch Program</u>
<u>10.553</u>	<u>181NJ304N1099</u>	<u>National School Breakfast Program</u>
		IDEA Special Education Cluster:
<u>84.027</u>	<u>H027A170100</u>	<u>Special Education - Grants to States (IDEA, Part B)</u>
<u>84.173</u>	<u>H173A170114</u>	<u>Special Education - Preschool Grants (IDEA Preschool)</u>

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

Auditee qualified as low-risk auditee? yes X no

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT

Schedule of Findings and Questioned Costs

For the Fiscal Year Ended June 30, 2018

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

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with New Jersey Circular 15-08-OMB?

Identification of major programs:

GMIS Numbers

Name of State Program

495-034-5120-014	Transportation Aid
	State Aid Public:
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Categorical Aid
495-034-5120-084	Security Aid
495-034-5120-085	Adjustment Aid
495-034-5120-096	Under Adequacy Aid
495-034-5120-097	Per Pupil Growth Aid
495-034-5120-098	PARCC Readiness Aid
495-034-5120-101	Professional Learning Community Aid

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

Auditee qualified as low-risk auditee? yes X no

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2018

Section 2- Schedule of Financial Statement Findings

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

No Current Year Findings.

Section 3- Schedule of Federal Award Findings and Questioned Costs

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

No Current Year Findings.

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

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

No Current Year Findings.

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management

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

FINANCIAL STATEMENT FINDINGS

Finding No. 2017-001

Condition

A capital asset ledger is not properly maintained.

Current Status

The condition has been resolved.

Finding No. 2017-002

Condition

Required maintenance expenditures are not accounted for by school building in the accounting software.

Current Status

The condition has been resolved.

Finding No. 2017-003

Condition

Reimbursement to the State of New Jersey per NJSA 18A:66-90 for pension and social security – federally funded programs, was not paid within 90 days and it was not charged to the budget before year-end close, thus resulting in an over-expenditure of two budget line items.

Current Status

The condition has been resolved.

Finding No. 2017-004

Condition

The food service enterprise fund has had a deficit net position since at least June 30, 2014.

Current Status

The condition has been resolved.

WOODSTOWN-PILESGROVE REGIONAL SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management

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

FINANCIAL STATEMENT FINDINGS (CONT'D)

Finding No. 2017-005

Condition

Capital Projects Fund 30 accounting software reports were not in agreement with the School District's financial statements and the expenditures reported on the School Development Authority (SDA) grants reimbursement requests.

Current Status

The condition has been resolved.

FEDERAL AWARDS

No Prior Year Findings.

STATE FINANCIAL ASSISTANCE PROGRAMS

No Prior Year Findings.