

**SCHOOL DISTRICT**  
**OF**  
**TOWNSHIP OF MAURICE RIVER**

**COMPREHENSIVE ANNUAL**  
**Financial Report**

**of the**

**Township of Maurice River Board of Education**

**Port Elizabeth, New Jersey**

**or the Fiscal Year Ended June 30, 2019**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**of the**

**Township of Maurice River Board of Education**

**Port Elizabeth, New Jersey**

**For the Fiscal Year Ended June 30, 2019**

**Prepared by**

**Maurice River Township Board of Education**

**Finance Department**

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OF THE MAURICE RIVER TOWNSHIP SCHOOL DISTRICT  
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## INTRODUCTORY SECTION



## MAURICE RIVER TOWNSHIP SCHOOL DISTRICT

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November 15, 2019

Honorable President and  
Members of the Board of Education  
Maurice River Township School District  
Cumberland County, New Jersey

Dear Board Members:

The Comprehensive Annual Financial Report of the Maurice River Township Public School District for the fiscal year ended June 30, 2019, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the 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 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), "Audits of States, Local Governments, and Non-Profit Organizations" and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

### **1. REPORTING ENTITY AND ITS SERVICES:**

The Maurice River Township Public School District is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14. All funds of the District are included in this report. The Maurice River Township Board of Education and its school constitute the District's reporting entity.

The District is limited in its ability to fund a full range of educational services appropriate to grade levels PK through 8. These limitations in programs and services apply to both regular as well as special education for handicapped children. The District completed the 2018-2019 fiscal year with a June enrollment of 403 students, which is 5 students more than the previous year. The following details the changes in the student enrollment of the district over the last ten years.



Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>	<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2018-19	403.0	1.26%	2013-14	423.0	(2.34%)
2017-18	398.0	(4.10)%	2012-13	436.2	11.64%
2016-17	415.0	1.71%	2011-12	393.4	5.72%
2015-16	408.0	(3.77)%	2010-11	372.1	(3.97%)
2014-15	424.0	.24%	2009-10	387.5	(2.64%)

**2. ECONOMIC CONDITION AND OUTLOOK:**

Maurice River Township is not experiencing any measurable growth in development or expansion. There are no large businesses located in the Township, but the small industry stores, restaurants, and antique stores continue to thrive. There is some potential for growth at the major intersections drawing traffic to the shore areas. The Township is seeking clean industry in harmony with the environmentally sensitive areas. It is significant to note that the Township is approximately 95 square miles, with about 50% of the land either state-owned or state-managed. This helps promote the appeal for water related activities, conservation activities with the bay area and pristine river ecosystem, and preserves the ruralness and provinciality unique to the Township. There are three prison sites located in the Township, which provide major employment for local residents. A state prison in nearby Fairfield Township provides employment opportunities at that site. The net valuation taxable of Maurice River Township for 2019 is \$293,391,595, which is less than the prior year by \$1,916,300.

Sand mining was a major industry in the Township through the 1970's, but because of the shift from glass bottles to plastic, the need for sand in glass manufacturing has been in steady decline since that time. Rail service connected to this industry has also declined. Other industry includes several marinas, one shipyard industry, and several cottage stores and restaurants. Developers who are interested in sites in the Township must seek state approval from various regulatory agencies, such as Pinelands, Wetlands, and/or the Department of Environmental Protection.

However, the District continues it's "Choice" District status and will receive additional funding for students who choose to participate in this program. The District is hopeful that it will continue to attract choice students, thereby increasing its enrollment and state aid. The school district receives nearly \$2.00 in state aid for every \$1.00 levied by local taxes.

**3. MAJOR INITIATIVES:**

Maurice River Township School District prepares all students for success at the high school level. Technology, Professional Staff Development, Inter-district Collaboration and N.J. Common Core Standards play a major role in this initiative. Technology plays an increasingly important role in the curriculum, including Smartboard Technology for grades PK-8 with laptops and professional development training for all teachers, influx of chromebooks at the middle school grade levels, two state of the art computer labs; a wireless network, and an IPOD Program. The district continues to implement a "bring your own device" program. Students may conduct research through controlled access to the Internet, enhancing research and writing skills.

In addition to Smartboard Technology, each classroom at the Maurice River Township Elementary School has its own television, VCR and communications system to enhance the curriculum in areas, such as, distance learning, science, geography, and foreign language. The students broadcast daily on the MRT-TV station.

The school district continues to implement "The Marzano Teaching Evaluation Method", a web-based teacher evaluation program required by the State of New Jersey; as well as the Aims web student assessment program in combination with the "RTI" program for struggling students.

### **3. MAJOR INITIATIVES (CONT'D):**

The District is now beginning to once again update its curriculum through the purchase of new math and science texts and corresponding resource materials, for implementation in the 2019-2020 school year. Additional cameras were added to the state of the art interior and exterior surveillance system. The transportation fleet was also expanded and equipped with an updated surveillance system. The Board of Education has succeeded in allocating resources to positively improve student achievement by focusing upon improvements in the delivery of instruction, professional development programs, and providing the most current instructional materials, technology and other resources for its teachers. The district has now begun to move in the direction of facility improvement to maintain the functionality of its current facility. With 2015-2016 surplus monies, the district re-tiled a large portion of the school hallways and abated asbestos and re-tiled three classrooms. The cafeteria has been renovated with graphic designs and a new kitchen serving line has been purchased. Finally, additional landscaping has been completed to improve the look of the front of the school. The District hopes to continue these facility/grounds improvements.

The district also provides adequate medical and student services, including guidance and counseling programs for at-risk, special education and Title One students. Special education services are provided through self-contained settings and in class support. The district has trained two staff members in the FAST hands-on science program, for grades five through eight. Grades K-4 use a hands-on program. Peer mediation and conflict resolution are taught through leadership training activities in an on-going manner through the school year.

The Board of Education has established a mission and philosophy for the district and promotes a global, multi-curriculum. The mission includes the concept of community as it relates to students. The Board of Education attempts to plan budgets in a prudent fiscal manner, but the unknown variables are the future of school funding from the State of New Jersey and the payments of tuition to the Millville School District.

The District's "Choice" status has partially offset the effect of these variables. The limitations placed on Choice continues to be concerning.

In summary, the district, despite economic constraints, has succeeded in providing a state of the art innovative, integrated curriculum, with current technology and resources. The provision of these resources has positively and beneficially impacted student achievement. The district looks forward to continuing its "Choice District" status to increase enrollment and ensure its future existence.

### **4. INTERNAL ACCOUNTING CONTROLS:**

Management of the District is responsible for establishing and maintaining internal control designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control process 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 awards and state financial assistance, the District also is responsible for ensuring that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control process 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 internal control, including that portion related to federal awards and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

## **5. BUDGETARY CONTROLS:**

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2018.

## **6. ACCOUNTING SYSTEM AND REPORTS:**

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements," Note 2.

## **7. DEBT ADMINISTRATION:**

On January 1, 1998 the District incurred bond indebtedness for \$1,950,000 for a facility project to be amortized over the next 15 years. There was a Refunding of Bonds on January 1, 2007. The balance in bonds payable at June 30, 2019 is \$430,000. The amount of unvoted debt available is \$8,069,611, as shown on Exhibit J-13.

## **8. RISK MANAGEMENT:**

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

## **9. CASH MANAGEMENT:**

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

## **10. OTHER INFORMATION:**

**Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nightlinger, Colavita and Volpa, Pa. was appointed by the Board. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the Title 2 CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and State of New Jersey 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 and combining and individual fund statements and schedules are included in the financial section of this report. The auditor's report, related specifically to the single audit, is included in the single audit section of this report.

**11. ACKNOWLEDGMENTS:**

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

Respectfully submitted,

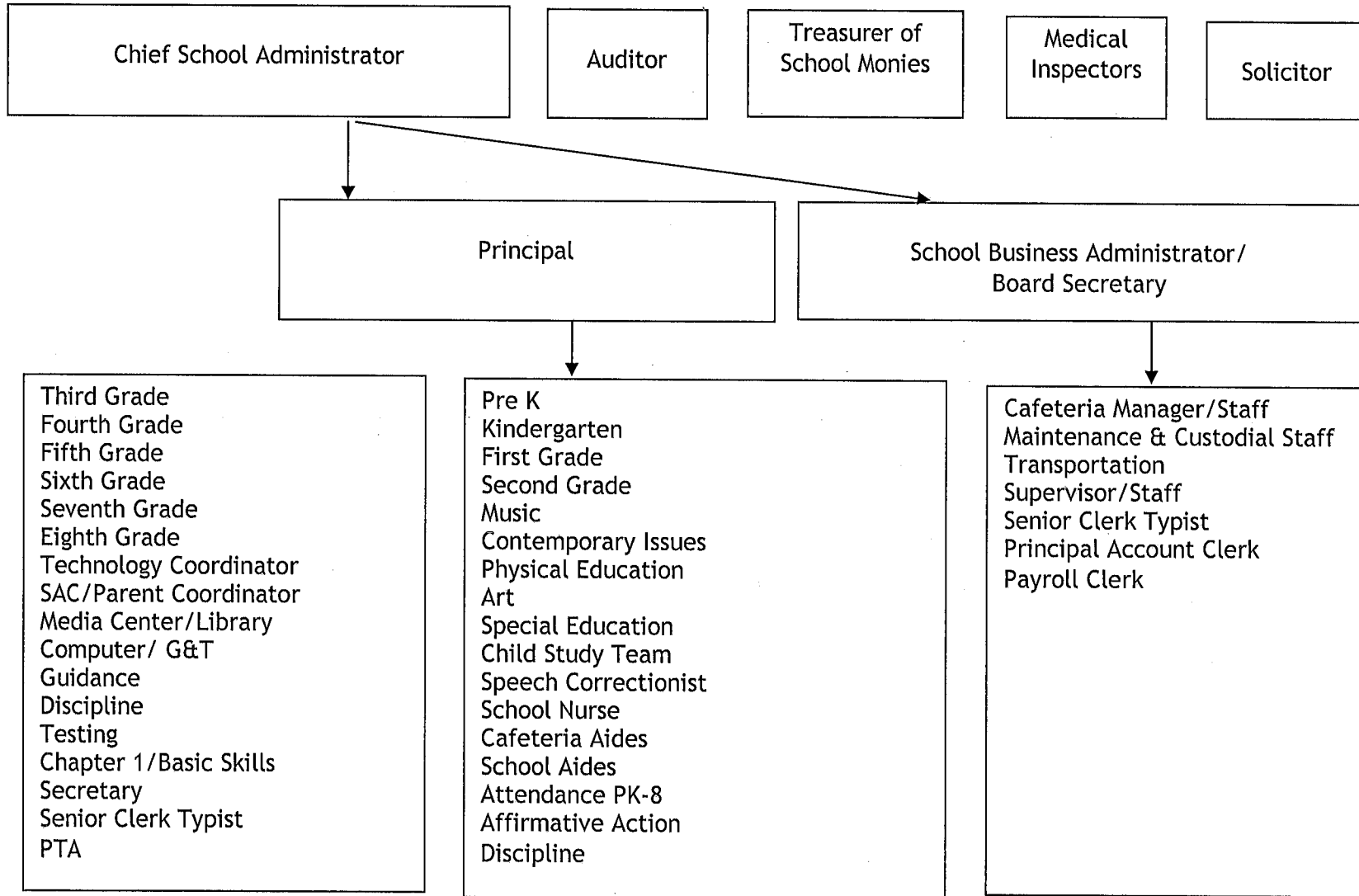
A handwritten signature in cursive script, appearing to read "Walter Kappeler, Jr.", written in black ink.

Mr. Walter Kappeler, Jr., Superintendent of Schools

A handwritten signature in cursive script, appearing to read "Patricia Powell", written in black ink.

Patricia Powell, School Business Administrator/Board Secretary

### Township of Maurice River School District Organizational Chart



TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT  
PORT ELIZABETH, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2019

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
Penny Wells, President	2021
Stephen Kudia, Vice President	2021
Robert Chard	2020
Charles Ciaurelli	2020
Brandy Woolson	2019
Robert Canup	2022
Melissa Creamer	2022

OTHER OFFICIALS

Mr. Walter Kappeler, Jr., Chief School Administrator

Patricia A. Powell, School Business Administrator/Board Secretary

Lynn Burshtin, Custodian of School Monies

Frank DiDomenico, Esq., Solicitor

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**CONSULTANTS AND ADVISORS**

**AUDIT FIRM**

**Raymond Colavita, C.P.A., R.M.A.**  
**Nightlinger, Colavita and Volpa**  
Certified Public Accountants  
991 S. Black Horse Pike  
P.O. Box 799  
Williamstown, NJ 08094

**ATTORNEY**

**Frank DiDomenico, Esquire**  
8 LaSalle Drive  
Vineland, NJ 08360

**OFFICIAL DEPOSITORY**

**Bank of America**  
Commerce and Laurel Streets  
Bridgeton, NJ 08302

Branch Offices in Millville, NJ 08332

**INSURANCE AGENT**

**Conner Strong & Buckelew Companies, Inc.**  
40 Lake Center Executive Park  
401 Rt. 73 North, Suite 300  
Marlton, New Jersey 08053

**FINANCIAL SECTION**



# NIGHTLINGER, COLAVITA & VOLPA

*A Professional Association*

*Certified Public Accountants*

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## INDEPENDENT AUDITOR'S REPORT

The Honorable President and  
Members of the Board of Education  
Maurice River Township School District  
County of Cumberland, New Jersey

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Maurice River Township School District in the County of Cumberland, State of New Jersey, as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Maurice River Township 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and audit requirements as prescribed by the 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 of material misstatement.

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Maurice River Township Board of Education in the County of Cumberland, State of New Jersey, as of June 30, 2019, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and schedules related to accounting and reporting for pensions 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 Maurice River Township School Board of Education's basic financial statements. The introductory section, combining and individual non-major fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, and is also not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and the schedule 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 combining and individual non-major fund financial statements and the schedule 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 and statistical sections have not been subject 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 a report dated November 15, 2019 on our consideration of the Maurice River Township Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Maurice River Township Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governments Auditing Standards* in considering Maurice River Township Board of Education's internal control over financial reporting and compliance.

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, P.A.**



Raymond Colavita, C.P.A., R.M.A.  
Licensed Public School Accountant  
No. 915  
November 15, 2019

**REQUIRED SUPPLEMENTARY INFORMATION - PART I**

**MAURICE RIVER TOWNSHIP SCHOOL DISTRICT  
MAURICE RIVER TOWNSHIP**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**UNAUDITED**

The discussion and analysis of Maurice River Township Public School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2019. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

### Financial Highlights

Key financial highlights for 2019 are as follows:

- ❖ General revenues accounted for \$8,472,875 in revenue or 80% percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$2,121,046 or 20% percent to total revenues of \$10,593,921.
- ❖ Total net position of governmental activities increased by a net amount of \$171,260 in various asset areas.
- ❖ The School District had \$10,429,794 in expenses, of which \$2,121,046 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes and Federal and State Aid not restricted) were adequate to provide for these programs.
- ❖ The General Governmental Fund had \$8,777,352 in revenues, \$8,644,978 in expenditures, \$25,000 in transfers to the Food Service Fund and \$4,999 to the Internal Service Fund. The General Fund's balance increased by \$102,375 over 2018. This increase was anticipated by the Board of Education.

### Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Maurice River Township School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. In the case of Maurice River Township School District, the General Fund is by far the most significant fund.

## **Reporting the School District as a Whole**

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

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, “How did we do financially during 2019?” The Statement of Net Position and the Statement of Activities helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account, all of the current year’s revenues and expenses regardless of when cash is received or paid.

These two statements report the School District’s net position and changes in those assets. This change in net position is important because it tells the reader that, for the school district as a whole, the financial positions of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District’s property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

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

- ❖ **Governmental Activities** - All of the School District’s programs and services are reported here including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- ❖ **Business-type Activities** - This service is provided on a charge for goods or services basis to recover all the expense of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

## **Reporting the School District’s Most Significant Funds**

### **Fund Financial Statements**

The analysis of the School District’s major (all) funds begins on page 23. Fund financial reports provide detailed information about the School District’s major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District’s most significant funds. The School District’s major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

### **Governmental Funds**

The School District’s activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School district’s general government operations and the basic services it provides.

Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**Enterprise Fund**

The enterprise fund uses the same basis of accounting as business-type activities; therefore these statements are essentially the same.

**The School District as a Whole**

Recall that the Statement of Net Position provides the perspective of the School District as a whole, which includes the Business-type Activities.

Table 1 provides a summary of the School District’s net position for the years ended in 2019 and 2018.

Table 1  
Net Position

	2019	2018
<b>Assets</b>		
Current and Other Assets	\$ 1,232,954	\$ 1,190,817
Capital Assets, Net	2,586,768	2,695,810
<b>Total Assets</b>	<b>3,819,722</b>	<b>3,886,627</b>
<b>Deferred Outflows of Resources</b>		
Deferred Pension Outflows	352,240	481,352
<b>Liabilities</b>		
Long-term Liabilities	1,967,716	2,395,340
Other Liabilities	74,857	114,633
<b>Total Liabilities</b>	<b>2,042,573</b>	<b>2,509,973</b>
<b>Deferred Outflows of Resources</b>		
Deferred Pension Inflows	604,889	497,633
<b>Net Position</b>		
Invested in Capital Assets, Net of Debt	2,156,768	2,115,810
Restricted	1,019,915	786,427
Unrestricted (Deficit)	(1,652,183)	(1,541,864)
<b>Total Net Position</b>	<b>\$ 1,524,500</b>	<b>\$ 1,360,373</b>

Table 2 shows the changes in net position from fiscal year's 2019 and 2018.

Table 2  
Changes in Net Position

	2019	2018
<b>Revenues</b>		
Programs Revenues		
Charges for Services	\$ 70,992	\$ 58,879
Operating Grants and Contributions	2,050,054	2,173,017
General Revenues		
Property Taxes	3,042,422	2,947,472
Grants and Entitlements	5,334,290	4,868,590
Other	96,163	43,967
<b>Total Revenues</b>	<b>10,593,921</b>	<b>10,091,925</b>
<b>Program Expenses</b>		
Instruction	2,381,906	2,328,162
Support Services		
Tuition	2,138,581	2,092,085
Pupils and Instructional Staff	861,204	726,901
General Administration, School		
Administration, Business	467,003	484,393
Operations and Maintenance of		
Facilities	800,506	587,221
Pupil Transportation	533,971	543,261
Employee Benefits	2,873,195	2,898,086
Interest on Debt	20,831	27,020
Food Service	212,412	208,238
Other	140,185	171,130
<b>Total Expenses</b>	<b>10,429,794</b>	<b>10,066,497</b>
<b>Increase in Net Position</b>	<b>\$ 164,127</b>	<b>\$ 25,428</b>



**Governmental Activities**

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. The District’s total revenues from governmental activities were \$10,388,642 for the fiscal year ended June 30, 2019 and property taxes made up 29% percent of revenues for governmental activities for the Maurice River Township School District for fiscal year 2019. Federal, state and local grants accounted for another 51%. Miscellaneous revenues made up the remainder. The net cost of all Governmental Activity programs and services was \$8,278,880. Instruction of \$2,002,892 comprises 24% of these expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows a comparison of the total cost of services and the net cost of services. The net cost shows the financial burden that placed on the District by each of these functions.

Table 3

	<u>Total Cost of Services 2019</u>	<u>Net Cost of Services 2019</u>	<u>Total Cost of Services 2018</u>	<u>Net Cost of Services 2018</u>
Instruction	\$ 2,381,906	\$ 2,002,892	\$ 2,328,162	\$ 2,036,682
Support Services				
Tuition	2,138,581	2,138,581	2,092,085	2,092,085
Pupils and Instructional Staff	861,204	535,184	726,901	535,553
General Administration, School				
Administration, Business	467,003	467,003	484,393	484,393
Operation and Maintenance of Facilities	800,506	800,506	587,221	587,221
Pupil Transportation	533,971	533,971	543,261	543,261
Employee Benefits	2,873,195	1,639,727	2,898,086	1,323,749
Interest and Fiscal Charges	20,831	20,831	27,020	27,020
Other	140,185	140,185	171,130	171,130
Total Expenses	<u>\$ 10,217,382</u>	<u>\$ 8,278,880</u>	<u>\$ 9,858,259</u>	<u>\$ 7,801,094</u>

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

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

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

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

Curriculum and staff development includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

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

Extracurricular activities includes expenses related to student activities provided by the School District which are designated to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

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

Other includes unallocated depreciation and amortization.

### **Business-Type Activities**

Revenues for the District's business-type activities (food service program) were comprised of charges for services and federal and state reimbursements.

- ❖ Food service expenses of \$212,412 exceeded revenues by \$29,868. This decrease in net position resulted in an ending balance of \$75,209, which includes a transfer \$25,000 from the general fund and a fixed asset adjustment of (2,265).
- ❖ Charges for services represent \$70,992 of revenue. This represents the total amount paid by patrons for daily food services.
- ❖ Federal and state reimbursements for meals, including payments for free and reduced lunches and donated commodities were \$111,552.

### **The School District's Funds**

Information about the School District's major funds starts on page 23. These funds are accounted for using the modified accrual basis of accounting. All governmental funds (i.e., general fund, special revenue fund, capital projects and debt service fund presented in the fund-based statements) had total revenues of \$9,678,142 and expenditures of \$9,568,939. The net positive/negative change in fund balance was \$79,204. There was also a board contribution to the Food Service Fund, in the amount of \$25,000 and \$4,999 to the Internal Service Fund. The School District is, therefore, able to meet current operating costs with no urgent need for additional funds. Availability of surplus funds in the future will be an important factor in budgeting.

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. The following schedules present a summary of the revenues of the governmental funds (excluding capital projects) for the fiscal year ended June 30, 2019, and the amount and percentage of increases and decreases in relation to prior year revenues.

<u>Revenue</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2018</u>	<u>Percent Increase/ (Decrease)</u>
Local Sources	\$ 3,145,849	32.5%	\$ 151,416	5.1%
State Sources	6,252,355	64.6%	394,043	6.7%
Federal Sources	279,938	2.9%	(7,665)	-2.7%
<b>Total</b>	<b>\$ 9,678,142</b>	<b>100.0%</b>	<b>\$ 537,794</b>	<b>5.9%</b>

The increase in Local Sources is attributed to increases in the local tax levy of \$94,950 along with \$4,315 in miscellaneous and interest earnings and \$52,151 in transportation charges.

The increase in State Sources is attributed to increases in general fund state aid of \$190,410 and special projects grants of \$206,646, offset by a decrease in debt service of \$3,013.

The decrease in Federal Sources is attributed to various net decreases in special revenue awards of \$7,665.

The following schedule presents a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal year ended June 30, 2019.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2018</u>	<u>Percent Increase/ (Decrease)</u>
Current:				
Instruction	\$ 2,381,906	24.9%	\$ 53,744	2.3%
Undistributed Expenditures	6,975,990	72.9%	440,264	6.7%
Capital Outlay	37,118	0.4%	(58,347)	-61.1%
Debt Service:				
Principal	150,000	1.6%		0.0%
Interest	23,925	0.2%	(6,188)	-17.2%
<b>Total</b>	<b>\$ 9,568,939</b>	<b>100.0%</b>	<b>\$ 429,473</b>	<b>4.8%</b>

The increase in instruction is attributed to increases in regular instruction costs of \$104,715 and other special education costs of \$35,356, offset by a decrease in special instruction costs of \$86,327.

The increase in Undistributed Expenditures is attributed to \$213,284 in plant operations, student & instruction related services of \$134,304, employee benefits of \$72,860 and tuition of \$46,496, offset by decreases in transportation of \$9,291 and decreases of \$17,389 in school administration and central service.

The decrease in Capital Outlay expenditures is attributed to a decrease in expenditures for both vehicle and other support equipment of \$58,347.

The decrease in Debt Service of \$6,188 is attributed to a reduction in interest payments on the bond issue.

### General Fund Budgeting Highlights

The School District’s Budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting. The most significant budgeted fund is the General Fund.

During the course of the fiscal year 2019, the School District amended its General Fund budget as needed. The School District uses program based budgeting, which is designed to tightly control total program budgets but provide flexibility for program management.

- ❖ Staffing changes based on student needs.
- ❖ Additional costs for student transportation both in regular education and special education.
- ❖ Accounting changes in maintenance and operations
- ❖ Changes in appropriations to prevent budget overruns.

While the District’s final budget for the General Fund anticipated that revenues, along with surplus anticipated of \$558,535, would approximately equal expenditures, the actual results for the year shows an \$112,855 increase in revenue over expenditures. The overall positive variance, combining budgeted and actual revenues with expenditures was \$1,087,930 as shown on Exhibit C-1.

- ❖ Actual revenues were \$107,035 more than expected, excluding contributions for On-Behalf Pension and Social Security State Aid of \$846,955. This was due to additional state and federal aid of \$29,608, along with miscellaneous revenue of \$77,427. The result is the positive variance, as shown on Exhibit C-1.
- ❖ The actual expenditures were \$980,895 lower than expected, offset by the state On-Behalf Pension and Social Security aid of \$846,955, resulting in the reported favorable variance of \$133,940, as shown on Exhibit C-1.

### Capital Assets

At June 30, 2019, the School District had \$2,586,768 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal 2019 balances compared to 2018.

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

	2019	2018
Land	\$ 62,441	\$ 62,441
Work In Progress		47,624
Land Improvements	54,897	58,126
Building and Improvements	2,121,986	2,205,393
Equipment	347,444	322,226
Totals	<u>\$ 2,586,768</u>	<u>\$ 2,695,810</u>

Overall capital assets decreased \$109,042 in fiscal year 2019. There were additions of \$37,118, offset by depreciation expense of \$143,895 and adjustments of \$2,265.

**Debt Administration**

At June 30, 2019, the School District had \$1,967,716 as outstanding debt. Of this amount \$34,936 is for compensated absences net pension liability of \$1,496,948 and the balance of \$430,000 for bonds related to school construction, along with \$5,832 in compensated absences in the Food Service Fund.

At June 30, 2019, the School District’s overall legal debt margin was \$8,499,611 and the unvoted debt margin was \$8,069,611 or 96.12%.

	<u>Date Of Issue</u>	<u>Amount of Issue</u>	<u>Balance at June 30, 2019</u>
Addition to the Elementary School Building Refunding Issue	1/1/2007	\$ 1,950,000	\$ 430,000

**For the Future**

The Maurice River Township School District hopes to continue its “Choice” status to increase its student enrollment and Choice Aid funding. Through the use of Choice Aid funding, the district hopes to upgrade its facility and expand the services provided to students.

In conclusion, the Maurice River Township School District has committed itself to excellence in education for many years despite its financial struggle to survive. The School District’s system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenge of the future.

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

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District’s finances and to show the School District’s accountability for the money it receives. If you have questions about this report or need additional information, please contact Patricia A. Powell, School Business Administrator/Board Secretary at Maurice River Township Board of Education, P.O. Box 464, 3593 S. Delsea Drive, Port Elizabeth, NJ 08348.

## BASIC FINANCIAL STATEMENTS

## DISTRICT WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the District.

These statements include the financial activities of the overall District, except for fiduciary activities.

Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2019**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 1,111,014	\$ 10,194	\$ 1,121,208
Receivables, Net	87,162	21,161	108,323
Inventory		3,423	3,423
Capital Assets, Net (Note 6):	2,526,436	60,332	2,586,768
Total Assets	<u>3,724,612</u>	<u>95,110</u>	<u>3,819,722</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred Pension Outflows	352,240		352,240
<b>LIABILITIES</b>			
Accounts Payable	48,202	11,558	59,760
Accrued Interest	8,869		8,869
Unearned Revenue	3,717	2,511	6,228
Non-current Liabilities (Note 7):			
Due Within One Year	145,000		145,000
Due Beyond One Year	1,816,884	5,832	1,822,716
Total Liabilities	<u>2,022,672</u>	<u>19,901</u>	<u>2,042,573</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred Pension Inflows	604,889		604,889
<b>NET POSITION</b>			
Invested in Capital Assets, Net of Related Debt	2,096,436	60,332	2,156,768
Restricted For:			
Excess Surplus	10,765		10,765
Capital Reserve	90,000		90,000
Tuition Reserve	363,858		363,858
Maintenance Reserve	355,292		355,292
Emergency Reserve	200,000		200,000
Unrestricted (Deficit)	(1,667,060)	14,877	(1,652,183)
Total Net Position	<u>\$ 1,449,291</u>	<u>\$ 75,209</u>	<u>\$ 1,524,500</u>

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



**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total</u>
Governmental Activities:						
Instruction:						
Regular	\$ 1,935,245	\$	\$ 379,014	\$ (1,556,231)		\$ (1,556,231)
Special Education	347,638			(347,638)		(347,638)
Other Special Instruction	99,023			(99,023)		(99,023)
Support Services:						
Tuition	2,138,581			(2,138,581)		(2,138,581)
Student & Instruction Related Services	861,204		326,020	(535,184)		(535,184)
General and Business Administrative Services	153,379			(153,379)		(153,379)
School Administrative Services	129,390			(129,390)		(129,390)
Central Services	184,234			(184,234)		(184,234)
Plant Operations and Maintenance	800,506			(800,506)		(800,506)
Pupil Transportation	533,971			(533,971)		(533,971)
Employee Benefits	2,873,195		1,233,468	(1,639,727)		(1,639,727)
Interest on Long-term Debt	20,831			(20,831)		(20,831)
Unallocated Depreciation	140,185			(140,185)		(140,185)
Total Governmental Activities	<u>10,217,382</u>		<u>1,938,502</u>	<u>(8,278,880)</u>		<u>(8,278,880)</u>
Business-type Activities:						
Food Service	212,412	70,992	111,552		(29,868)	(29,868)
Total Business-type Activities	<u>212,412</u>	<u>70,992</u>	<u>111,552</u>		<u>(29,868)</u>	<u>(29,868)</u>
Total Primary Government	<u>\$ 10,429,794</u>	<u>\$ 70,992</u>	<u>\$ 2,050,054</u>	<u>(8,278,880)</u>	<u>(29,868)</u>	<u>(8,308,748)</u>
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				2,953,190		2,953,190
Taxes Levied for Debt Service				89,232		89,232
Federal and State Aid Not Restricted				5,334,290		5,334,290
Transportation Charges				87,591		87,591
Investment Earnings				1,964		1,964
Miscellaneous Income				13,872		13,872
Fixed Asset Adjustment					(2,265)	(2,265)
Transfers				(29,999)	25,000	(4,999)
Total General Revenues, Special Items, Extraordinary Items and Transfers				<u>8,450,140</u>	<u>22,735</u>	<u>8,472,875</u>
Change in Net Position				171,260	(7,133)	164,127
Net Position—Beginning				1,278,031	82,342	1,360,373
Net Position—Ending				<u>\$ 1,449,291</u>	<u>\$ 75,209</u>	<u>\$ 1,524,500</u>

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

## **FUND FINANCIAL STATEMENTS**

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

**GOVERNMENTAL FUNDS**

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2019

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 1,111,014	\$	\$	\$ 1,111,014
Receivables from Other Governments	43,327			43,327
Interfunds Receivable	2,660			2,660
Federal Aid Receivable				
State Aid Receivable	41,175			41,175
	\$ 1,198,176	\$	\$	\$ 1,198,176
<b>Total Assets</b>	<b>\$ 1,198,176</b>	<b>\$</b>	<b>\$</b>	<b>\$ 1,198,176</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 4,910	\$ 40,632	\$	\$ 45,542
Deferred Revenue		3,717		3,717
Interfunds Payable		2,660		2,660
	4,910	47,009		51,919
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Excess Surplus	10,765			10,765
Maintenance Reserve	355,292			355,292
Emergency Reserve	200,000			200,000
Tuition Reserve	213,858			213,858
<b>Assigned:</b>				
Year-end Encumbrances	112,399			112,399
Capital Reserve - Designated for Subsequent Year's Expenditures	90,000			90,000
Tuition Reserve - Designated for Subsequent Year's Expenditures	150,000			150,000
Designated for Subsequent Year's Expenditures	250,000			250,000
<b>Unassigned, Reported In:</b>				
General Fund (Deficit)	(189,048)			(189,048)
Special Revenue Fund (Deficit)		(47,009)		(47,009)
	1,193,266	(47,009)		1,146,257
<b>Total Fund Balances</b>	<b>1,193,266</b>	<b>(47,009)</b>		<b>1,146,257</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,198,176</b>	<b>\$</b>	<b>\$</b>	

Amounts reported for *governmental activities* in the statement of net assets (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 \$6,582,597 and the accumulated depreciation is \$4,056,161 (Note 6).	2,526,436
Accrued interest is not due and payable in the current period and are therefore not reported as liabilities.	(8,869)
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 (Note 7).	(464,936)
Deferred Outflow of Resources - Deferred Pension Contribution.	352,240
Deferred Inflows of Resources - Pension Actuarial Gains.	(604,889)
Long Term Net Pension Liability	(1,496,948)
<b>Net position of governmental activities</b>	<b>\$ 1,449,291</b>

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

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>				
Local Sources:				
Local Tax Levy	\$ 2,953,190		\$ 89,232	\$ 3,042,422
Transportation Charges	87,591			87,591
Interest Earned	1,964			1,964
Miscellaneous	13,872			13,872
Total - Local Sources	3,056,617		89,232	3,145,849
State Sources	5,720,735	446,927	84,693	6,252,355
Federal Sources		279,938		279,938
Total Revenues	8,777,352	726,865	173,925	9,678,142
<b>EXPENDITURES</b>				
Current:				
Regular Instruction	1,556,231	379,014		1,935,245
Special Education Instruction	347,638			347,638
Other Special Instruction	99,023			99,023
Support Services:				
Tuition	2,138,581			2,138,581
Student & Instruction Related Services	535,184	326,020		861,204
General Administrative Services	153,379			153,379
School Administrative Services	129,390			129,390
Central Services	184,234			184,234
Plant Operations and Maintenance	800,506			800,506
Pupil Transportation	533,971			533,971
Employee Benefits	2,129,723	45,002		2,174,725
Capital Outlay	37,118			37,118
Debt Service:				
Principal			150,000	150,000
Interest and Other Charges			23,925	23,925
Total Expenditures	8,644,978	750,036	173,925	9,568,939
Excess (Deficiency) of Revenues Over Expenditures	132,374	(23,171)		109,203
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out - Food Service Deficit	(25,000)			(25,000)
Transfers Out - Internal Service Fund	(4,999)			(4,999)
Total Other Financing Sources and Uses	(29,999)			(29,999)
Net Change in Fund Balances	102,375	(23,171)		79,204
Fund Balance—July 1 (Deficit)	1,090,891	(23,838)		1,067,053
Fund Balance—June 30 (Deficit)	\$ 1,193,266	\$ (47,009)	\$	\$ 1,146,257

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

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019

<b>Total Net Change in Fund Balances - Governmental Funds (from B-2)</b>	\$	79,204
 Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:		
 Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.		
Depreciation Expense	\$	(140,185)
Capital Outlays		(103,067)
		37,118
 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.		 150,000
 Payment of capital leases is an expenditure in the governmental funds but the payment reduces long-term liabilities in the Statement of Net Position and is not reported in the Statement of Activities.		
 In the Statement of Activities, interest on long-term debt in the Statement of Activities is accrued, regardless of when due. In the government funds, interest is reported when due.		 3,094
 Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period.		 35,192
 In the Statement of Activities, certain operating expenses, e. g. compensated absences are measured by the amount earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid).		
Compensated Absences		6,837
 <b>Change in Net Position of Governmental Activities (A-2)</b>	 \$	 171,260

**PROPRIETARY FUNDS**

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2019**

	Business-Type Activities - Enterprise Fund Food Service	Governmental Activities - Internal Service Fund	Totals
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 10,194	\$	\$ 10,194
Accounts Receivable	21,161		21,161
Due From General			
Inventories	3,423		3,423
Total Current Assets	34,778		34,778
Fixed Assets:			
Work in Progress			
Equipment	100,216		100,216
Accumulated Depreciation	(39,884)		(39,884)
Total Fixed Assets	60,332		60,332
Total Assets	\$ 95,110	\$	\$ 95,110
<b>LIABILITIES AND FUND EQUITY:</b>			
Current Liabilities:			
Unearned Revenue	\$ 2,511	\$	\$ 2,511
Compensated Absences	5,832		5,832
Accounts Payable	11,558		11,558
Total Current Liabilities	19,901		19,901
Net Position:			
Investment in Fixed Assets	60,332		60,332
Unrestricted	14,877		14,877
Total Fund Equity	75,209		75,209
Total Liabilities and Net Position	\$ 95,110	\$	\$ 95,110

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



TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019

	Business-Type Activities - Enterprise Fund Food Service	Governmental Activities - Internal Service Fund	Total Enterprise
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 51,514	\$	\$ 51,514
Daily Sales - Non-reimbursable Programs	19,478		19,478
Summer School Tuition		9,426	9,426
Total Operating Revenue:	<u>70,992</u>	<u>9,426</u>	<u>80,418</u>
Operating Expenses:			
Cost of Sales - Reimbursable Programs	93,788		93,788
Cost of Sales - Non Reimbursable Programs	2,324		2,324
Salaries	73,319	11,743	85,062
Employee Benefits	12,462	932	13,394
Repairs & Other Expenses	17,442		17,442
General Supplies	9,367		9,367
Miscellaneous		1,310	1,310
Depreciation	3,710		3,710
Support Salaries - Transportation		440	440
Total Operating Expenses	<u>212,412</u>	<u>14,425</u>	<u>226,837</u>
Operating Income (Loss)	<u>(141,420)</u>	<u>(4,999)</u>	<u>(146,419)</u>
Non-operating Revenues (Expenses):			
State Sources:			
State School Lunch Program	1,786		1,786
Federal Sources:			
National School Breakfast Program	24,120		24,120
National School Lunch Program	71,058		71,058
Food Distribution Program	14,588		14,588
Total Non-Operating Revenues (Expenses)	<u>111,552</u>		<u>111,552</u>
Income (Loss) Before Contributions & Transfers	<u>(29,868)</u>	<u>(4,999)</u>	<u>(34,867)</u>
Transfers In (Out)	25,000	4,999	29,999
Fixed Asset Adjustment	(2,265)		(2,265)
Change in Net Position	<u>(7,133)</u>	<u>(4,999)</u>	<u>(7,133)</u>
Total Net Position—Beginning	<u>82,342</u>		<u>82,342</u>
Total Net Position—Ending	<u>\$ 75,209</u>	<u>\$</u>	<u>\$ 75,209</u>

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

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Business-Type Activities - Enterprise Fund Food Service	Governmental Activities - Internal Service Fund	Total Enterprise
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers	\$ 70,992	\$ 9,426	\$ 80,418
Payments to Employees	(73,319)	(11,743)	(85,062)
Payments for Employee Benefits	(12,462)	(932)	(13,394)
Payments to Suppliers	(145,397)	(3,577)	(148,974)
Net Cash Provided by (used for) Operating Activities	(160,186)	(6,826)	(167,012)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
State Sources	1,786		1,786
Federal Sources	95,178		95,178
Operating Subsidies and Transfers to Other Funds	25,000	4,999	29,999
Net Cash Provided by (used for) Non-Capital Financing Activities	121,964	4,999	126,963
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchases of Capital Assets			
Net Cash Provided by (used for) Capital and Related Financing Activities			
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and Dividends			
Net Cash Provided by (used for) Investing Activities			
Net Increase (Decrease) in Cash and Cash Equivalents	(38,222)	(1,827)	(40,049)
Balances—Beginning of Year	48,416	1,827	50,243
Balances—End of Year	\$ 10,194	\$	\$ 10,194
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:</b>			
Operating Income (Loss) Provided by	\$ (141,420)	\$ (4,999)	(146,419)
(used for) Operating Activities			
Food Distribution Program	14,588		14,588
Depreciation and Net Amortization	3,710		3,710
(Increase) Decrease in Accounts Receivable	2,585	320	2,905
(Increase) Decrease in Interfund Receivable	215	2,994	3,209
(Increase) Decrease in Inventory	(565)		(565)
Increase (Decrease) in Unearned Revenue	81	(3,370)	(3,289)
Increase (Decrease) in Compensated Absences	773		773
Increase (Decrease) in Accounts Payable	(40,153)	(1,771)	(41,924)
Total Adjustments	(18,766)	(1,827)	(20,593)
Net Cash Provided by (used for) Operating Activities	\$ (160,186)	\$ (6,826)	\$ (167,012)

Noncash Noncapital Financing Activities:

During the Year, the District Received \$13,788 of Food Commodities from the U. S. Department of Agriculture

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

**FIDUCIARY FUNDS**

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2019

	<u>Unemployment Compensation Trust</u>	<u>Agency Fund</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 236,268	\$ 70,875
Total Assets	<u>236,268</u>	<u>70,875</u>
<b>LIABILITIES</b>		
Payroll Deductions Payable		34,242
Accounts Payable	1,768	
Payable to Student Groups		36,633
Total Liabilities	<u>\$ 1,768</u>	<u>\$ 70,875</u>
<b>NET POSITION</b>		
Held in Trust for Unemployment Claims and other Purposes	<u>\$ 234,500</u>	

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

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Unemployment Compensation Trust</u>
<b>ADDITIONS</b>	
Contributions:	
Plan Member	\$ 10,992
Total Additions	<u>10,992</u>
<b>DEDUCTIONS</b>	
Unemployment Claims	<u>18,658</u>
Total Deductions	<u>18,658</u>
Change in Net Position	(7,666)
Net Position—Beginning of the Year	<u>242,166</u>
Net Position—End of the Year	<u>\$ 234,500</u>

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

**MAURICE RIVER TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

Maurice River Township School District (District) is organized under the Constitution of the State of New Jersey. It is located in Cumberland County and provides educational services for all of Maurice River Township's grades K through 8 as authorized by state and federal guidelines.

The District serves an area of approximately seventy square miles. The District currently operates one instructional building and an administrative building. The Maurice River Township School District had an approximate enrollment at June 30, 2019 of 408 students.

**A. Reporting Entity:**

The Maurice River Township School District is a Type II District as provided by statute of the State of New Jersey. As a Type II District, it functions independently and operates under a locally elected Board form of government consisting of nine members elected to three-year terms, which are staggered.

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

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

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

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**New Accounting Standards:**

The School District has adopted the following GASB statements:

- GASB No. 83 - *Certain Asset Retirement Obligations*: This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). The requirements of Statement will be effective for reporting periods beginning after June 15, 2018. The adoption of GASB 83 is not expected to impact the financial statements of the School District.
- GASB No. 88 - *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*: The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. The adoption of GASB 88 is not expected to impact the financial statements of the School District.

**MAURICE RIVER TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**New Accounting Standards (Cont'd):**

Other accounting standards that the School District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB 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. The requirements of Statement will be effective for reporting periods beginning after December 15, 2018. The Board is evaluating the potential impact of the adoption of GASB 84 on the School District's financial statements.
- GASB 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. The requirements of Statement will be effective for reporting periods beginning after December 15, 2019. The Board is evaluating the potential impact of the adoption of GASB 87 on the School District's financial statements.
- GASB No. 89 - *Accounting for Interest Cost Incurred before the End of a Construction Period*: The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Management is evaluating the potential impact of the adoption of GASB 89 on the School District's financial statements.
- GASB Statement - No. 90 - *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*: The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Management is evaluating the potential impact of the adoption of GASB 90 on the School District's financial statements.
- GASB Statement - No. 91 - *Conduit Debt Obligations*: The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Management is evaluating the potential impact of the adoption of GASB 91 on the School District's financial statements.

**MAURICE RIVER TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**A. Basis of Presentation:**

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

District-wide Statements: The statement of Net Position and the statements of activities display information about the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of Net Position presents the financial condition of the governmental and business-type activities of the District at the fiscal year end while the statement of activities presents a comparison between direct expenses and program revenues for each different business-type activity of the District and for each function of the District's governmental activities.

- Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses-expenses of the District related to the administration and support of the District's programs, such as personnel and accounting-are not allocated to programs.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes and state formula aid, are presented as general revenues.

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

**B. Fund Accounting:**

The accounts of the District are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions on the resources available. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds in accordance with activities or objectives specified for the resources. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the financial statements in this report as follows:



**MAURICE RIVER TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**B. Fund Accounting (Cont'd):**

**GOVERNMENTAL FUND TYPE**

**General Fund** - The General Fund is the general operating fund of the 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 which are classified in the Capital Outlay sub-fund.

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

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

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

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

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

**PROPRIETARY FUND TYPE**

The focus of Proprietary Fund measurement is on determination of net income, financial position and cash flows. The applicable generally accepted accounting principles are similar to businesses in the private sector. The following is a description of the Proprietary Funds of the District:

**Enterprise (Food Service) Funds** - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the District is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Fund is comprised of the Food Service Fund.

**MAURICE RIVER TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**B. Fund Accounting (Cont'd):**

**Enterprise (Food Service) Funds (Cont'd)**

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or non-current, associated with their activity are included on their balance sheets. Their reported fund equity (net position) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net position.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Food Service Fund Equipment	7 - 20 Years
-----------------------------	--------------

**Internal Service Fund**

The Maurice River Township School District does not maintain an Internal Service whereby services would be provided on a cost-reimbursement basis.

**FIDUCIARY FUND TYPE**

Fiduciary Funds include Expendable Trust, Nonexpendable Trust and Agency Funds. The measurement focus of the Expendable Trust Funds is the same as for governmental funds. The measurement focus of the Nonexpendable Trust Funds is similar to Proprietary Funds. Agency Funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations. The following is a description of the Fiduciary Funds of the School District:

**Trust and Agency Funds** - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

**Expendable Trust Fund** - An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. Expendable Trust Funds include Unemployment Compensation Insurance and a scholarship fund.

**Nonexpendable Trust Fund** - A Nonexpendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. The District does not maintain a Nonexpendable Trust Fund.

**Agency Funds** - Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activities funds.

**MAURICE RIVER TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**C. Basis of Accounting and Measurement Focus:**

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

*District-wide, Proprietary and Fiduciary Fund Financial Statements:* The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; the enterprise fund and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under the New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available.

The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989.

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

**D. Budgets/Budgetary Control:**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds, which are submitted to the county office. 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 and 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, except for the special revenue fund as described later.

**MAURICE RIVER TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**D. Budgets/Budgetary Control (Cont'd):**

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. The Board of Education did not make any material supplemental budgetary appropriations during the fiscal year.

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

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

A reconciliation of the special revenue funds from the budgetary basis of accounting (as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue and Debt Service Funds) to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types is shown on Exhibit C-2.

**E. Encumbrance Accounting:**

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

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

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

**F. Tuition Receivable:**

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

**MAURICE RIVER TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**G. Tuition Payable:**

Tuition charges for the fiscal years 2018-19, 2017-18, and 2016-17 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

**H. Inventories and Prepaid Expenses:**

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

On District-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2019.

**I. Short -Term Interfund Receivables/Payables:**

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

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

**Transactions**

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

**Inventories**

On District-wide financial statements and in the enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method and is expended when used. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2019.

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1986, as revised) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

**Capital Assets**

General fixed assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The general fixed assets acquired or constructed prior to June 30, 2019 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. General fixed assets are reflected as expenditures in the applicable governmental funds, and the related assets are reported in the general fixed assets. Expenditures that enhance the asset or significantly extend the useful life of the asset are considered improvements and are added to the fixed asset's currently capitalized cost. The cost of normal repairs and maintenance are not capitalized. Assets in general fixed assets are not depreciated.

Capital assets are depreciated in the District-wide financial statements using the straight-line method over the following estimated useful lives:

**MAURICE RIVER TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**J. Assets, Liabilities and Equity (Cont'd):**

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

**K. Compensated Absences:**

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

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as expenditure and fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absences liability is reported in the Statement of Net Position. In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

**L. Unearned Revenue:**

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

**M. Operating Revenues and Expenses:**

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

**N. Allocation of Indirect Expenses:**

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

**MAURICE RIVER TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**O. Extraordinary and Special Items:**

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

**P. Fund Equity:**

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

**Q. Comparative Data/Reclassifications:**

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations. Also, certain immaterial amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**R. Management Estimates:**

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

**S. Accrued Liabilities and Long-term Obligations:**

All payables, accrued liabilities, and long-term obligations are reported on the District-wide financial statements. Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the Statement of Net Position.

**T. Net Position:**

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position 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. The School District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**MAURICE RIVER TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**U. Fund Balance Reserves:**

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

**V. Revenues - Exchange and Non-exchange Transactions:**

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

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the period in which the income is earned.

Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or for the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year end: property taxes available as an advance, interest, and tuition.

**W. Lease Acquisition Costs:**

As part of any long-term lease agreement, providing for the use of school buildings, payments constituting professional lease acquisition and other related professional fees will be expensed when incurred in accordance with GASB Statement No. 65. There were no such leases for the year ended June 30, 2019.

**NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. 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. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey School Districts. Investments are stated at cost, or amortized cost, which approximates market.



**MAURICE RIVER TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)**

The amortized cost method involves valuing a security at its cost on the date of purchase and thereafter assuming a constant amortization to maturity for any discount or premium. The Board classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

Deposits:

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

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

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

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

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

Investments:

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

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank for Cooperatives, which have a maturity date no greater than twelve months from the date of purchase.
- c. Bonds of other obligations of the school district

As of June 30, 2019, cash and cash equivalents in the fund financial statements of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>
Checking accounts	\$ 1,349,508
N.J. Cash Management Fund	78,843
Total	<u>\$ 1,428,351</u>

**MAURICE RIVER TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)**

**Custodial Credit Risk** - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 t seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local government agencies. The program is administered by the Commissioner of the NJ Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. As of June 30, 2019, \$1,443,706 of the School Districts bank balance of \$1,772,549 was uninsured and exposed to custodial credit risk.

**New Jersey Cash Management Fund** - All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis.

As of June 30, 2019, the District had \$78,843 of funds on deposit with the New Jersey Cash Management Fund.

**NOTE 4. CAPITAL RESERVE ACCOUNT**

Capital reserve accounts may be established by New Jersey School Districts for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. A capital reserve account is maintained in the General Fund and its activity is included in the general fund annual budget. Funds placed in the capital reserve account are restricted to capital projects in the District's Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A: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 LRFP balance of local support costs of uncompleted capital projects at June 30, 2019 is \$423,728.

**NOTE 5. MAINTENANCE RESERVE ACCOUNT**

New Jersey Statute 18A:7G-9 permits school districts to accumulate funds for the required maintenance of a facility in accordance with EFCFA. The balance may only be increased through an appropriation in the annual general fund budget certified for taxes. Upon completion of a school facilities projects, districts are required to submit a plan for maintenance of that facility. The activity of the maintenance reserve for the July 1, 2018 to June 30, 2019 fiscal year is as follows:

Beginning Balance July 1, 2018	\$	127,892
Withdrawn		(127,892)
Added		355,292
Ending Balance June 30, 2019	\$	355,292

**MAURICE RIVER TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 6. CAPITAL ASSETS**

Capital Asset Activity for the Year Ended June 30, 2019 was as Follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
<b>Capital Assets that are not Being Depreciated:</b>				
Land	\$ 62,441	\$	\$	\$ 62,441
Total Capital Assets not Being Depreciated	62,441			62,441
Land Improvements	364,858			364,858
Building and Building Improvements	4,473,281			4,473,281
Machinery and Equipment	1,644,899	37,118		1,682,017
Totals at Historical Cost	6,483,038	37,118		6,520,156
<b>Less Accumulated Depreciation for :</b>				
Land Improvements	(306,732)	(3,229)		(309,961)
Building and Improvements	(2,267,888)	(83,407)		(2,351,295)
Equipment	(1,341,356)	(53,549)		(1,394,905)
Total Accumulated Depreciation	(3,915,976)	(140,185)		(4,056,161)
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	2,567,062	(103,067)		2,463,995
<b>Government Activities Capital Assets, Net</b>	<b>\$ 2,629,503</b>	<b>\$ (103,067)</b>	<b>\$</b>	<b>\$ 2,526,436</b>
	To A-1			To A-1
<b>Business-type Activities:</b>				
Equipment	\$ 64,557	\$ 47,624	\$ (11,965)	\$ 100,216
Work in Progress	47,624	(47,624)		
Less Accumulated Depreciation	(45,874)	(3,710)	9,700	(39,884)
<b>Business-type Activities Capital Assets, Net</b>	<b>\$ 66,307</b>	<b>\$ (3,710)</b>	<b>\$ (2,265)</b>	<b>\$ 60,332</b>

Depreciation Expense was Charged to Governmental Function as Follows:

Unallocated	To A-2	\$ 140,185
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**MAURICE RIVER TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 7. LONG-TERM OBLIGATIONS**

During the fiscal year ended June 30, 2019, the following changes occurred in long-term obligations:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within One Year	Long-term Portion
<b>Governmental Activities:</b>						
<b>Bonds Payable:</b>						
General Obligation Debt	\$ 580,000		\$ 150,000	\$ 430,000	\$ 145,000	\$ 285,000
Total Bonds Payable	580,000		150,000	430,000	145,000	285,000
<b>Other Liabilities:</b>						
Net Pension Liability	1,768,508		271,560	1,496,948		1,496,948
Compensated Absences Payable	41,773		6,837	34,936		34,936
Total Other Liabilities	<u>\$ 2,390,281</u>		<u>\$ 428,397</u>	<u>\$ 1,961,884</u>	<u>\$ 145,000</u>	<u>\$ 1,816,884</u>
					To A-1	
<b>Business-Type Activities:</b>						
Compensated Absences Payable						

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

Principal and interest due on bonds outstanding is as follows:

Year ending June 30,	Principal	Interest	Total
2020	\$ 145,000	\$ 17,738	\$ 162,738
2021	145,000	11,756	156,756
2022	140,000	5,775	145,775
	<u>\$ 430,000</u>	<u>\$ 35,269</u>	<u>\$ 465,269</u>

**B. Bonds Authorized But Not Issued** - As of June 30, 2019, the District had no authorized but not issued bonds.

**NOTE 8. OPERATING LEASES**

The District had commitments to lease a mailing system under operating leases that expires in 2020. The future minimum lease payments are as follows:

Year	Amount
2020	\$ 1,490
	<u>\$ 1,490</u>

**MAURICE RIVER TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 9. PENSION PLANS**

**Description of Plans** - Eligible employees of the School District can be covered by Public Employees' Retirement System (PERS), Teachers' Pension and Annuity Fund (TPAF), or Defined Contribution Retirement Program (DCRP). PERS and TPAF are administered by the New Jersey Division of Pension and Benefits (NJDPB) and the DCRP is jointly administered by Prudential and NJDPB. The NJDPB issues publicly available financial reports that include financial statements and required supplementary information for the systems. These reports may be obtained online at <https://www.nj.gov/treasury/pensions/financial-reports.shtml>.

**Public Employees' Retirement System**

The PERS is a cost sharing multiple-employer defined benefit pension plan that was established in 1955. The PERS provides retirement, death and disability, and medical benefits to qualified members. The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A. All benefits vest after ten years of service, except for medical benefits that vest after 25 years of service or under the disability provisions of PERS.

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 with 30 years or more 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.

The following represents the membership tiers for PERS:

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

**Contributions** - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The PERS member total contribution rate as of July 1, 2018 was 7.5% of base salary. The District employees' contributions for the year ended June 30, 2019 were 39,978. Employers in PERS are required to contribute at an actuarially determined rate which includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. The PERS employer rate due in 2019 is 13.37% of covered payroll. The District is billed annually for its normal contribution plus any accrued liability. These contributions were paid by the District and equal to the required contributions for each year. The District's contributions to PERS for the years ended June 30, 2019, and 2018, were \$75,989 and \$71,375 respectively.

The total payroll for the year ended June 30, 2019 was \$3,566,907. Payroll covered by PERS was \$533,033 for fiscal year 2019.

**MAURICE RIVER TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 9. PENSION PLANS (CONT'D)**

**Public Employees' Retirement System (Cont'd)**

**Components of Net Pension Liability** - At June 30, 2019, the District's proportionate share of the PERS net pension liability was \$1,496,948. The net pension liability was measured as of June 30, 2018. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2018. The District's proportion measured as of June 30, 2018 was 0.007603% which was an increase of 0.00001% from its proportion measured as of June 30, 2017.

**Pension Expense and Deferred Outflows/Inflows of Resources** - The District's 2019 PERS pension expense, with respect to GASB 68, was \$45,046. The District's 2019 deferred outflows of resources and deferred inflows of resources were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 28,547	\$ 7,719
Changes of assumptions	246,672	478,644
Net difference between projected and actual earnings on pension plan investments		14,041
Changes in proportion	1,032	104,485
Contributions subsequent to the measurement date	75,989	
<b>Total</b>	<b>\$ 352,240</b>	<b>\$ 604,889</b>

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

Year		PERS
2020	\$	(52,499)
2021		(71,636)
2022		(133,568)
2023		(70,692)
2024		(243)
Thereafter		
<b>Total</b>	<b>\$</b>	<b>(328,638)</b>

**MAURICE RIVER TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 9. PENSION PLANS (CONT')**

**Public Employees' Retirement System (Cont'd)**

**Additional Information** - Collective Balances at June 30, 2019 and 2018 are as follows:

Year	2019	2018
Collective deferred outflows of resources	\$ 352,240	\$ 481,352
Collective deferred inflows of resources	\$ 604,889	\$ 497,633
Collective Net Pension Liability	\$ 1,496,948	\$ 1,768,508
District's Proportion	0.007603%	0.007597%

**Actuarial Assumptions** - The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<b><u>PERS</u></b>
Measurement Date	June 30, 2018
Actuarial Valuation Date	July 1, 2017
Investment Rate of Return	7.00%
Salary Scale (Based on Age):	
Through 2026	1.65% - 4.15%
Thereafter	2.65% - 5.15%
Inflation	2.25%

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality 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).

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

**MAURICE RIVER TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 9. PENSION PLANS (CONT'D)**

**Public Employees' Retirement System (Cont'd)**

**Long-Term Expected Rate of Return** - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2018 are summarized in the following table:

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

**Discount Rate** - The discount rate, as of June 30, 2018, used to measure the total pension liability was 5.66% for PERS. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.87% as of June 30, 2018 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2046 for PERS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2046 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.



**MAURICE RIVER TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 9. PENSION PLANS (CONT'D)**

**Public Employees' Retirement System (Cont'd)**

**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate** - The following presents the collective net pension liability of the participating employers as of June 30, 2018, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.66%) or 1-percentage-point higher (6.66%) than the current rate:

	1% Decrease (4.66%)	Current Discount (5.66%)	1% Increase (6.66%)
District's Proportionate Share of the Net Pension Liability	\$ <u>1,882,239</u>	\$ <u>1,496,948</u>	\$ <u>1,173,713</u>

**Teachers' Pension and Annuity Fund**

The State of New Jersey Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special funding situation that was established in 1955. As under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

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

The following represents the membership tiers for TPAF:

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

**Special Funding Situation** - The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

**MAURICE RIVER TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 9. PENSION PLANS (CONT'D)**

**Teachers' Pension and Annuity Fund (Cont'd)**

**Contributions** - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. The member contribution rate was 7.5% in as of July 1, 2018. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2018, 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 District and all other related non-contributing employers. No normal or accrued liability contribution by the 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 District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2019 because of the 100% special funding situation with the State of New Jersey.

During the fiscal year ended June 30, 2019, the State of New Jersey contributed \$458,261 to the TPAF for pension contributions, \$207,866 for post-retirement benefits on behalf of the School, and \$607 for long-term disability. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$180,221 during the year ended June 30, 2019 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

**Components of Net Pension Liability** - At June 30, 2019, the District was not required to report a liability for its proportionate share of the net pension liability because of a 100% reduction for State of New Jersey pension support provided to the District.

**Pension Expense** - For the year ended June 30, 2019, the District recognized pension expense of \$835,571 and revenue of \$835,571 for support provided by the State.

**Actuarial Assumptions** - The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>TPAF</u>
Measurement Date	June 30, 2018
Actuarial Valuation Date	July 1, 2017
Investment Rate of Return	7.00%
Salary Scale (Based on Age):	
Through 2026	1.55% - 4.55%
Thereafter	2.00% - 5.45%
Inflation	2.25%

**MAURICE RIVER TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 9. PENSION PLANS (CONT'D)**

**Teachers' Pension and Annuity Fund (Cont'd)**

**Long-Term Expected Rate of Return** - Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2018 are summarized in the following table:

Asset Class	TPAF Target Allocation	Long-Term Expected Real Rate of Return
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
US Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Client 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	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%
<b>Total</b>	<b>100.00%</b>	

**Discount Rate** - The discount rate used to measure the total pension liability was 4.25% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.58% as of June 30, 2018 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 40% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2036. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2036 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**MAURICE RIVER TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 9. PENSION PLANS (CONT'D)**

**Teachers' Pension and Annuity Fund (Cont'd)**

**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate** - The following presents the collective net pension liability of the participating employers as of June 30, 2019, calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.66%) or 1-percentage-point higher (6.66%) than the current rate:

	1% Decrease (3.86%)	Current Discount (4.86%)	1% Increase (5.86%)
State's Share of the Net Pension Liability associated with the District	\$ 16,991,668	\$ 14,333,116	\$ 12,206,915
State's Share of the Net Pension Liability	\$ 75,417,894,537	\$ 63,806,350,446	\$ 54,180,663,328

**Pension Plan Fiduciary Net Position** - Detailed information about each pension plan's fiduciary net position is available in the separately issued New Jersey Division of Pension and Benefits financial report. Information on where to obtain the report is indicated at the beginning of this note.

**NOTE 10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

**General Information about the OPEB Plan**

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

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

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

**MAURICE RIVER TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**

**General Information about the OPEB Plan (Cont'd)**

As of June 30, 2017, the Local Education Retired Plan had 99,686 Inactive employees or beneficiaries currently receiving benefit payments and 224,418 Active employees.

**Special Funding Situation**

The participating local education employer allocations included in the supplemental Schedule of special funding amounts by employer are provided as each local education employer is required to record in their financial statements, as an expense and corresponding revenue, their respective amount of total OPEB expense attributable to the State of New Jersey under the special funding situation and to include their respective amount of total OPEB liability in their notes to their financial statements. The total OPEB liability and service cost for each employer was determined separately based on actual data for each employer's participants.

**Total OPEB Liability**

The State of New Jersey's total OPEB liability, as of the measurement date of June 30, 2018, was \$46,110,832,982. Of this amount, the total OPEB liability attributable to the School District was \$15,781,638. The State of New Jersey's proportionate share of the total OPEB liability is 100%, including the proportion attributable to the School District of 0.03423%. The total OPEB liability for the School District measured as of June 30, 2018 is zero as a result of the Special Funding Situation with the State of New Jersey. The School District's proportionate share of the total OPEB liability measured as of June 30, 2018 is 0.00%. Accordingly, the School District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position.

**Total Nonemployer OPEB Liability**

The total nonemployer OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<b>TPAF/ABP</b>	<b>PERS</b>	<b>PFRS</b>
Inflation Rate	2.50%	2.50%	2.50%
	Based on	Based on	Based on
Salary Increases:	Years of Service	Age	Age
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%

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.

**MAURICE RIVER TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**

**Total Nonemployer OPEB Liability (Cont'd)**

The actuarial assumptions used in the June 30, 2017 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 and PERS, respectively.

100% of all retirees who currently have healthcare coverage are assumed to continue with that coverage. 100% of all active members are considered to participate in the Plan upon retirement, having a coverage blend of 85% and 15% in PPO and HMO, respectively.

**Health Care Trend Assumptions**

For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven 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, 2018 was 3.87%. 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.

**Changes in the Total OPEB Liability**

State of New Jersey	<b>Total OPEB Liability</b>
<b>Balance as of June 30, 2017 Measurement Date</b>	\$ <u>53,639,841,858</u>
Changes for the year:	
Service Cost	1,984,642,729
Interest	1,970,236,232
Changes of Benefit Terms	
Differences between Expected and Actual	(5,002,065,740)
Changes of Assumptions	(5,291,448,855)
Benefit Payments	(1,232,987,247)
Contributions from Members	42,614,005
<b>Net Changes</b>	<u>(7,529,008,876)</u>
<b>Balance as of June 30, 2018 Measurement Date</b>	\$ <u><u>46,110,832,982</u></u>

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

The following presents the total nonemployer OPEB liability as of June 30, 2018, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

**MAURICE RIVER TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**

**Sensitivity of Total Nonemployer OPEB Liability to changes in the discount rate (Cont'd)**

June 30, 2018		
At 1.00% Decrease 2.87%	At Discount Rate 3.87%	At 1.00% Increase 4.87%
\$ 54,512,391,175	46,110,832,982	39,432,461,816

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

The following presents the total nonemployer OPEB liability as of June 30, 2018, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

June 30, 2018		
1.00% Decrease	Healthcare Cost Trend Rate	1.00% Increase
\$ 38,113,289,045	46,110,832,982	56,687,891,003

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

For the year ended June 30, 2019, the School District recognized OPEB expense of \$571,055. The School District reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$	\$ 1,531,960
Changes of Assumptions		3,537,535
Net difference Between Projected and Actual Earnings on OPEB Plan Investments		
Changes in Proportion		633,429
Contributions Subsequent to the Measurement Date		
Total	\$	\$ 5,702,924

**MAURICE RIVER TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**

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

Measurement Period Ending June 30,	OPEB
2019	\$ (699,408)
2020	(699,408)
2021	(699,408)
2022	(699,408)
2023	(699,408)
Thereafter	(2,205,884)
Total	\$ (5,702,924)

**NOTE 11. 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 that are 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 employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the School District's personnel policies. Upon termination, employees are paid for accrued vacation. The School District's policy permits employees to accumulated 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 agreement with the various employee unions.

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

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2019, a liability existed for compensated absences in the General Fund of \$34,936 and \$5,832 in the Food Service Fund.

**NOTE 12. DEFERRED COMPENSATION**

The Board offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators during the year ended June 30, 2019 were AXA Equitable, Metlife, VOYA, Lincoln Investment and State of NJ - SACT through employee pension. The district also converted from a pre-taxed disability plan to a post-tax plan with AFLAC under Section 125 of the Internal Revenue Service.



**MAURICE RIVER TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 13. RISK MANAGEMENT**

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

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2018-2019	\$ 0	\$ 10,992	\$ 20,426	\$ 234,500
2017-2018	0	11,650	6,128	242,166
2016-2017	0	11,052	6,440	236,644

**NOTE 14. INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances remained on the balance sheet at June 30, 2019:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 2,660	\$
Special Revenue Fund	\$	2,660
Total	<u>\$ 2,660</u>	<u>\$ 2,660</u>

**NOTE 15. INVENTORY**

Inventory in the Food Service Fund at June 30, 2019 consisted of the following:

Food	\$ 2,390
Supplies	<u>1,033</u>
	<u>\$ 3,423</u>

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements. There was no ending commodity inventory value as of June 30, 2019.

**MAURICE RIVER TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 16. FUND BALANCE APPROPRIATED**

**General Fund** - Of the \$1,193,266 Fund balance at June 30, 2019, \$112,399 is Assigned for encumbrances; \$10,765 is restricted as excess surplus in accordance with N.J.S.A. 18A:7F-7; \$355,292 is restricted for Maintenance Reserve; \$200,000 is restricted for Emergency Reserve, of which \$0 has been appropriated as anticipated revenue for the year ending June 30, 2020; \$90,000 is assigned for Capital Reserve, all of which has been appropriated and also included as anticipated revenue for the year ending June 30, 2020; \$363,858 is restricted for Tuition Reserve, of which \$150,000 has been appropriated also included as anticipated revenue for the year ending June 30, 2020; \$250,000 has been assigned as fund balance appropriated and also included as anticipated revenue for the year ending June 30, 2020 and (\$189,048) represents an unrestricted and undesignated deficit in fund balance.

**Debt Service Fund** - The Debt Service Fund balance at June 30, 2019 is \$0.

**NOTE 17. DEFICIT FUND BALANCES**

The District has an Unrestricted and Undesignated deficit in the General Fund of \$189,048 and a deficit in the Special Revenue Fund of \$47,009, as of June 30, 2019 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 year, Districts must record the delayed one or more June state aid payments as revenue, for budgeted purposes only, in the current budget year. The bill provides legal authority for School Districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry i.e. if one government recognizes as asset, the other government recognizes a liability. Since the state is recording the June state aid payment(s) in the subsequent fiscal year, the school district cannot recognize the June state aid payment(s) (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the General and Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey Statute and regulation nor in need of corrective action. While the District had an unassigned, undesignated deficit in the GAAP fund statements of the current fund in the amount of \$189,048, this deficit was less than the amount of delayed payments and the \$47,009 deficit in the Special Revenue Fund is equal to the last state payment(s).

**NOTE 18. CALCULATION OF EXCESS SURPLUS**

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2005, c.73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey School Funding Reform Act of 2008 (SFRA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. There was an excess fund balance at June 30, 2019 of \$10,765, which is to be restricted and budgeted in the 2020-21 fiscal year.

**NOTE 19. LITIGATION**

The District is from time to time involved in claims and lawsuits incidental to its operations. Per confirmation by the District's Solicitor, there are currently no claims.

**MAURICE RIVER TOWNSHIP BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 20. TUITION**

Maurice River Township School District, along with three other sending Districts to Millville School District has commenced litigation against the State of New Jersey regarding the new regulations governing the calculation of the receiving District's current year tuition rate as well as the audited tuition rate. The new regulations allow for substantial increases in the current year tuition rate and at the same time substantial decreases in the audited tuition rate, causing the sending districts serious budget issues. For this reason, the sending districts are seeking a change in the regulations through litigation.

**NOTE 21. TAX ABATEMENT**

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

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

**NOTE 22. RECEIVABLES**

Receivables at June 30, 2019 consisted of intergovernmental grants and other items. All receivables are considered collectible in full.

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

	<u>General</u>	<u>Special</u>	<u>Proprietary</u>	<u>Total</u>
Receivables:	<u>Fund</u>	<u>Revenue</u>	<u>Funds</u>	<u>Funds</u>
Intergovernmental	\$ 84,502	\$ -	\$ 18,819	\$ 103,321
Other			2,342	2,342
Totals	<u>\$ 84,502</u>	<u>\$ -</u>	<u>\$ 21,161</u>	<u>\$ 105,663</u>

**End of Notes to Financial Statements**

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 2,953,190	\$	\$ 2,953,190	\$ 2,953,190	\$
Transportation Fees from other LEAs	25,000		25,000	87,591	62,591
Interest Earned				1,964	1,964
Miscellaneous	1,000		1,000	13,872	12,872
<b>Total - Local Sources</b>	<b>2,979,190</b>		<b>2,979,190</b>	<b>3,056,617</b>	<b>77,427</b>
State Sources:					
Equalization Aid	3,565,907		3,565,907	3,565,907	
Categorical Special Education Aid	332,611		332,611	332,611	
Categorical Security Aid	123,438		123,438	123,438	
Categorical Transportation Aid	345,391		345,391	345,391	
School Choice Aid	487,305		487,305	487,305	
Other State Aids:					
Non-public Transportation Aid				3,480	3,480
Extraordinary Aid				26,128	26,128
On-behalf TPAF Pension Contrib.(non-budgeted)				458,261	458,261
On-behalf TPAF Post Retirement Med'l Contrib.(non-budgeted)				207,866	207,866
On-behalf TPAFLong-term Disability Contrib.(non-budgeted)				607	607
Reimbursement TPAF Social Security Contrib. (non-budgeted)				180,221	180,221
<b>Total - State Sources</b>	<b>4,854,652</b>		<b>4,854,652</b>	<b>5,731,215</b>	<b>876,563</b>
Federal Sources:					
SEMI					
<b>TOTAL REVENUES</b>	<b>7,833,842</b>		<b>7,833,842</b>	<b>8,787,832</b>	<b>953,990</b>
<b>EXPENDITURES:</b>					
<b>CURRENT EXPENSE:</b>					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool	3,900	3,000	6,900	5,049	1,851
Kindergarten	150,756	(14,993)	135,763	133,783	1,980
Grades 1-5	747,330	28,413	775,743	773,865	1,878
Grades 6-8	503,370	40,078	543,448	511,333	32,115
Regular Programs - Home Instruction:					
Salaries of Teachers	15,000	(8,500)	6,500	4,218	2,282
Other Purchased Services	1,600		1,600		1,600
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	32,578	(8,897)	23,681	20,503	3,178
Purchased Professional - Educational Services	1,000		1,000		1,000
Purchased Technical Services	1,000		1,000		1,000
Other Purchased Services	19,100	(7,902)	11,198	10,711	487
General Supplies	85,987	37,413	123,400	85,045	38,355
Textbooks	23,000	2,343	25,343	11,618	13,725
Other Objects	500		500	106	394
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<b>1,585,121</b>	<b>70,955</b>	<b>1,656,076</b>	<b>1,556,231</b>	<b>99,845</b>

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Original Budget	Budget Transfers	Final Budget	Expenditures	Variance Final to Actual Favorable (Unfavorable)
<b>EXPENDITURES: (Continued)</b>					
<b>CURRENT EXPENSES: (Continued)</b>					
<b>SPECIAL EDUCATION - INSTRUCTION:</b>					
Learning/Language Disabilities					
Salaries of Teachers	\$ 100,970	\$ 2,744	\$ 103,714	\$ 102,298	\$ 1,416
Other Salaries for Instruction	112,535	(2,744)	109,791	87,863	21,928
General Supplies	2,500	326	2,826	326	2,500
Textbooks	1,000		1,000		1,000
<b>Total Learning/Language Disabilities</b>	<b>217,005</b>	<b>326</b>	<b>217,331</b>	<b>190,487</b>	<b>26,844</b>
Resource Room/Resource Center					
Salaries of Teachers	227,232	(50,619)	176,613	157,031	19,582
General Supplies	2,500	(111)	2,389	120	2,269
Textbooks	1,000		1,000		1,000
<b>Total Resource Room</b>	<b>230,732</b>	<b>(50,730)</b>	<b>180,002</b>	<b>157,151</b>	<b>22,851</b>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<b>447,737</b>	<b>(50,404)</b>	<b>397,333</b>	<b>347,638</b>	<b>49,695</b>
Basic Skills/Remedial - Instruction					
Salaries of Teachers	28,616	32,046	60,662	60,191	471
General Supplies	4,000	2,600	6,600	5,200	1,400
Textbooks	2,500	(316)	2,184		2,184
<b>Total Basic Skills</b>	<b>35,116</b>	<b>34,330</b>	<b>69,446</b>	<b>65,391</b>	<b>4,055</b>
School Sponsored Co-curricular Activities:					
Salaries of Teachers	36,000		36,000	29,680	6,320
Purchased Services	1,500		1,500		1,500
Supplies and Materials	5,500	130	5,630	3,904	1,726
Other Objects	200		200	48	152
<b>Total School Sponsored Co-curricular Activities</b>	<b>43,200</b>	<b>130</b>	<b>43,330</b>	<b>33,632</b>	<b>9,698</b>
<b>Total Instruction</b>	<b>2,111,174</b>	<b>55,011</b>	<b>2,166,185</b>	<b>2,002,892</b>	<b>163,293</b>
<b>UNDISTRIBUTED EXPENDITURES:</b>					
<b>Instruction:</b>					
Tuition - Regular - LEAs in State	1,115,685	63,272	1,178,957	1,125,104	53,853
Tuition to Other LEAs within State-Special	782,123	(37,060)	745,063	737,813	7,250
Tuition to CSSC & Regional Day Schools	267,805	59,997	327,802	275,664	52,138
<b>Total Undistributed Expenditures - Instruction</b>	<b>2,165,613</b>	<b>86,209</b>	<b>2,251,822</b>	<b>2,138,581</b>	<b>113,241</b>
Attendance and Social Work Services:					
Salaries	8,000		8,000	8,000	
Other Purchased Services	9,287	3,254	12,541	12,540	1
<b>Total Attendance and Social Work Services</b>	<b>17,287</b>	<b>3,254</b>	<b>20,541</b>	<b>20,540</b>	<b>1</b>

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Original Budget	Budget Transfers	Final Budget	Expenditures	Variance Final to Actual Favorable (Unfavorable)
<b>EXPENDITURES: (Continued)</b>					
<b>CURRENT EXPENSES: (Continued)</b>					
<b>UNDISTRIBUTED EXPENDITURES (Continued):</b>					
<b>Health Services:</b>					
Salaries	\$ 73,148	\$ 1,904	\$ 75,052	\$ 75,005	\$ 47
Purchased Professional and Technical Services	3,500	(262)	3,238	2,500	738
Other Purchased Services	600		600		600
Supplies and Materials	2,788	(506)	2,282	473	1,809
Other Objects	300		300		300
<b>Total Health Services</b>	<b>80,336</b>	<b>1,136</b>	<b>81,472</b>	<b>77,978</b>	<b>3,494</b>
<b>Speech, OT, PT and Related Services:</b>					
Purchased Professional- Educational Services	70,000		70,000	70,000	
Supplies and Materials	500		500		500
<b>Total Undistributed Expenditures - Speech, OT, PT &amp; Related Services</b>	<b>70,500</b>		<b>70,500</b>	<b>70,000</b>	<b>500</b>
<b>Other Support Services - Students - Extraordinary Services:</b>					
Purchased Professional - Educational Services	40,000	(3,254)	36,746	19,310	17,436
<b>Total Undistributed Expenditures Other Support Services-Students-Extraordinary Services</b>	<b>40,000</b>	<b>(3,254)</b>	<b>36,746</b>	<b>19,310</b>	<b>17,436</b>
<b>Guidance</b>					
Salaries of Other Professional Staff	101,287	4,253	105,540	104,926	614
Other Salaries	300	103	403	402	1
Supplies and Materials	1,000	(668)	332	154	178
Other Objects	500		500		500
<b>Total Other Support Services-Students-Regular</b>	<b>103,087</b>	<b>3,688</b>	<b>106,775</b>	<b>105,482</b>	<b>1,293</b>
<b>Child Study Team</b>					
Salaries of Other Professional Staff	2,500	(780)	1,720	944	776
Purchased Professional - Educational Services	75,065		75,065	75,065	
Miscellaneous Purchased Services	600		600		600
Supplies and Materials	500		500		500
<b>Total Other Support Services - Students - Special Services</b>	<b>78,665</b>	<b>(780)</b>	<b>77,885</b>	<b>76,009</b>	<b>1,876</b>
<b>Improvement of Instruction Services - Other Support</b>					
Salaries of Supervisors of Instruction	141,302	(402)	140,900	128,802	12,098
Salaries of Secretarial and Clerical Assistants	23,664	402	24,066	24,052	14
Purchased Professional-Educational Services	3,000		3,000	1,241	1,759
<b>Total Improvement of Instruction Services</b>	<b>167,966</b>		<b>167,966</b>	<b>154,095</b>	<b>13,871</b>
<b>Educational Media Services/School Library:</b>					
Purchased Professional and Technical Services	300		300		300
Other Purchased Services	4,750		4,750	3,986	764
Supplies and Materials	500		500		500
<b>Total Educational Media Services/School Library</b>	<b>5,550</b>		<b>5,550</b>	<b>3,986</b>	<b>1,564</b>



**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Original Budget	Budget Transfers	Final Budget	Expenditures	Variance Final to Actual Favorable (Unfavorable)
<b>EXPENDITURES: (Continued)</b>					
<b>CURRENT EXPENSES: (Continued)</b>					
<b>UNDISTRIBUTED EXPENDITURES: (Continued)</b>					
Instructional Staff Training Services:					
Salaries of Other Professional Staff	\$ 20,000	\$	\$ 20,000	\$	\$ 20,000
Other Salaries	300		300		300
Purchased Professional - Educational Services	4,500		4,500	1,200	3,300
Other Purchased Services	6,600	2,800	9,400	6,177	3,223
Supplies and Materials	1,400		1,400	407	993
<b>Total Instructional Staff Training</b>	<b>32,800</b>	<b>2,800</b>	<b>35,600</b>	<b>7,784</b>	<b>27,816</b>
Support Services General Administration:					
Salaries	88,725	402	89,127	89,126	1
Legal Services	5,000	(503)	4,497	695	3,802
Audit Fees	13,690		13,690	12,498	1,192
Other Purchased Professional Services	9,111	54	9,165	5,684	3,481
Communication/Telephone	26,088	(980)	25,108	19,993	5,115
BOE Other Purchased Services	2,000	(533)	1,467	249	1,218
Other Purchased Services	21,424	533	21,957	18,334	3,623
General Supplies	1,000		1,000	846	154
BOE In-House Training/Meeting Supplies	150		150		150
Miscellaneous Expenditures	7,000	1,327	8,327	1,723	6,604
BOE Membership Dues and Fees	8,500		8,500	4,231	4,269
<b>Total Support Services General Administration</b>	<b>182,688</b>	<b>300</b>	<b>182,988</b>	<b>153,379</b>	<b>29,609</b>
Support Services School Administration:					
Salaries of Principals/Assistant Principals	47,148		47,148	47,148	
Salaries of Secretarial and Clerical Assistants	28,364		28,364	27,723	641
Purchased Professional and Technical Services	6,162		6,162	1,000	5,162
Other Purchased Services	6,100		6,100	4,745	1,355
Supplies and Materials	4,000	47	4,047	2,352	1,695
Other Objects	2,700		2,700	2,460	240
<b>Total Support Services School Administration</b>	<b>94,474</b>	<b>47</b>	<b>94,521</b>	<b>85,428</b>	<b>9,093</b>
Undistributed Services - Central Services					
Salaries	179,794		179,794	167,903	11,891
Purchased Professional Services	40,085	(5,000)	35,085	3,500	31,585
Purchased Technical Services	1,000		1,000	275	725
Miscellaneous Purchased Services	13,000	6,000	19,000	7,597	11,403
Supplies and Materials	7,000	(267)	6,733	3,894	2,839
Miscellaneous Expenditures	1,200		1,200	1,065	135
<b>Total Central Services</b>	<b>242,079</b>	<b>733</b>	<b>242,812</b>	<b>184,234</b>	<b>58,578</b>
Admin. Info. Technology					
Salaries	42,963		42,963	42,962	1
Purchased Technical Services	1,000		1,000		1,000
Other Purchased Services	4,500		4,500	1,000	3,500
Supplies and Materials	2,500		2,500		2,500
<b>Total Admin. Info. Technology</b>	<b>50,963</b>		<b>50,963</b>	<b>43,962</b>	<b>7,001</b>

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Original Budget	Budget Transfers	Final Budget	Expenditures	Variance Final to Actual Favorable (Unfavorable)
<b>EXPENDITURES: (Continued)</b>					
<b>CURRENT EXPENSES: (Continued)</b>					
<b>UNDISTRIBUTED EXPENDITURES: (Continued)</b>					
Required Maintenance for School Facilities					
Increase in Maintenance Reserve	\$	\$	\$	\$	\$
Cleaning, Repair and Maintenance Services	15,765	355,183	370,948	226,557	144,391
General Supplies	2,000	(96)	1,904		1,904
Other Objects		1,396	1,396	1,150	246
<b>Total Required Maintenance for School Facilities</b>	<b>17,765</b>	<b>356,483</b>	<b>374,248</b>	<b>227,707</b>	<b>146,541</b>
Custodial Services					
Salaries	258,974	(12,245)	246,729	245,676	1,053
Purchased Professional and Tech Services	800	1,000	1,800	1,020	780
Cleaning/ Repair Maintenance	13,000	53,752	66,752	57,158	9,594
Insurance	80,799	(18,497)	62,302	62,301	1
Misc. Purchased Services	3,000		3,000	1,143	1,857
General Supplies	22,000	20,018	42,018	38,657	3,361
Energy (Natural Gas)	20,000	11,208	31,208	25,886	5,322
Energy (Electricity)	77,911	42,717	120,628	120,627	1
Other Objects	1,200	1,000	2,200	1,111	1,089
<b>Total Operating/ Maintenance Plant</b>	<b>477,684</b>	<b>98,953</b>	<b>576,637</b>	<b>553,579</b>	<b>23,058</b>
Security					
Purchased Professional and Tech Services	25,000	(10,351)	14,649	7,880	6,769
General Supplies	25,000	8,670	33,670	11,340	22,330
<b>Total Security</b>	<b>50,000</b>	<b>(1,681)</b>	<b>48,319</b>	<b>19,220</b>	<b>29,099</b>
<b>Total Operations and Maintenance</b>	<b>545,449</b>	<b>453,755</b>	<b>999,204</b>	<b>800,506</b>	<b>198,698</b>
Student Transportation Services:					
Salaries of Non-Instructional Aides	18,560		18,560	9,769	8,791
Salaries for Pupil Transportation (Between Home and School) - Regular	169,827	(24,737)	145,090	121,668	23,422
Salaries for Pupil Transportation (Between Home and School) - Special	62,926	(2,263)	60,663	51,575	9,088
Salaries for Pupil Transportation (Other than Between Home and School)	1,200		1,200		1,200
Salaries for Pupil Transportation (Between Home and School) - Nonpublic	1,200		1,200		1,200
Management Fee- ESC Transportation Program	4,410		4,410		4,410
Other Purchased Professional and Technical Services	1,500		1,500	445	1,055
Cleaning, Repair, and Maintenance Services	86,000	27,000	113,000	111,066	1,934
Lease Purchase Payments - School Buses	12,000	(12,000)			
Contracted Services- Aid in Lieu of Payments- Non-Public	23,000	2,386	25,386	14,500	10,886
Contracted Services (Home/School) Vendors	9,981	(5,000)	4,981		4,981
Contracted Svcs. (Other than Betwn Home/Sch) Vendors	10,000		10,000	4,197	5,803
Contracted Svcs (Other than Betwn Home/Sch) Joint Agreee.	20,000	(20,000)			
Contracted Services (Special Ed) - Joint Agreements	150,474	35,793	186,267	168,127	18,140
Miscellaneous Purchased Services - Transportation	10,050	(10,000)	50		50
General Supplies	53,500	460	53,960	46,736	7,224
Other Objects	7,900	(67)	7,833	5,888	1,945
<b>Total Student Transportation Services</b>	<b>642,528</b>	<b>(8,428)</b>	<b>634,100</b>	<b>533,971</b>	<b>100,129</b>

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Expenditures</u>	<u>Variance Final to Actual Favorable (Unfavorable)</u>
<b>EXPENDITURES: (Continued)</b>					
<b>CURRENT EXPENSES: (Continued)</b>					
<b>UNDISTRIBUTED EXPENDITURES: (Continued)</b>					
<b>PERSONAL SERVICES - EMPLOYEE BENEFITS:</b>					
Unallocated Benefits - Employee Benefits					
Social Security Contributions	\$ 75,000	\$ 8,000	\$ 83,000	\$ 63,173	\$ 19,827
Other Retirement Contributions - PERS	80,000	5,678	85,678	83,494	2,184
Workers Compensation	60,607	12,965	73,572	73,572	
Health Benefits	1,334,589	(181,269)	1,153,320	1,039,501	113,819
Tuition Reimbursement	9,000		9,000	5,025	3,975
Other Employee Benefits	21,600		21,600	18,003	3,597
<b>TOTAL UNALLOCATED BENEFITS</b>	<b>1,580,796</b>	<b>(154,626)</b>	<b>1,426,170</b>	<b>1,282,768</b>	<b>143,402</b>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<b>1,580,796</b>	<b>(154,626)</b>	<b>1,426,170</b>	<b>1,282,768</b>	<b>143,402</b>
On-behalf TPAF Pension Contribution (non-budgeted)				458,261	(458,261)
On-behalf TPAF Post Retirement Med'l Contributions (non-budgeted)				207,866	(207,866)
On-behalf TPAF Long-term Disability Contributions (non-budgeted)				607	(607)
Reimbursement TPAF Social Security Contributions (non-budgeted)				180,221	(180,221)
<b>Total Undistributed Expenditures</b>	<b>6,100,781</b>	<b>384,834</b>	<b>6,485,615</b>	<b>6,604,968</b>	<b>(119,353)</b>
<b>TOTAL EXPENDITURES - CURRENT EXPENSE</b>	<b>8,211,955</b>	<b>439,845</b>	<b>8,651,800</b>	<b>8,607,860</b>	<b>43,940</b>
<b>CAPITAL OUTLAY:</b>					
<b>EQUIPMENT:</b>					
Undistributed Expenditures:					
Security		28,188	28,188	28,188	
Special Schools - All Programs		8,930	8,930	8,930	
<b>Total Equipment</b>		<b>37,118</b>	<b>37,118</b>	<b>37,118</b>	
<b>FACILITIES ACQUISITION AND CONSTRUCTION SERVICES</b>					
Land and Improvements	90,000		90,000		90,000
<b>TOTAL CAPITAL OUTLAY</b>	<b>90,000</b>	<b>37,118</b>	<b>127,118</b>	<b>37,118</b>	<b>90,000</b>
<b>TOTAL EXPENDITURES</b>	<b>8,301,955</b>	<b>476,963</b>	<b>8,778,918</b>	<b>8,644,978</b>	<b>133,940</b>

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Original Budget	Budget Transfers	Final Budget	Expenditures	Variance Final to Actual Favorable (Unfavorable)
<b>EXPENDITURES: (Continued)</b>					
<b>CAPITAL OUTLAY:</b>					
Excess (Deficiency) of Revenues Over (Under) Budget	\$ (468,113)	\$ (476,963)	\$ (945,076)	\$ 142,854	\$ 1,087,930
Operating Financing Sources (Uses)					
Operating Transfer Out - Food Service Deficit	(25,000)		(25,000)	(25,000)	
Transfer of Funds to Charter Schools	(65,422)	65,422			
Operating Transfer Out - Internal Service Fund			(4,999)	(4,999)	
<b>Total Other Financing Sources (Uses)</b>	<b>(90,422)</b>	<b>65,422</b>	<b>(29,999)</b>	<b>(29,999)</b>	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(558,535)	(411,541)	(975,075)	112,855	1,087,930
Fund Balances, July 1	1,549,067		1,549,067	1,549,067	
Fund Balances, June 30	\$ 990,532	\$ (411,541)	\$ 573,992	\$ 1,661,922	\$ 1,087,930
<b>Recapitulation:</b>					
<b>Restricted Fund Balance:</b>					
Excess Surplus			\$	10,765	
Maintenance Reserve				355,292	
Emergency Reserve				200,000	
Tuition Reserve - 2018-19				213,858	
<b>Assigned Fund Balance:</b>					
Year-end Encumbrances				112,399	
Capital Reserve - Designated for Subsequent Year's Expenditures				90,000	
Tuition Reserve - Designated for Subsequent Year's Expenditures				150,000	
Designated for Subsequent Year's Expenditures				250,000	
<b>Unassigned Fund Balance</b>				<b>279,608</b>	
				<b>1,661,922</b>	
<b>Reconciliation to Governmental Funds Statements (GAAP):</b>					
Last State Aid Payment Recognized on GAAP Basis				(468,656)	
Fund Balance per Governmental Funds (GAAP)			\$	1,193,266	

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**SPECIAL REVENUE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Federal Sources	\$ 244,462	\$ 39,193	\$ 283,655	\$ 283,655	\$
State Sources	183,901	286,197	470,098	470,098	
<b>Total Revenues</b>	<b>428,363</b>	<b>325,390</b>	<b>753,753</b>	<b>753,753</b>	
<b>EXPENDITURES:</b>					
<b>Instruction</b>					
Salaries of Teachers	237,210	54,666	291,876	291,876	
Salaries - Other Instruction	27,675	34,005	61,680	61,680	
Supplies and Materials		29,175	29,175	29,175	
<b>Total Instruction</b>	<b>264,885</b>	<b>117,846</b>	<b>382,731</b>	<b>382,731</b>	
<b>Support Services</b>					
Salaries of Teachers	24,299	15,880	40,179	40,179	
Group Insurance	2,736	127,878	130,614	130,614	
Social Security Contributions	2,117	2,648	4,765	4,765	
State Share FICA	8,425	449	8,874	8,874	
TPAF Contributions	22,412	8,951	31,363	31,363	
Purchased Professional - Prof/Educational Services	103,489	51,738	155,227	155,227	
<b>Total Support Services</b>	<b>163,478</b>	<b>207,544</b>	<b>371,022</b>	<b>371,022</b>	
<b>Facilities Acquisition and Construction Services:</b>					
Buildings					
Instructional Equipment					
Non-instructional Equipment					
<b>Total Facilities Acquisition and Construction Services</b>					
<b>Total Expenditures</b>	<b>428,363</b>	<b>325,390</b>	<b>753,753</b>	<b>753,753</b>	
<b>Other Financing Sources (Uses)</b>					
<b>Total Outflows</b>	<b>428,363</b>	<b>325,390</b>	<b>753,753</b>	<b>753,753</b>	
<b>Excess (Deficiency) of Revenues Over (Under)</b>					
<b>Expenditures and Other Financing Sources (Uses)</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II**

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGET TO GAAP RECONCILIATION  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

	General Fund	Special Revenue Fund
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1] \$ 8,787,832	[C-2] \$ 753,753
<b>Difference - budget to GAAP:</b>		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	Prior Year Current Year	(3,717)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	458,176	23,838
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(468,656)	(47,009)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] \$ 8,777,352	[B-2] \$ 726,865
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$ 8,644,978	[C-2] \$ 753,753
<b>Differences - budget to GAAP</b>		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.		
Net transfers (outflows) to general fund		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	[B-2] \$ 8,644,978	[B-2] \$ 753,753

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**



**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Public Employees' Retirement System (PERS)**  
**Last Ten Fiscal Years\***

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability	0.007603%	0.007597%	0.007967%	0.008400%	0.008619%	0.008640%
District's Proportionate Share of the Net Pension Liability	\$ 1,496,948	\$ 1,768,508	\$ 2,359,507	\$ 1,885,724	\$ 1,613,853	\$ 1,651,361
District's Covered-Employee Payroll	\$ 533,033	\$ 546,116	\$ 551,227	\$ 537,084	\$ 550,214	\$ 542,474
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	280.84%	323.83%	428.05%	351.10%	293.31%	304.41%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

Note: The amounts presented for each fiscal year were determined as of the prior fiscal year end measurement date.

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

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**Schedule of District Contributions**  
**Public Employees' Retirement System (PERS)**  
**Last Ten Fiscal Years\***

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$ 75,989	\$ 71,375	\$ 71,206	\$ 72,221	\$ 71,060	\$ 65,104
Contributions in relation to the Contractually Required Contribution	(75,989)	(71,375)	(71,206)	(72,221)	(71,060)	(65,104)
Contribution Deficiency (Excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's Covered-Employee Payroll	\$ 533,033	\$ 546,116	\$ 551,227	\$ 537,084	\$ 550,214	\$ 542,474
Contributions as a Percentage of Covered-Employee Payroll	14.26%	13.07%	12.92%	13.45%	12.91%	12.00%

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

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT  
Schedule of the District's Proportionate Share of the Net Pension Liability  
Teachers' Pension and Annuity Fund (TPAF)  
Last Ten Fiscal Years\*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's Proportion of the Net Pension Liability	0.022530%	0.023972%	0.024613%	0.024792%	0.023289%	0.023076%
District's Proportionate Share of the Net Pension Liability	\$ 14,333,116	\$ 16,162,834	\$ 19,362,454	\$ 15,669,413	\$ 12,447,209	\$ 11,662,579
District's Covered-Employee Payroll	\$ 2,512,844	\$ 2,462,460	\$ 2,421,620	\$ 2,390,805	\$ 2,420,079	\$ 2,345,487
District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	570.39%	656.37%	799.57%	655.40%	514.33%	497.23%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

Note: The amounts presented for each fiscal year were determined as of the prior fiscal year end measurement date.

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

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**Required Supplementary Information - Part III**  
**Schedule of Changes in the Total OPEB Liability and Related Ratios**  
**State Health Benefit Local Education Retired Employees Plan**  
**Last Ten Fiscal Years**

	<b>2018</b>	<b>2017</b>
<b>Total OPEB Liability</b>		
Service Cost	\$ 596,501	\$ 715,478
Interest Cost	692,492	598,399
Changes of Benefit Terms		
Differences Between Expected and Actual Experiences	(2,237,695)	
Changes of Assumptions	(1,811,022)	(2,433,237)
Member Contributions	14,585	16,161
Gross Benefit Payments	(421,995)	(438,894)
<b>Net Change in Total OPEB Liability</b>	<b>(3,167,134)</b>	<b>(1,542,093)</b>
<b>Total OPEB Liability - Beginning</b>	<b>18,948,772</b>	<b>20,490,865</b>
<b>Total OPEB Liability - Ending</b>	<b>\$ 15,781,638</b>	<b>\$ 18,948,772</b>
<b>Covered-Employee Payroll</b>	<b>\$ 3,045,877</b>	<b>\$ 3,008,576</b>
<b>Total OPEB Liability as a Percentage of Covered-Employee Payroll</b>	<b>518.13%</b>	<b>629.83%</b>

Notes to Schedule:

Changes of Benefit Terms: None

Differences Between Expected and Actual Experiences: There is no change in the Total OPEB Liability from June 30, 2016 to June 30, 2017 due to differences in expected and actual experiences. The decrease in liability from June 30, 2017 to June 30, 2018 is due to changes in the census, claims and premiums experience.

Changes in Assumptions: The decrease in the liability from June 30, 2016 to June 30, 2017 is due to the increase in the assumed discount rate from 2.85% as of June 30, 2016 to 3.58% as of June 30, 2017. The decrease in the liability from June 30, 2017 to June 30, 2018 is due to the increase in the assumed discount rate from 3.58% as of June 30, 2017 to 3.87% as of June 30, 2018; and a decrease in the assumed health care cost trend and excise tax assumptions.

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.

**OTHER SUPPLEMENTARY INFORMATION**

## SPECIAL REVENUE FUND DETAIL STATEMENTS

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

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**SPECIAL REVENUE FUND**  
**COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	NCLB			I.D.E.A.-	I.D.E.A.-	Rural	Preschool	Totals 2019
	Title I	Title II A	Title IV	Part	Part B	Education	Education	
	Part A			Reg Prog	Preschool	Achievement Program	Aid	
<b>REVENUES:</b>								
Federal Sources	\$ 112,606	\$ 15,137	\$ 10,000	\$ 115,222	\$ 3,408	\$ 27,282		\$ 283,655
State Sources							\$ 470,098	470,098
<b>Total Revenues</b>	<b>112,606</b>	<b>15,137</b>	<b>10,000</b>	<b>115,222</b>	<b>3,408</b>	<b>27,282</b>	<b>470,098</b>	<b>753,753</b>
<b>EXPENDITURES:</b>								
Instruction:								
Salaries of Teachers	77,075	11,238					203,563	291,876
Salaries - Other Instruction							61,680	61,680
Supplies and Materials							29,175	29,175
<b>Total Instruction</b>	<b>77,075</b>	<b>11,238</b>					<b>294,418</b>	<b>382,731</b>
Support Services:								
Salary of Teachers			7,424			20,255	12,500	40,179
Group Insurance	8,794	1	1				121,818	130,614
Social Sec Contributions							4,765	4,765
State Share FICA	5,896	860	568			1,550		8,874
TPAF Contrib.	20,841	3,038	2,007			5,477		31,363
Purchased Prof/Educ Services				115,222	3,408		36,597	155,227
<b>Total Support Services</b>	<b>35,531</b>	<b>3,899</b>	<b>10,000</b>	<b>115,222</b>	<b>3,408</b>	<b>27,282</b>	<b>175,680</b>	<b>371,022</b>
Facilities Acq/Construction								
Instructional Equipment								
<b>Total Facilities Acq/Construction</b>								
<b>Total Expenditures</b>	<b>\$ 112,606</b>	<b>\$ 15,137</b>	<b>\$ 10,000</b>	<b>\$ 115,222</b>	<b>\$ 3,408</b>	<b>\$ 27,282</b>	<b>\$ 470,098</b>	<b>\$ 753,753</b>

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
SCHEDULE OF PRESCHOOL EDUCATION AID  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budget	Actual	Variance
<b>EXPENDITURES:</b>			
<b>Instruction:</b>			
Salaries of Teachers	\$ 203,563	\$ 203,563	\$
Other Salaries for Instruction	61,680	61,680	
Supplies and Materials	29,175	29,175	
<b>Total Instruction</b>	<b>294,418</b>	<b>294,418</b>	
<b>Support:</b>			
Salaries of Teachers	12,500	12,500	
Personal Services - Employee Benefits	121,818	121,818	
Social Security Contributions	4,765	4,765	
Purchased Prof/Educ Services	36,597	36,597	
<b>Total Support Services</b>	<b>175,680</b>	<b>175,680</b>	
<b>Facilities Acquisition and Const. Services:</b>			
Instructional Equipment			
Non-instructional Equipment			
<b>Total Facilities Acquisition and Const. Services:</b>			
<b>Contribution to Charter Schools</b>			
<b>Total Expenditures</b>	<b>\$ 470,098</b>	<b>\$ 470,098</b>	<b>\$</b>

CALCULATION OF BUDGET & CARRYOVER

Total revised 2018-19 Preschool Education Aid Allocation	\$ 470,098	(1)
Add: Actual ECPA/PEA Carryover (June 30, 2018)		(2)
Add: Budgeted Transfer from the General Fund 2018-19		(3)
Total Preschool Education Aid Funds Available for 2018-19 Budget	470,098	(4)
Less: 2018-19 Budgeted Preschool Education Aid (including prior year budget carryover)	(470,098)	(5)
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2019		(6)
Add: June 30, 2019 Unexpended Preschool Education Aid		(7)
Less: 2018-19 Commissioner-approved Transfer to the General Fund		(8)
2018-19 Carryover - Preschool Education Aid/Preschool Programs	\$	(9)
<b>18-19 Preschool Education Aid Carryover Budgeted for Preschool Programs in 2019-20</b>	<b>\$</b>	<b>(10)</b>



## PROPRIETARY FUND DETAIL STATEMENTS

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

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

**Internal Service funds** - This fund is used to serve organizational units within the district or to serve other governmental units.

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

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT  
FOOD SERVICES ENTERPRISE FUND  
COMBINING SCHEDULE OF NET POSITION  
AS OF JUNE 30, 2019 AND 2018

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
<b>ASSETS:</b>		
Current Assets:		
Cash	\$ 10,194	\$ 48,416
Accounts Receivable:		
State	357	218
Federal	18,462	20,695
Other	2,342	2,833
Due from General		215
Inventories	3,423	2,858
Total Current Assets	<u>34,778</u>	<u>75,235</u>
Fixed Assets:		
Work in Progress		47,624
Equipment	100,216	64,557
Accumulated Depreciation	(39,884)	(45,874)
Total Fixed Assets	<u>60,332</u>	<u>66,307</u>
Total Assets	<u>\$ 95,110</u>	<u>\$ 141,542</u>
<b>LIABILITIES AND NET POSITION:</b>		
Current Liabilities:		
Unearned Revenue	\$ 2,511	\$ 2,430
Compensated Absences	5,832	5,059
Accounts Payable	11,558	51,711
Total Liabilities	<u>19,901</u>	<u>59,200</u>
Net Position		
Investment in Fixed Assets	60,332	66,307
Unrestricted	14,877	16,035
Total Net Position	<u>75,209</u>	<u>82,342</u>
Total Liabilities and Net Position	<u>\$ 95,110</u>	<u>\$ 141,542</u>

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**FOOD SERVICES ENTERPRISE FUND**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET POSITION**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
<b>OPERATING REVENUES:</b>		
Local Sources:		
Daily Sales - Reimbursable Programs:		
School Lunch Program	\$ 43,498	\$ 35,607
School Breakfast Program	8,016	8,074
Total Daily Sales - Reimbursable Programs	<u>51,514</u>	<u>43,681</u>
Daily Sales Non-Reimbursable Programs	<u>19,478</u>	<u>15,198</u>
Total Operating Revenue	<u>70,992</u>	<u>58,879</u>
<b>OPERATING EXPENSES:</b>		
Salaries	73,319	99,725
Employee Benefits	12,462	12,693
Supplies and Materials	9,367	11,544
Depreciation	3,710	2,198
Cost of Sales - Reimbursable Programs	93,788	69,829
Cost of Sales - Non Reimbursable Programs	2,324	7,505
Repairs and Other Expenses:	17,442	4,744
Total Operating Expenses	<u>212,412</u>	<u>208,238</u>
Operating Loss	<u>(141,420)</u>	<u>(149,359)</u>
Non-Operating Revenues:		
State Sources:		
School Lunch Program	1,786	1,513
Federal Sources:		
School Breakfast Program	24,120	26,421
National School Lunch Program	71,058	68,581
Food Distribution Program	14,588	19,337
Total Non-Operating Revenues	<u>111,552</u>	<u>115,852</u>
Net Income before Operating Transfers and Adjustments	<u>(29,868)</u>	<u>(33,507)</u>
Operating Transfer In - General Fund	25,000	25,000
Fixed Asset Adjustment	(2,265)	
Net Income	<u>(7,133)</u>	<u>(8,507)</u>
Net Position - July 1	<u>82,342</u>	<u>90,849</u>
Net Position - June 30	<u>\$ 75,209</u>	<u>\$ 82,342</u>

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**FOOD SERVICES ENTERPRISE FUND**  
**COMBINING SCHEDULE OF CASH FLOWS**  
**AS OF JUNE 30, 2019 AND 2018**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Cash Flows from Operating Activities:		
Receipts from Customers	\$ 70,992	\$ 58,879
Payments to Employees	(73,319)	(99,725)
Payments for Employee Benefits	(12,462)	(12,693)
Payments to Suppliers	(145,397)	(42,771)
Net Cash Provided by (used for) Operating Activities	(160,186)	(96,310)
Cash Flows from Non-capital Financing Activities:		
Cash Received from State and Federal Reimbursements	96,964	96,515
Cash Received from General Fund Operating Operating Transfer In	25,000	25,000
Net Cash Provided by Non-capital Financing Activities	121,964	121,515
Cash Flows from Capital and Related Financing Activities		
Fixed Assets (Purchased) Sold		(47,624)
Net Cash Provided by Capital and Related Financing Activities		(47,624)
Cash Flows from Investing Activities		
Interest on Investments		
Net Cash Provided by Investing Activities		
Net Increase in Cash	(38,222)	(22,419)
Cash and Cash Equivalents, July 1	48,416	70,835
Cash and Cash Equivalents, June 30	\$ 10,194	\$ 48,416
Operating Income (Loss)	\$ (141,420)	\$ (149,359)
Adjustments to Reconcile Operating Income (Loss) to Cash Used by Operating Activities:		
Depreciation	3,710	2,198
Food Distribution Program	14,588	19,337
Change in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	2,585	(18,018)
(Increase) Decrease in Inventory	(565)	865
(Increase) Decrease in Interfund Receivable	215	(215)
Increase (Decrease) in Unearned Revenue	81	(1,237)
Increase (Decrease) in Compensated Absences	773	552
Increase (Decrease) in Accounts Payable	(40,153)	49,567
Total Adjustments	(18,766)	53,049
Net Cash Used by Operating Activities	\$ (160,186)	\$ (96,310)

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT  
INTERNAL SERVICE FUND  
COMBINING SCHEDULE OF NET POSITION  
AS OF JUNE 30, 2019 AND 2018

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
<b>ASSETS:</b>		
Cash	\$	\$ 1,827
Due from General fund		2,994
Accounts Receivable		320
Total Assets	\$	\$ 5,141
<b>LIABILITIES:</b>		
Accounts Payable	\$	\$ 1,771
Deferred Revenue		3,370
Total Liabilities	\$	\$ 5,141

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT  
INTERNAL SERVICE FUND  
COMBINING SCHEDULE OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
FOR THE FISCAL YEARS ENDED 2019 AND 2018

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
<b>OPERATING REVENUES:</b>		
Summer School Tuition	\$ 9,426	\$ 13,954
Total Operating Revenue	<u>9,426</u>	<u>13,954</u>
 <b>OPERATING EXPENSES:</b>		
Instruction		
Salaries-Other Professional	11,743	14,604
Employee Benefits	932	1,150
Miscellaneous Expenditures	1,310	770
Total Instruction	<u>13,985</u>	<u>16,524</u>
 Support		
Salaries - Transportation	440	424
Total Support	<u>440</u>	<u>424</u>
Total Expenses	<u>14,425</u>	<u>16,948</u>
Operating Transfer In - General Fund	<u>4,999</u>	<u>2,994</u>
Net Income (Loss)	<u>\$</u>	<u>\$</u>

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT  
INTERNAL SERVICE FUND  
COMBINING SCHEDULE OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019 AND 2018

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Cash Flows from Operating Activities:		
Receipts from Customers	\$ 9,426	\$ 13,954
Payments to Employees	(14,010)	(16,039)
Payments for Employee Benefits	(932)	(1,150)
Payments to Suppliers	(1,310)	(770)
	<hr/>	<hr/>
Net Cash Provided by (used for) Operating Activities	(6,826)	(4,005)
	<hr/>	<hr/>
Cash Flows from Non-capital Financing Activities:		
Operating Transfer In- General Fund	4,999	
	<hr/>	<hr/>
Net Cash Provided by Non-capital Financing Activities	4,999	
	<hr/>	<hr/>
Cash Flows from Capital and Related Financing Activities		
	<hr/>	<hr/>
Net Cash Provided by Capital and Related Financing Activities		
	<hr/>	<hr/>
Cash Flows from Investing Activities		
	<hr/>	<hr/>
Net Cash Provided by Investing Activities		
	<hr/>	<hr/>
Net Increase in Cash	(1,827)	(4,005)
Cash and Cash Equivalents, July 1	1,827	5,832
	<hr/>	<hr/>
Cash and Cash Equivalents, June 30	\$ -	\$ 1,827
	<hr/> <hr/>	<hr/> <hr/>
Operating Income (Loss)	\$ (4,999)	\$ (2,994)
Adjustments to Reconcile Operating Income (Loss) to		
Cash Used by Operating Activities:		
Change in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	320	(320)
(Increase) Decrease in Interfund Receivable	2,994	
Increase (Decrease) in Unearned Revenue	(3,370)	1,337
Increase (Decrease) in Accounts Payable	(1,771)	(2,028)
	<hr/>	<hr/>
Total Adjustments	(1,827)	(1,011)
	<hr/>	<hr/>
Net Cash Used by Operating Activities	\$ (6,826)	\$ (4,005)
	<hr/> <hr/>	<hr/> <hr/>

## FIDUCIARY FUNDS DETAIL STATEMENTS

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

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

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

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



TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT  
TRUST AND AGENCY FUND  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2019  
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2018)

	<u>Expendable</u>			<u>Total</u>		<u>Total</u>
	<u>Trust</u>	<u>Student</u>		<u>June 30,</u>		<u>June 30,</u>
	<u>Unemployment</u>	<u>Activity</u>	<u>Payroll</u>	<u>2019</u>		<u>2018</u>
<b>ASSETS:</b>						
Cash and Cash Equivalents	\$ 236,268	\$ 36,633	\$ 34,242	\$ 307,143	\$	270,961
Total Assets	<u>\$ 236,268</u>	<u>\$ 36,633</u>	<u>\$ 34,242</u>	<u>\$ 307,143</u>	<u>\$</u>	<u>270,961</u>
 <b>LIABILITIES AND FUND BALANCES:</b>						
Liabilities:						
Payroll Deductions Payable	\$	\$	\$ 34,242	\$ 34,242	\$	375
Accounts Payable	1,768			1,768		
Due to Student Groups		36,633		36,633		28,420
Total Liabilities	<u>1,768</u>	<u>36,633</u>	<u>34,242</u>	<u>72,643</u>		<u>28,795</u>
Fund Balances:						
Reserved for Unemployment Claims	234,500			234,500		242,166
Total Liabilities and Fund Balances	<u>\$ 236,268</u>	<u>\$ 36,633</u>	<u>\$ 34,242</u>	<u>\$ 307,143</u>	<u>\$</u>	<u>270,961</u>

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT  
NEW JERSEY UNEMPLOYMENT COMPENSATION INSURANCE  
EXPENDABLE TRUST FUND  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
<b>OPERATING REVENUES:</b>		
Unemployment Deductions	\$ 10,992	\$ 11,650
Total Operating Revenues	<u>10,992</u>	<u>11,650</u>
<b>OPERATING EXPENSES:</b>		
Unemployment Compensation Expenses	18,658	6,128
Total Operating Expenses	<u>18,658</u>	<u>6,128</u>
Operating Income (Loss)	<u>(7,666)</u>	<u>5,522</u>
Net Income (Loss)	<u>(7,666)</u>	<u>5,522</u>
Fund Balances, July 1	<u>242,166</u>	<u>236,644</u>
Fund Balances, June 30	<u>\$ 234,500</u>	<u>\$ 242,166</u>

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**STUDENT ACTIVITY AGENCY FUND**  
**SCHEDULE OF RECEIPTS AND DISBURSEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Balance</u> <u>July 1,</u> <u>2018</u>	<u>Cash</u> <u>Receipts</u>	<u>Accounts</u> <u>Receivable</u>	<u>Cash</u> <u>Disbursements</u>	<u>Payable</u>	<u>Balance</u> <u>June 30,</u> <u>2019</u>
ELEMENTARY SCHOOLS	\$ 28,420	\$ 63,101	\$ 2,182	\$ 52,199	\$ 4,871	\$ 36,633

Analysis of June 30, 2019 Balance:

Band	\$ 11,798	
Student Council	2,030	
Yearbook	-	
Grade 8 Trips	1,686	
Class Trips	8,563	
Miscellaneous	4,540	
Principal	40	
Sports Club	882	
AED Fund	1,599	
Art	994	
Photo Club	229	
Drama Club	725	
Bridges	18	
MRTES Supplies/Texts	47	
National Junior Honor Society	1,630	
Positive Behavior System	1,852	
	\$ 36,633	\$ 36,633

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Balance</u> <u>June 30,</u> <u>2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30,</u> <u>2019</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 375	\$ 5,242,506	\$ 5,208,639	\$ 34,242
Total Assets	<u>\$ 375</u>	<u>\$ 5,242,506</u>	<u>\$ 5,208,639</u>	<u>\$ 34,242</u>
<b>LIABILITIES:</b>				
Net Payroll	\$	\$ 2,145,038	\$ 2,145,038	\$
Payroll Deductions and Withholdings	375	3,097,468	3,063,601	34,242
Total Liabilities	<u>\$ 375</u>	<u>\$ 5,242,506</u>	<u>\$ 5,208,639</u>	<u>\$ 34,242</u>

## LONG-TERM DEBT SCHEDULES

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

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT  
GENERAL LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
JUNE 30, 2019

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance</u>			
			<u>Date</u>	<u>Amount</u>		<u>July 1, 2018</u>	<u>Issued</u>	<u>Redeemed</u>	<u>June 30, 2019</u>
Refunding Bonds	January 1, 2007	\$ 1,950,000	1/1/20	\$ 145,000	Various	\$ 580,000	\$	\$ 150,000	\$ 430,000
			1/1/21	145,000					
			1/1/22	140,000					
						<u>\$ 580,000</u>	<u>\$</u>	<u>\$ 150,000</u>	<u>\$ 430,000</u>

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**DEBT SERVICE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 89,232	\$	\$ 89,232	\$ 89,232	\$
Total Revenues - Local Sources	<u>89,232</u>		<u>89,232</u>	<u>89,232</u>	
State Sources:					
Debt Service Aid Type II	84,693		84,693	84,693	
Total Revenues - State Sources	<u>84,693</u>		<u>84,693</u>	<u>84,693</u>	
Total Revenues	<u>173,925</u>		<u>173,925</u>	<u>173,925</u>	
<b>EXPENDITURES</b>					
Regular Debt Service:					
Interest	23,925		23,925	23,925	
Redemption of Principal	150,000		150,000	150,000	
Total Regular Debt Service	<u>173,925</u>		<u>173,925</u>	<u>173,925</u>	
Total Expenditures	<u>173,925</u>		<u>173,925</u>	<u>173,925</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures					
Fund Balances, July 1					
Fund Balances, June 30	\$	\$	\$	\$	\$

**STATISTICAL SECTION**



**MAURICE RIVER TOWNSHIP SCHOOL DISTRICT**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
*(Accrual Basis of Accounting)*  
**(UNAUDITED)**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Governmental Activities</b>										
Invested in Capital Assets, Net of Related Debt	\$ 1,715,883	\$ 1,959,264	\$ 1,867,798	\$ 1,793,120	\$ 1,795,882	\$ 1,743,934	\$ 1,893,518	\$ 1,975,168	\$ 2,049,503	\$ 2,096,436
Restricted	1,324,339	1,307,033	1,376,839	1,491,397	1,413,164	1,411,384	1,274,522	1,306,393	786,427	1,019,915
Unrestricted	158,387	(76,497)	19,394	(199,578)	(469,365)	(1,934,286)	(1,992,005)	(2,037,465)	(1,557,899)	(1,667,060)
<b>Total Governmental Activities Net Position</b>	<u>\$ 3,198,609</u>	<u>\$ 3,189,800</u>	<u>\$ 3,264,031</u>	<u>\$ 3,084,939</u>	<u>\$ 2,739,681</u>	<u>\$ 1,221,032</u>	<u>\$ 1,176,035</u>	<u>\$ 1,244,096</u>	<u>\$ 1,278,031</u>	<u>\$ 1,449,291</u>
<b>Business-Type Activities</b>										
Invested in Capital Assets, Net of Related Debt	\$ 3,570	\$ 35,747	\$ 33,854	\$ 50,863	\$ 27,872	\$ 25,277	\$ 23,079	\$ 20,881	\$ 66,307	\$ 60,332
Restricted	46,222	13,252								
Unrestricted	49,383	4,300	16,764	30,851	42,488	51,855	56,332	69,968	16,035	14,877
<b>Total Business-Type Activities Net Position</b>	<u>\$ 99,175</u>	<u>\$ 53,299</u>	<u>\$ 50,618</u>	<u>\$ 81,714</u>	<u>\$ 70,360</u>	<u>\$ 77,132</u>	<u>\$ 79,411</u>	<u>\$ 90,849</u>	<u>\$ 82,342</u>	<u>\$ 75,209</u>
<b>District-Wide</b>										
Invested in Capital Assets, Net of Related Debt	\$ 1,719,453	\$ 1,995,011	\$ 1,901,652	\$ 1,843,983	\$ 1,823,754	\$ 1,769,211	\$ 1,916,597	\$ 1,996,049	\$ 2,115,810	\$ 2,156,768
Restricted	1,370,561	1,320,285	1,376,839	1,491,397	1,413,164	1,411,384	1,274,522	1,306,393	786,427	1,019,915
Unrestricted	207,770	(72,197)	36,158	(168,727)	(426,877)	(1,882,431)	(1,865,673)	(1,967,497)	(1,541,864)	(1,652,183)
<b>Total District-Wide Net Position</b>	<u>\$ 3,297,784</u>	<u>\$ 3,243,099</u>	<u>\$ 3,314,649</u>	<u>\$ 3,166,653</u>	<u>\$ 2,810,041</u>	<u>\$ 1,298,164</u>	<u>\$ 1,325,446</u>	<u>\$ 1,334,945</u>	<u>\$ 1,360,373</u>	<u>\$ 1,524,500</u>

Source: CAFR Schedule A-1

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
*(Accrual Basis of Accounting)*  
*(UNAUDITED)*

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses</b>										
<b>Governmental Activities</b>										
<b>Instruction</b>										
Regular	\$ 2,037,109	2,188,970	1,739,030	1,896,048	1,871,215	1,741,956	1,740,939	1,767,539	1,830,530	1,935,245
Special Education	286,083	223,979	357,011	374,806	453,675	413,385	440,607	435,171	433,965	347,638
Other Special Instruction	109,136	18,652	50,410	22,958	5,744	45,833	53,111	62,064	63,667	99,023
<b>Support Services</b>										
Tuition	1,668,910	2,055,731	2,320,553	2,478,241	2,776,199	2,311,928	2,460,471	2,388,242	2,092,085	2,138,581
Student and Instruction Related Services	508,509	460,082	516,084	565,657	557,925	598,703	652,274	706,178	726,900	861,204
General Administrative Services	179,515	121,826	123,993	122,213	169,326	146,857	140,973	142,119	146,261	153,379
School Administrative Services	64,211	112,955	116,005	143,405	112,436	155,858	156,973	142,908	126,100	129,390
Central Services	200,288	195,722	210,545	215,043	205,950	202,171	207,006	186,596	212,031	184,234
Plant Operations and Maintenance	410,904	462,502	465,310	484,411	427,701	554,147	548,664	541,727	587,222	800,506
Security			20,500	75,890	20,155					
Pupil Transportation	404,256	446,627	476,343	414,111	514,968	456,013	416,901	439,029	543,262	533,971
Employee Benefits	1,756,327	1,163,964	1,213,044	1,410,958	1,411,111	2,136,720	2,532,714	3,140,096	3,726,333	2,873,195
Amortization of Debt Issue Costs	4,400	4,400	4,400							
Interest on Long-Term Debt	75,261	66,213	61,713	57,013	51,488	45,138	38,913	33,013	27,020	20,831
Unallocated Depreciation and Amortization	190,504	212,801	224,697	202,145	197,195	191,948	179,431	175,970	171,130	140,185
Loss on Disposition of Capital Assets										
<b>Total Governmental Activities Expenses</b>	<b>7,895,413</b>	<b>7,734,424</b>	<b>7,899,638</b>	<b>8,462,899</b>	<b>8,775,088</b>	<b>9,000,657</b>	<b>9,568,977</b>	<b>10,160,652</b>	<b>10,686,506</b>	<b>10,217,382</b>
<b>Business-Type Activities</b>										
Food Service	171,314	172,832	214,054	148,693	189,693	176,967	180,138	186,955	208,238	212,412
<b>Total Business-Type Activities Expense</b>	<b>171,314</b>	<b>172,832</b>	<b>214,054</b>	<b>148,693</b>	<b>189,693</b>	<b>176,967</b>	<b>180,138</b>	<b>186,955</b>	<b>208,238</b>	<b>212,412</b>
<b>Total District Expenses</b>	<b>\$ 8,066,727</b>	<b>7,907,256</b>	<b>8,113,692</b>	<b>8,611,592</b>	<b>8,964,781</b>	<b>9,177,624</b>	<b>9,749,115</b>	<b>10,347,607</b>	<b>10,894,744</b>	<b>10,429,794</b>
<b>Program Revenues</b>										
<b>Governmental Activities</b>										
Operating Grants and Contributions	\$ 823,201	756,947	762,855	903,559	849,458	1,428,407	1,959,433	2,519,663	2,057,165	1,938,502
<b>Total Governmental Activities Program Revenue</b>	<b>823,201</b>	<b>756,947</b>	<b>762,855</b>	<b>903,559</b>	<b>849,458</b>	<b>1,428,407</b>	<b>1,959,433</b>	<b>2,519,663</b>	<b>2,057,165</b>	<b>1,938,502</b>
<b>Business-Type Activities</b>										
<b>Charges for Services</b>										
Food Service	61,009	49,151	58,966	55,278	53,764	49,401	46,367	51,215	58,879	70,992
Operating Grants and Contributions	75,449	77,805	87,407	99,511	99,575	109,338	111,050	122,178	115,852	111,552
<b>Total Business-Type Activities Program Revenues</b>	<b>136,458</b>	<b>126,956</b>	<b>146,373</b>	<b>154,789</b>	<b>153,339</b>	<b>158,739</b>	<b>157,417</b>	<b>173,393</b>	<b>174,731</b>	<b>182,544</b>
<b>Total District Program Revenues</b>	<b>\$ 959,659</b>	<b>883,903</b>	<b>909,228</b>	<b>1,058,348</b>	<b>1,002,797</b>	<b>1,587,146</b>	<b>2,116,850</b>	<b>2,693,056</b>	<b>2,231,896</b>	<b>2,121,046</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (7,072,212)	(6,977,477)	(7,136,783)	(7,559,340)	(7,925,620)	(7,572,250)	(7,609,540)	(7,640,989)	(8,629,341)	(8,278,880)
Business-Type Activities	(34,856)	(45,876)	(67,681)	6,096	(36,354)	(18,228)	(22,721)	(13,562)	(33,507)	(29,868)
<b>Total District-Wide Net Expense</b>	<b>\$ (7,107,068)</b>	<b>(7,023,353)</b>	<b>(7,204,464)</b>	<b>(7,553,244)</b>	<b>(7,961,974)</b>	<b>(7,590,478)</b>	<b>(7,632,261)</b>	<b>(7,654,551)</b>	<b>(8,662,848)</b>	<b>(8,308,748)</b>
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental Activities</b>										
Property Taxes Levied for General Purposes, 1 S	2,528,781	2,528,781	2,545,856	2,612,637	2,612,637	2,702,847	2,715,879	2,794,884	2,855,065	2,953,190
Taxes Levied for Debt Service	79,454	91,535	91,844	92,045	92,151	96,640	98,461	92,818	92,407	89,232
Unrestricted Grants and Contributions	4,308,255	4,153,583	4,545,654	4,636,135	4,836,896	4,788,495	4,785,834	4,743,462	5,696,837	5,334,290
Tuition Received		8,844	3,379	37,669						
Transportation Charges	181,396	103,846	47,721	60,644	62,805	64,201	55,122	26,189	35,440	87,591
Investment Earnings	1,309	167	38	52	43	48	184	419	1,002	1,964
Miscellaneous Income	175,238	81,912	41,522	10,066	830	12,627	4,063	6,278	10,519	13,872
Fixed Asset Adjustment										
Transfers	(60,000)		(65,000)						(2,994)	(29,999)
<b>Total Governmental Activities</b>	<b>7,214,433</b>	<b>6,968,668</b>	<b>7,211,014</b>	<b>7,449,248</b>	<b>7,605,362</b>	<b>7,664,858</b>	<b>7,659,543</b>	<b>7,664,050</b>	<b>8,688,276</b>	<b>8,450,140</b>
<b>Business-Type Activities</b>										
Fixed Asset Adjustment										(2,265)
Transfer	60,000		65,000							25,000
<b>Total Business-Type Activities</b>	<b>60,000</b>	<b></b>	<b>65,000</b>	<b></b>	<b></b>	<b></b>	<b></b>	<b></b>	<b></b>	<b>22,735</b>
<b>Total District-Wide</b>	<b>\$ 7,274,433</b>	<b>6,968,668</b>	<b>7,276,014</b>	<b>7,449,248</b>	<b>7,605,362</b>	<b>7,664,858</b>	<b>7,659,543</b>	<b>7,664,050</b>	<b>8,688,276</b>	<b>8,472,875</b>
<b>Change in Net Position</b>										
Governmental Activities	\$ 142,221	(8,809)	74,231	(110,092)	(320,258)	92,608	50,003	23,061	58,935	171,260
Business-Type Activities	25,144	(45,876)	(2,681)	6,096	(36,354)	(18,228)	(22,721)	(13,562)	(33,507)	(7,133)
<b>Total District-Wide</b>	<b>\$ 167,365</b>	<b>(54,685)</b>	<b>71,550</b>	<b>(103,996)</b>	<b>(356,612)</b>	<b>74,380</b>	<b>27,282</b>	<b>9,499</b>	<b>25,428</b>	<b>164,127</b>

Source: CAFR Schedule A-2

**MAURICE RIVER TOWNSHIP SCHOOL DISTRICT**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
*(Modified Accrual Basis of Accounting)*  
**(UNAUDITED)**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Fund										
Restricted:	\$ 1,763,771	\$ 1,455,595	\$ 1,620,036	\$ 1,630,212	\$	\$	\$	\$	\$	\$
Excess Surplus										10,765
Maintenance Reserve					355,292	311,042	237,000	300,217	127,892	355,292
Emergency Reserve					250,000	250,000	250,000	250,000	200,000	200,000
Tuition Reserve					245,000	225,960	148,411	168,535	150,000	213,858
Assigned:										
Encumbrances					27,663	223,760	150,969	124,974	262,640	112,399
Capital Reserve					90,000	90,000	90,000	90,000	90,000	90,000
Emergency Reserve									50,000	
Tuition Reserve					245,875	245,000	225,962	148,411	168,535	150,000
Subsequent Year's Expenditures					213,637	73,248	196,971	250,000	250,000	250,000
Unassigned	(148,982)	(128,940)	(130,234)	(230,791)	(381,613)	(259,039)	(209,284)	(212,228)	(208,176)	(189,048)
<b>Total General Fund</b>	<b>\$ 1,614,789</b>	<b>\$ 1,326,655</b>	<b>\$ 1,489,802</b>	<b>\$ 1,399,421</b>	<b>\$ 1,045,854</b>	<b>\$ 1,159,971</b>	<b>\$ 1,090,029</b>	<b>\$ 1,119,909</b>	<b>\$ 1,090,891</b>	<b>\$ 1,193,266</b>
All Other Governmental Funds										
Unassigned, Reported in:										
Debt Service Fund	\$ 3	\$ 3	\$	\$	\$	\$	\$	\$	\$	\$
Special Revenue Fund	(10,148)	(10,031)	(12,767)	(12,078)	(14,303)	(7,628)	(24,791)	(25,744)	(23,838)	(47,009)
<b>Total All Other Governmental Funds</b>	<b>\$ (10,145)</b>	<b>\$ (10,028)</b>	<b>\$ (12,767)</b>	<b>\$ (12,078)</b>	<b>\$ (14,303)</b>	<b>\$ (7,628)</b>	<b>\$ (24,791)</b>	<b>\$ (25,744)</b>	<b>\$ (23,838)</b>	<b>\$ (47,009)</b>

Source: CAFR Schedule B-1

**MAURICE RIVER TOWNSHIP SCHOOL DISTRICT**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues</b>										
Tax Levy	\$ 2,608,235	\$ 2,620,316	\$ 2,637,700	\$ 2,704,682	\$ 2,704,788	2,799,487	\$ 2,814,340	\$ 2,887,702	\$ 2,947,472	\$ 3,042,422
Tuition Charges - Other LEAs		8,844	3,379	37,669						
Tuition Charges - From Individuals										
Transportation Charges	181,396	103,846	47,721	60,644	62,805	64,201	55,122	26,189	35,440	87,591
Interest Earnings	1,309	167	38	52	43	48	184	419	1,002	1,964
Miscellaneous	175,238	81,912	41,522	10,666	830	12,627	4,063	6,278	10,519	13,872
State Sources	4,158,825	4,578,975	4,904,983	5,251,836	5,398,671	5,395,505	5,680,274	5,793,093	5,858,312	6,252,355
Federal Sources	972,631	331,555	403,526	287,858	287,683	285,653	305,299	284,852	287,603	279,938
<b>Total Revenues</b>	<b>8,097,634</b>	<b>7,725,615</b>	<b>8,038,869</b>	<b>8,353,407</b>	<b>8,454,820</b>	<b>8,557,521</b>	<b>8,859,282</b>	<b>8,998,533</b>	<b>9,140,348</b>	<b>9,678,142</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	2,037,109	2,188,970	1,739,030	1,896,048	1,871,215	1,741,956	1,740,939	1,767,539	1,830,530	1,935,245
Special Education Instruction	286,083	223,979	357,011	374,806	453,675	413,385	440,607	435,171	433,965	347,638
Other Special Instruction	109,136	18,652	50,410	22,958	5,744	45,833	53,111	62,064	63,667	99,023
<b>Support Services</b>										
Tuition	1,668,910	2,055,731	2,320,553	2,478,241	2,776,199	2,311,928	2,460,471	2,388,242	2,092,085	2,138,581
Student and Instruction Related Serv	508,509	460,082	516,084	565,657	557,925	598,703	652,274	706,178	726,900	861,204
General Administrative Services	179,515	121,826	123,993	122,213	169,326	146,857	140,969	142,119	146,261	153,379
School Administrative Services	64,211	112,955	116,005	143,405	112,436	155,858	156,973	142,908	126,100	129,390
Central Services	200,288	195,722	210,545	215,043	205,950	202,171	207,006	186,596	212,031	184,234
Plant Operations and Maintenance	410,904	462,502	465,310	484,411	427,701	554,147	643,848	541,727	587,222	800,506
Security			20,500	75,890	20,155					
Pupil Transportation	404,256	446,627	476,343	414,111	514,968	456,013	416,901	439,029	543,262	533,971
Employee Benefits		1,201,991	1,220,430	1,437,839	1,415,758	1,596,513	1,732,546	1,839,500	2,101,865	2,174,725
Unallocated Employee Benefits	1,756,513	346,182	18,231	7,467	74,957					
Capital Outlay	120,358						83,831	112,620	95,465	37,118
<b>Debt Service</b>										
Principal	178,219	110,000	115,000	120,000	125,000	140,000	150,000	145,000	150,000	150,000
Interest and Other Charges	77,361	68,413	64,013	59,413	54,613	48,363	41,913	35,913	30,113	23,925
<b>Total Expenditures</b>	<b>8,001,372</b>	<b>8,013,632</b>	<b>7,813,458</b>	<b>8,417,502</b>	<b>8,785,622</b>	<b>8,411,727</b>	<b>8,921,389</b>	<b>8,944,606</b>	<b>9,139,466</b>	<b>9,568,939</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	96,262	(288,017)	225,411	(64,095)	(330,802)	145,794	(62,107)	53,927	882	109,203
<b>Other Financing Sources (Uses)</b>										
Capital Lease (Non-budgeted) Transfers	(60,000)		(65,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(27,994)	(29,999)
<b>Total Other Financing Sources (Uses)</b>	<b>(60,000)</b>	<b>-</b>	<b>(65,000)</b>	<b>(25,000)</b>	<b>(25,000)</b>	<b>(25,000)</b>	<b>(25,000)</b>	<b>(25,000)</b>	<b>(27,994)</b>	<b>(29,999)</b>
<b>Net Change in Fund Balances</b>	<b>\$ 36,262</b>	<b>\$ (288,017)</b>	<b>\$ 160,411</b>	<b>\$ (89,095)</b>	<b>\$ (355,802)</b>	<b>\$ 120,794</b>	<b>\$ (87,107)</b>	<b>\$ 28,927</b>	<b>\$ (27,112)</b>	<b>\$ 79,204</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>3.2%</b>	<b>2.2%</b>	<b>2.3%</b>	<b>2.1%</b>	<b>2.0%</b>	<b>2.2%</b>	<b>2.2%</b>	<b>2.0%</b>	<b>2.0%</b>	<b>1.8%</b>

Source: CAFR Schedule B-2

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
 (UNAUDITED)

<u>Fiscal Year</u> <u>Ended</u> <u>June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u> <u>Revenue</u>	<u>Transportation</u> <u>Fees</u>	<u>Cumberland</u> <u>Recycling</u>	<u>ERATE</u>	<u>Maurice</u> <u>River Twp.</u> <u>Cleaning</u>	<u>Refund of</u> <u>Prior Year</u> <u>Expenditures</u>	<u>Rent</u>	<u>Misc.</u>	<u>Total</u>
2019	\$ 1,964	\$ 1,570	\$ 87,591	\$ 229	\$	\$	\$	\$	12,073	\$ 103,427
2018	1,002		35,440	116			1,626		8,777	46,961
2017	419		26,189	157					6,121	32,886
2016	184		55,122						4,063	59,369
2015	48		64,201	1,316		992		901	9,418	76,876
2014	43		62,805			1,334			(504)	63,678
2013	52	37,669	60,644				3,963		6,103	108,431
2012	38	3,379	47,721		2,988		26,959		11,575	92,660
2011	167	8,844	103,846				74,518		7,394	194,769
2010	1,309		181,396				171,633		3,605	357,943

Source: District Records

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Total Direct School Tax Rate	Estimated Actual (County Equalized Value)
2019	\$ 11,680,000	\$ 235,779,000	\$ 6,486,000	\$ 2,143,500	\$ 18,283,300	\$ 17,814,400	\$ 619,700	\$ 292,805,900	\$ 585,695	\$ 293,391,595	\$ 1.056	\$ 276,701,852
2018	11,677,700	236,918,100	7,176,600	2,159,800	18,355,900	17,814,400	619,700	294,722,200	585,695	295,307,895	1.031	273,905,390
2017	11,953,400	239,849,400	7,077,800	2,155,900	18,791,800	17,814,400	619,700	298,262,400	583,316	298,845,716	0.987	293,594,251
2016	11,904,700	240,696,600	6,705,300	2,116,200	18,868,000	18,020,900	619,700	298,931,400	585,309	299,516,709	0.965	293,413,704
2015	11,855,200	241,441,700	7,125,600	2,235,700	18,918,800	18,270,900	619,700	300,467,600	604,947	301,072,547	0.935	304,144,405
2014	11,327,000	241,760,400	6,868,300	2,226,800	19,025,900	18,295,700	619,700	300,123,800	581,495	300,705,295	0.931	310,261,344
2013	11,645,100	239,935,900	7,230,700	2,235,100	19,196,500	18,308,000	619,700	299,171,000	887,632	300,058,632	0.902	341,988,283
2012	23,022,700	240,934,300	6,934,500	2,115,900	19,506,500	7,169,200	621,200	300,304,300	909,270	301,213,570	0.898	343,121,583
2011	23,509,300	241,367,100	6,331,000	1,836,000	19,256,200	7,188,300	621,200	300,109,100	996,724	301,105,824	0.877	327,354,786
2010	23,872,500	241,014,800	7,252,200	1,789,100	19,477,000	7,218,300	621,200	301,245,100	1,333,880	302,578,980	0.866	306,915,257

Source: District records Tax list summary & Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100

**MAURICE RIVER TOWNSHIP SCHOOL DISTRICT**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**LAST TEN FISCAL YEARS**  
*(Rate Per \$100 of Assessed Value)*  
*(UNAUDITED)*

Year Ended June 30,	Maurice River Township Board of Education			Overlapping Rates		
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	Total Direct	Maurice River Township	Cumberland County	Total
2019	\$ 1.025	\$ 0.031	\$ 1.056	\$ 0.442	\$ 1.140	\$ 2.638
2018	0.999	0.032	1.031	0.446	1.099	2.576
2017	0.956	0.031	0.987	0.435	1.148	2.570
2016	0.932	0.033	0.965	0.433	1.106	2.504
2015	0.903	0.032	0.935	0.427	1.126	2.488
2014	0.899	0.032	0.931	0.428	1.083	2.442
2013	0.871	0.031	0.902	0.422	1.061	2.385
2012	0.867	0.031	0.898	0.385	1.083	2.366
2011	0.846	0.031	0.877	0.329	1.038	2.244
2010	0.840	0.026	0.866	0.263	0.927	2.056

Source: District Records and Municipal Tax Collector

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

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

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

**MAURICE RIVER TOWNSHIP SCHOOL DISTRICT**  
**PRINCIPAL PROPERTY TAX PAYERS**  
**CURRENT YEAR AND NINE YEARS AGO**  
*(UNAUDITED)*

Taxpayer	2019		2010	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Whibco Inc.	\$ 7,567,800	2.58%	\$ 8,597,400	2.84%
US Silica Company	5,078,800	1.73%	5,078,800	1.68%
WaWa, Inc.	2,950,000	1.01%	2,950,000	0.97%
Mays Landing Sand & Gravel Co., Inc.	2,742,200	0.94%	2,742,200	0.91%
Imbesi Family Limited Partnership Agreement	1,740,700	0.59%	2,308,700	0.76%
Nicole-Kirstie LLC	1,288,700	0.44%	1,000,000	0.33%
Dom Zanghi & Sons Inc.	1,217,000	0.42%	1,217,000	0.40%
Atlantic Mason Supply Inc.	1,206,500	0.41%	1,206,500	0.40%
Taxpayer #1	1,206,400	0.41%	1,203,300	0.40%
Taxpayer #2			1,135,300	0.38%
Kozani LLC	956,800	0.33%		
<b>Total</b>	<b>\$ 25,954,900</b>	<b>8.86%</b>	<b>\$ 27,439,200</b>	<b>9.07%</b>

Source: District CAFR & Municipal Tax Assessor



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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	% of Levy	
2019	\$ 2,953,190	\$ 2,953,190	100.00%	
2018	2,855,065	2,855,065	100.00%	
2017	2,942,771	2,942,771	100.00%	
2016	2,947,472	2,947,472	100.00%	
2015	2,812,519	2,812,519	100.00%	
2014	2,704,788	2,704,788	100.00%	
2013	2,704,682	2,704,682	100.00%	
2012	2,637,700	2,637,700	100.00%	
2011	2,620,316	2,620,316	100.00%	
2010	2,608,235	2,608,235	100.00%	

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

**MAURICE RIVER TOWNSHIP 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	
	General Obligation Bonds <sup>b</sup>	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases		Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
2019	\$ 430,000	\$	\$	\$	\$ 430,000	0.18%	\$ 72 *
2018	580,000				580,000	0.24%	92
2017	730,000				730,000	0.29%	113
2016	875,000				875,000	0.35%	131
2015	1,025,000				1,025,000	0.39%	142
2014	1,165,000				1,165,000	0.45%	158
2013	1,290,000				1,290,000	0.53%	181
2012	1,410,000				1,410,000	0.55%	186
2011	1,525,000				1,525,000	0.58%	199
2010	1,635,000	73,219			1,708,219	0.67%	225

\* Estimate

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

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

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

**MAURICE RIVER TOWNSHIP SCHOOL DISTRICT**  
**RATIOS OF 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 <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions			
2019	\$ 430,000	\$	\$ 430,000	0.16%	\$ 71 *
2018	580,000		580,000	0.21%	96
2017	730,000		730,000	0.25%	116
2016	875,000		875,000	0.30%	131
2015	1,025,000		1,025,000	0.34%	142
2014	1,165,000		1,165,000	0.38%	158
2013	1,290,000		1,290,000	0.38%	181
2012	1,410,000		1,410,000	0.41%	186
2011	1,525,000		1,525,000	0.47%	199
2010	1,635,000		1,635,000	0.53%	216

\* Estimate

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

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

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

**MAURICE RIVER TOWNSHIP SCHOOL DISTRICT**  
**RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF JUNE 30, 2019**  
***(UNAUDITED)***

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt Repaid with Property Taxes</b>			
Township of Maurice River	\$ 805,000	100%	\$ 805,000
<b>Other Debt</b>			
County of Cumberland - Township Share	98,195,796	3.1%	3,080,072
Subtotal, Overlapping Debt			3,885,072
Maurice River Township School District Direct Debt			430,000
<b>Total Direct and Overlapping Debt</b>			<b>\$ 4,315,072</b>

Source Maurice River Township Finance Officer and Cumberland County Finance Office

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

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

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

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

		Equalized Valuation Basis	
	2018	\$	278,512,758
	2017		277,195,539
	2016		294,252,781
		[A]	<u>\$ 849,961,078</u>
Average Equalized Valuation of Taxable Property		[A/3]	<u>\$ 283,320,359</u>
Debt Limit (3% of Average Equalization Value)		[B]	8,499,611 <sup>a</sup>
Net Bonded School Debt		[C]	<u>430,000</u>
Legal Debt Margin		[B-C]	<u><u>\$ 8,069,611</u></u>

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Debt Limit	\$ 9,034,110	\$ 9,779,214	\$ 9,658,494	\$ 9,843,961	\$ 9,683,869	\$ 9,324,282	\$ 9,062,095	\$ 8,917,840	\$ 8,657,935	\$ 8,499,611
Total Net Debt Applicable to Limit	<u>1,635,000</u>	<u>1,525,000</u>	<u>1,410,000</u>	<u>1,290,000</u>	<u>1,165,000</u>	<u>1,025,000</u>	<u>875,000</u>	<u>730,000</u>	<u>580,000</u>	<u>430,000</u>
Legal Debt Margin	<u>\$ 7,399,110</u>	<u>\$ 8,254,214</u>	<u>\$ 8,248,494</u>	<u>\$ 8,553,961</u>	<u>\$ 8,518,869</u>	<u>\$ 8,299,282</u>	<u>\$ 8,187,095</u>	<u>\$ 8,187,840</u>	<u>\$ 8,077,935</u>	<u>\$ 8,069,611</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	18.10%	15.59%	14.60%	13.10%	12.03%	10.99%	9.66%	8.19%	6.70%	5.06%

Source: Abstract of Ratables and District Records

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

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
(UNAUDITED)

<u>Year</u>	<u>Population <sup>a</sup></u>	<u>Personal Income (thousands of dollars) <sup>b</sup></u>	<u>Per Capita Personal Income <sup>c</sup></u>	<u>Unemployment Rate <sup>d</sup></u>
2019	** 6,036	\$ 237,112,777	\$ 39,283	7.8%
2018	6,030	235,697,414	39,087	7.9%
2017	6,308	245,337,044	38,893	7.6%
2016	6,690	250,259,520	37,408	8.9%
2015	7,225	265,981,150	36,814	10.4%
2014	7,389	261,319,374	35,366	11.2%
2013	7,137	245,148,813	34,349	13.5%
2012	7,575	258,375,675	34,109	14.7%
2011	7,652	262,501,860	34,305	11.7%
2010	7,580	253,823,880	33,486	13.5%

\*\* Estimate

**Source:**

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

<sup>b</sup> Personal income

<sup>c</sup> Per Capita

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

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO  
*(UNAUDITED)*

<u>Employer</u>	<u>2019</u>		<u>2010</u>	
	<u>*Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Inspira Health Network	3,715	6.18%		
Durand Glass Manufacturing Co.	1,100	1.83%		
Shop-Rite	858	1.43%		
Wal-Mart	794	1.32%		
F&S Produce/Pipco Transportation	731	1.22%		
Agro Merchants Group	700	1.16%		
Sheppard Bus Service	650	1.08%		
Elwyn New Jersey	615	1.02%		
Omni Baking	532	0.89%		
Seabrook Brothers & Sons	525	0.87%		
	<u>10,220</u>	<u>17.00%</u>		

**Source:**

This information is for the County of Cumberland.

**MAURICE RIVER TOWNSHIP SCHOOL DISTRICT**  
**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**  
***(UNAUDITED)***

<u>Function/Program</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Instruction										
Regular	30.1	25.5	25.1	25.0	27.0	26	27	26.0	26.0	26.0
Special Education	5.0	4.0	7.0	6.5	7.0	7	6	5.0	5.0	5.0
Other Special Education										
Vocational										
Other Instruction	7.0	8.0	6.0	6.0	8.5	8.5	8.5	11.5	12.0	12.5
Support Services:										
Tuition										
Student & Instruction Related Services	6.4	4.3	5.3	4.8	5.2	5.2	5.7	6.1	6.1	6.1
General Administrative Services	1.3	0.8	0.8	0.8	1.4	1.4	1.1	1.1	1.08	1.08
School Administrative Services	1.0	1.3	1.3	1.3	0.8	0.8	1.8	1.5	1.72	1.72
Business Administrative Services	3.25	3.30	3.30	3.80	3.80	3.8	3.3	2.8	2.8	3.8
Plant Operations and Maintenance	5.0	5.0	4.5	5.0	5.1	5.1	4.6	4.6	5.0	5.0
Pupil Transportation	7.0	6.5	4.5	4.0	5.0	5.5	5	5.0	5.5	5.0
Food Service	3.5	3.5	3.5	3.0	3.5	2.4	2.4	2.9	3.0	3.5
Total	<u>69.55</u>	<u>62.20</u>	<u>61.30</u>	<u>60.20</u>	<u>67.30</u>	<u>65.70</u>	<u>65.40</u>	<u>66.50</u>	<u>68.20</u>	<u>69.70</u>

Source: District Personnel Records



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

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures<sup>a</sup></u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff<sup>b</sup></u>	<u>Pupil/Teacher Ratio Elementary</u>	<u>Average Daily Enrollment (ADE)<sup>c</sup></u>	<u>Average Daily Attendance (ADA)<sup>c</sup></u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2019	408	\$ 9,395,014	\$ 23,027	2.29%	33.0	19 : 1	414.14	387.33	1.28%	93.5%
2018	398	8,959,353	22,511	6.60%	33.0	19 : 1	408.9	383.38	-4.31%	93.8%
2017	415	8,763,693	21,117	1.12%	33.0	20 : 1	427.3	398.1	4.37%	93.2%
2016	418	8,729,476	20,884	7.68%	33.0	20 : 1	409.4	385.5	-4.35%	94.2%
2015	424	8,223,364	19,395	-5.82%	33.0	20 : 1	428	397	1.18%	92.8%
2014	423	8,710,655	20,593	6.02%	34.0	19 : 1	423	394	-3.03%	93.1%
2013	433	8,410,035	19,423	-2.08%	31.5	22 : 1	436.2	393.2	10.88%	90.1%
2012	393	7,795,227	19,835	-5.06%	32.1	21 : 1	393.4	365.1	5.72%	92.8%
2011	367	7,667,450	20,892	6.58%	29.5	20 : 1	372.1	340.3	-3.97%	91.5%
2010	389	7,625,434	19,603	6.35%	35.1	18 : 1	387.5	363.7	-2.64%	93.9%

Sources: District records

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule B-2
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
 (UNAUDITED)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<u>District Building</u>										
<u>Elementary</u>										
Maurice River Township Elementary										
Square Feet	62,114	62,114	62,114	62,114	62,114	62,114	62,114	62,114	62,114	62,114
Capacity (students)	688	688	688	688	688	688	688	688	688	688
Enrollment	389	367	393	433	423	424	418	415	398	403
<u>Other</u>										
Administration Building/Maintenance Building										
Square Feet	2,304	2,304	2,304	2,304	2,304	2,304	2,304	2,304	2,304	2,304

Number of Schools at June 30, 2018

    Elementary = 1

    Other = 1

Source: District records, ASSA

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

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND  
SCHEDULE OF REQUIRED MAINTENANCE EXPENDITURES BY SCHOOL FACILITIES  
LAST TEN FISCAL YEARS  
 (UNAUDITED)

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

School Facilities	Gross Square Footage	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Maurice River Township Elementary School	62,114	\$ 227,707	\$ 24,879	\$ 37,135	\$ 105,091	\$ 29,656	\$ 30,467	\$ 25,642	\$ 34,533	\$ 26,430	\$ 30,364
Total School Facilities		227,707	24,879	37,135	105,091	29,656	30,467	25,642	34,533	26,430	30,364
Other Facilities	2,304										
Grand Total		\$ 227,707	\$ 24,879	\$ 37,135	\$ 105,091	\$ 29,656	\$ 30,467	\$ 25,642	\$ 34,533	\$ 26,430	\$ 30,364

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**INSURANCE SCHEDULE**  
**JUNE 30, 2019**  
**(UNAUDITED)**

**New Jersey School Boards Association Insurance Group**

	<u>Coverage</u>	<u>Deductible</u>
<b>Commercial Policy</b>		
Property - Blanket Building and Contents	\$ 14,814,835	\$ 1,000
Comprehensive General Liability	6,000,000	1,000
Boiler and Machinery	10,000,000	1,000
Comprehensive Automobile Liability	6,000,000	1,000
Comprehensive Crime Theft Coverage	100,000	1,000
Board of Education Legal Liability	6,000,000	5,000
Pollution Legal Liability - per event	1,000,000	50,000
Electronic Data Processing	500,000	1,000
Commercial Inland Marine	500,000	1,000
Workers Compensation:		
Each Accident	2,000,000	
Disease each employee	2,000,000	
Disease aggregate	2,000,000	
<b>Federal Insurance Company</b>		
Workers Compensation Supplemental	2,500	Temp Total Disability Weekly Benefit Amount
<b>Berkley Insurance Company</b>		
Compulsory Student Accident Coverage	1,000,000	
<b>Markel Insurance Company</b>		
Catastrophic Student Accident Coverage	5,000,000	25,000
<b>NJSBAIG</b>		
Treasurer's Bond	175,000	
<b>The Ohio Casualty Insurance Company</b>		
Business Administrator's Bond	10,000	

Source: District Records

**SINGLE AUDIT SECTION**

# NIGHTLINGER, COLAVITA & VOLPA

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

### INDEPENDENT AUDITOR'S REPORT

The Honorable President and  
Members of the Board of Education  
Maurice River Township School District  
County of Cumberland, New Jersey 08348

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Maurice River Township School District, in the County of Cumberland, State of New Jersey, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Board of Education of the Maurice River Township School District's basic financial statements, and have issued our report thereon dated November 15, 2019.

#### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Maurice River Township Board of Education's internal control over financial reporting 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 Maurice River Township Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Maurice River Township Board of Education's internal control over financial reporting.

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

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

### 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* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of management, the Maurice River Township Board of Education, the New Jersey State Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA  
Licensed Public School Accountant

No. 915

November 15, 2019

# NIGHTLINGER, COLAVITA & VOLPA

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

### INDEPENDENT AUDITOR'S REPORT

The Honorable President and  
Members of the Board of Education  
Maurice River Township School District  
County of Cumberland, New Jersey 08348

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

We have audited the Board of Education of the Maurice River Township School District, in the County of Cumberland, State of New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the Maurice River Township School District's major federal and state programs for the fiscal year ended June 30, 2019. The Maurice River Township Board of Education'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 the requirements of 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 Maurice River Township Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and as prescribed by the Office of School Finance, *Department of Education, State of New Jersey*, and New Jersey OMB 15-08. Those standards, the Uniform Guidance and New Jersey OMB 15-08, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Maurice River Township Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of Maurice River Township Board of Education's compliance.

#### Opinion on Each Major Program

In our opinion, the Board of Education of the Maurice River Township School District, in the County of Cumberland, 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, 2019.



## Report on Internal Control Over Compliance

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

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

Our consideration of the 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, as defined above or any instance of deficiency in internal control over compliance that we have to report to the Board of Education in a separate report entitled *Auditors' Management Report on Administrative Findings-Financial, Compliance and Performance* dated November 15, 2019. 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 Uniform Guidance and New Jersey OMB 15-08.

This report is intended solely for the information and use of the audit committee, management, the Maurice River Township Board of Education, the New Jersey State Department of Education, other state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

**NIGHTLINGER, COLAVITA & VOLPA, PA**



Raymond Colavita, CPA  
Licensed Public School Accountant  
No. 915  
November 15, 2019

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SCHEDULE A)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Federal Grantor/Pass-Through Grant Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance at June 30, 2018			Cash Received	Budgetary Expenditures Pass Through Funds	Budgetary Expenditures Direct	Total Budgetary Expenditures (A)	Balance at June 30, 2019			
							(Accounts Receivable)	Deferred Revenue	Due to Grantor					(Accounts Receivable)	Unearned Revenue	Due to Grantor	
U.S. Department of Agriculture																	
Passed-through State Department of Education:																	
Enterprise Fund:																	
Non-Cash Assistance:																	
Food Distribution Program	10.565	181NJ304N1099	N/A	\$18,079	7/1/17	6/30/18											
Food Distribution Program	10.565	191NJ304N1099	N/A	13,788	7/1/18	6/30/19		\$800		\$13,788	(\$800)		(\$800)				
Child Nutrition Cluster:																	
Cash Assistance:																	
School Breakfast Program	10.553	181NJ304N1099	N/A	26,421	7/1/17	6/30/18	(\$5,965)		5,965								
School Breakfast Program	10.553	191NJ304N1099	N/A	24,120	7/1/18	6/30/19			19,599	(24,120)			(24,120)		(\$4,521)		
National School Lunch Program	10.555	181NJ304N1099	N/A	68,581	7/1/17	6/30/18	(14,730)		14,730								
National School Lunch Program	10.555	191NJ304N1099	N/A	71,058	7/1/18	6/30/19			57,117	(71,058)			(71,058)		(13,941)		
Total U.S. Department of Agriculture							(20,695)	800		111,199	(109,766)		(109,766)	(18,462)			
U.S. Department of Education																	
Passed-through State Department of Education:																	
Special Revenue Fund:																	
E.S.E.A.:																	
Title I, Part A	84.010A	S010A180030	ESEA - 3050-19	112,606	7/1/18	6/30/19			112,606	(112,606)			(112,606)				
Title II Part A	84.367A	S367A180029	ESEA - 3050-19	15,137	7/1/18	6/30/19			15,137	(15,137)			(15,137)				
Title IV	84.424	S424A180031	ESEA - 3050-19	10,000	7/1/18	6/30/19			10,000	(10,000)			(10,000)				
IDEA Cluster:																	
I.D.E.A. Part B, Basic Regular	84.027	H027A180100	IDEA - 3050-19	115,222	7/1/18	6/30/19			115,222	(115,222)			(115,222)				
I.D.E.A. Part B, Pre-School	84.173	H173A180114	IDEAPS - 3050-19	3,408	7/1/18	6/30/19			3,408	(3,408)			(3,408)				
Small Rural Achievement Program	84.358A	S358A183235	REAP - 3050-19	27,282	7/1/18	9/30/19			27,282	(27,282)			(27,282)				
Small Rural Achievement Program	84.358A	S358A172669	REAP - 3050-18	26,591	7/1/17	6/30/18	(13,832)		13,832								
Total U.S. Department of Education							(13,832)		297,487	(283,655)			(283,655)				
Total Federal Financial Awards							(\$34,527)	\$800	\$408,686	(\$393,421)			(\$393,421)	(\$18,462)			

(A) There were no awards passed through to subrecipients.

See accompanying notes to schedules of financial assistance

These funds were not audited in accordance with the Uniform Guidance since the total of all grant expenditures did not exceed \$750,000.

**TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (SCHEDULE B)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To		Balance at June 30, 2018					Balance at June 30, 2019			MEMO		
					(Accounts Receivable)	Unearned Revenue	Due to Grantor	Cash Received	Budgetary Expenditures	(Accounts Receivable)	Unearned Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures	
<b>State Department of Education</b>															
<b>General Fund:</b>															
Equalization Aid	18-495-034-5120-078	\$ 3,565,907	7/1/17	6/30/18	\$ (342,724)			\$ 342,724							
Equalization Aid	19-495-034-5120-078	3,565,907	7/1/18	6/30/19				3,221,662	\$ (344,245)			\$ (344,245)	\$ (344,245)	\$ (3,565,907)	
Security Aid	18-495-034-5120-084	96,207	7/1/17	6/30/18	(9,247)			9,247							
Security Aid	19-495-034-5120-084	123,438	7/1/18	6/30/19				111,522	(123,438)	(11,916)		*	(11,916)	(123,438)	
Special Education Categorical Aid	18-495-034-5120-089	287,934	7/1/17	6/30/18	(27,674)			27,674							
Special Education Categorical Aid	19-495-034-5120-089	332,611	7/1/18	6/30/19				300,502	(332,611)	(32,109)		*	(32,109)	(332,611)	
Transportation Aid	18-495-034-5120-014	293,159	7/1/17	6/30/18	(28,176)			28,176							
Transportation Aid	19-495-034-5120-014	345,391	7/1/18	6/30/19				312,048	(345,391)	(33,343)		*	(33,343)	(345,391)	
School Choice	18-495-034-5120-068	450,324	7/1/17	6/30/18	(43,281)			43,281							
School Choice	19-495-034-5120-068	487,305	7/1/18	6/30/19				440,262	(487,305)	(47,043)		*	(47,043)	(487,305)	
Adjustment Aid	18-495-034-5120-085	35,740	7/1/17	6/30/18	(3,435)			3,435							
Under Adequacy Aid	18-495-034-5120-096	21,720	7/1/17	6/30/18	(2,088)			2,088							
PARCC Readiness Aid	18-495-034-5120-098	5,470	7/1/17	6/30/18	(526)			526							
Per Pupil Growth Aid	18-495-034-5120-097	5,470	7/1/17	6/30/18	(526)			526							
Prof Learning Comm Aid	18-495-034-5120-101	5,190	7/1/17	6/30/18	(499)			499							
Extraordinary Aid	18-100-034-5120-473	20,787	7/1/17	6/30/18	(20,787)			20,787							
Extraordinary Aid	19-100-034-5120-473	26,128	7/1/18	6/30/19				81	(26,128)	(26,047)		*		(26,128)	
Non-Public Transportation Aid	18-495-034-5120-014	5,220	7/1/17	6/30/18	(5,220)			5,220							
Non-Public Transportation Aid	19-495-034-5120-014	3,480	7/1/18	6/30/19					(3,480)	(3,480)		*		(3,480)	
Reimbursed TPAF SS Contribution	18-495-034-5094-003	173,163	7/1/17	6/30/18	(8,356)			8,356							
Reimbursed TPAF SS Contribution	19-495-034-5094-003	180,221	7/1/18	6/30/19				168,573	(180,221)	(11,648)		*		(180,221)	
On-Behalf TPAF Pension Contribution	19-495-034-5094-002	458,261	7/1/18	6/30/19				458,261	(458,261)			*		(458,261)	
On-Behalf TPAF Post Retirement Medical	19-495-034-5094-001	207,866	7/1/18	6/30/19				207,866	(207,866)			*		(207,866)	
On-Behalf TPAF LTDI (Non-budgeted)	19-495-034-5094-004	607	7/1/18	6/30/19				607	(607)			*		(607)	
<b>Total General Fund</b>					<b>(492,539)</b>			<b>5,713,923</b>	<b>(5,731,215)</b>	<b>(509,831)</b>			<b>(468,656)</b>	<b>(5,731,215)</b>	
<b>Special Revenue Fund:</b>															
Preschool Education Aid	18-495-034-5120-086	238,375	7/1/17	6/30/18	(23,838)			\$23,838							
Preschool Education Aid	19-495-034-5120-086	470,098	7/1/18	6/30/19				423,089	(470,098)	(47,009)		*	(47,009)	(470,098)	
<b>Total Special Revenue Fund</b>					<b>(23,838)</b>			<b>446,927</b>	<b>(470,098)</b>	<b>(47,009)</b>			<b>(47,009)</b>	<b>(470,098)</b>	
<b>Debt Service Fund:</b>															
Debt Service Aid Type II	19-495-034-5120-017	84,693	7/1/18	6/30/19				84,693	(84,693)			*		(84,693)	
<b>State Department of Agriculture</b>															
<b>Enterprise Fund:</b>															
State School Lunch Program	18-100-010-3350-023	1,513	7/1/17	6/30/18	(218)			218							
State School Lunch Program	19-100-010-3350-023	1,786	7/1/18	6/30/19				1,429	(1,786)	(357)		*		(1,786)	
<b>Total Enterprise Fund</b>					<b>(218)</b>			<b>1,647</b>	<b>(1,786)</b>	<b>(357)</b>				<b>(1,786)</b>	
<b>Total State Financial Assistance</b>					<b>(\$516,595)</b>			<b>\$6,247,190</b>	<b>(\$6,287,792)</b>	<b>(\$557,197)</b>			<b>(\$515,665)</b>	<b>(\$6,287,792)</b>	
<b>Less: On-Behalf TPAF Pension System Contributions</b>															
On-Behalf TPAF Pension Contribution	19-495-034-5094-002	458,261	7/1/18	6/30/19				\$ 458,261	\$ (458,261)						
On-Behalf TPAF Post Retirement Medical	19-495-034-5094-001	207,866	7/1/18	6/30/19				207,866	(207,866)						
On-Behalf TPAF LTDI (Non-budgeted)	19-495-034-5094-004	607	7/1/18	6/30/19				607	(607)						
<b>Total State Financial Assistance - Major Program Determination</b>								<b>\$ 5,580,456</b>	<b>\$ (5,621,058)</b>						

See accompanying notes to schedules of financial assistance

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF AWARDS  
AND FINANCIAL ASSISTANCE  
JUNE 30, 2019

NOTE 1: GENERAL

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

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 2 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200- *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$10,479) for the general fund and (\$23,172) for the special revenue fund. See Note 2 [the 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 revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

TOWNSHIP OF MAURICE RIVER SCHOOL DISTRICT  
NOTES FOR SCHEDULES OF AWARDS  
AND FINANCIAL ASSISTANCE  
JUNE 30, 2019  
 (Continued)

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D)

	<u>Federal</u>		<u>State</u>		<u>Total</u>
General Fund	\$		\$	5,720,735	\$ 5,720,735
Special Revenue Fund		279,938		446,927	726,865
Debt Service				84,693	84,693
Food Service Fund		<u>109,766</u>		<u>1,786</u>	<u>111,552</u>
Total Awards & Financial Assistance	\$	<u>389,704</u>	\$	<u>6,254,141</u>	\$ <u>6,643,845</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: FEDERAL AND STATE LOANS OUTSTANDING

The Township of Maurice River School District had no loan balances outstanding at June 30, 2019.

NOTE 6: OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2019. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2019.

NOTE 7: SCHOOL-WIDE PROGRAM FUNDS

As the District's Federal Programs are on a targeted student group basis, there are no schoolwide programs in the District.

NOTE 8: ADJUSTMENTS

There were no adjustments required to be shown in the "Adjustments" column on Schedule A or Schedule B.

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- 1) Material weakness (es) identified? \_\_\_\_\_ yes  X  no  
none
- 2) Significant deficiencies identified? \_\_\_\_\_ yes  X  reported

Noncompliance material to basic financial statements noted? \_\_\_\_\_ yes  X  no

Federal Awards

Internal control over major programs: N/A

- 1) Material weakness (es) identified? \_\_\_\_\_ yes \_\_\_\_\_ no  
none
- 2) Significant deficiencies identified? \_\_\_\_\_ yes \_\_\_\_\_ reported

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

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

Identification of major programs:

CFDA Number(s)	FAIN Number(s)	Name of Federal Program or Cluster
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N/A

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

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

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(continued)

Section I - Summary of Auditor's Results (continued)

State Awards

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

Auditee qualified as low-risk auditee?  X  yes   no

Internal control over major programs:

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

2) Significant deficiencies identified that are not considered to be material weaknesses?   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 NJOMB Circular Letter 15-08 as applicable?   yes  X  no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
19-495-034-5120-078	Equalization Aid
19-495-034-5120-089	Special Education Categorical Aid
19-495-034-5120-084	Security Aid
19-495-034-5120-068	School Choice Aid

MAURICE RIVER TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(continued)

Section II - Financial Statement Findings

This section identifies the significant deficiencies, material weakness, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, and abuse related to the financial statements for which Government Auditing Standards requires reporting and with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey that requires reporting in the Uniform Guidance, New Jersey OMB Treasury Circular 15-08 audit.

Finding: N/A

Criteria or specific requirement:

Condition:

Context:

Effect:

Cause:

Recommendation:

Views of responsible officials and planned corrective actions:



MAURICE RIVER TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
(continued)

Section III - Federal Awards and State Financial Assistance  
Findings and Questioned Costs

This section identifies audit findings required to be reported by 2 CFR 200 section .516 of the *Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards* and NJOMB Circular Letter 15-08, as applicable.

**FEDERAL AWARDS**

**Finding:** N/A

**Information on the federal program:**

**Criteria or specific requirement:**

**Condition:**

**Questioned Costs:**

**Context:**

**Effect:**

**Cause:**

**Recommendation:**

**Views of responsible officials and planned corrective actions:**

**STATE AWARDS**

**Finding:** N/A

**Information on the state program:**

**Criteria or specific requirement:**

**Condition:**

**Questioned Costs:**

**Context:**

**Effect:**

**Cause:**

**Recommendation:**

**Management's response:**

**MAURICE RIVER TOWNSHIP SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

This section identifies the status of prior - year findings related to the basic financial statements and Federal and State awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, US OMB *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* section .511(a) (b) and New Jersey OMB's Treasury Circular 15-08, as applicable.

**STATUS OF PRIOR - YEAR FINDINGS**

There were no prior year findings.