

Comprehensive Annual Financial Report

of the

Township of Jackson School District

County of Ocean

Jackson, New Jersey

For the Fiscal Year Ended June 30, 2018

Prepared by

**Jackson Township, Board of Education
Finance Department**

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INTRODUCTORY SECTION



JACKSON TOWNSHIP SCHOOL DISTRICT

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Dr. Stephen Genco
Superintendent

Ms. Michelle Richardson
Business Administrator/Board Secretary

February 4, 2019

Honorable President and Members
of the Board of Education
Jackson School District
County of Ocean, New Jersey 08527

Dear Board Members:

The comprehensive annual financial report of the Jackson School District for the fiscal year ended June 30, 2018, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Jackson 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 management's discussion and analysis, general-purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of The Single Audit Act of 1996 and Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and State of New Jersey *OMB Circular 15-08* "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

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

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular, vocational, as well as special education for handicapped children. The District completed the 2017-2018 fiscal year with an average daily enrollment of 8,205 students, which is 229 students below the previous year's enrollment. 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>
2017/18	8,205	-2.7%
2016/17	8,434	-1.9%
2015/16	8,601	-1.2%
2014/15	8,707	-2.6%
2013/14	8,941	-2.3%
2012/13	9,149	-2.7%
2011/12	9,398	-2.0%
2010/11	9,588	0.0%
2009/10	9,595	-2.0%
2008/09	9,748	0.0%

2. ECONOMIC CONDITION AND OUTLOOK: The Jackson Township School District continues to experience a modest decline in enrollment. Student population is expected to level off at approximately the current level. A number of new housing developments have broken ground in the town, this new housing will bring additional students into the district schools, thus increasing enrollment. The Jackson Township School District is committed to continued fiscal responsibility, full compliance to regulations and the understanding of the difficult economic conditions of our taxpayers while continuing to provide the highest quality instruction to all our students.

3. EDUCATION PROGRAM

Mission Statement: The Jackson School District is a partnership of dedicated staff, learners and community members committed to developing the unique abilities of each student through compelling learning experiences in a safe and nurturing environment.

Our comprehensive, engaging and technology-enriched programs inspire, educate and motivate students to become independent, creative and critical thinkers who will thrive in a diverse, evolving global society.

We are resolved that through commitment to scholarship, character and initiative, our students will succeed beyond the expectations of the New Jersey Student Learning Standards as they excel in their life-long pursuit of knowledge.

The Jackson School District educational program spans Pre-Kindergarten to 12th grade in six elementary schools, two middle schools and two high schools. Over 8,200 students have an opportunity to participate in a variety of programs which include, but are not limited to, the following:

Basic Skills Literacy
Basic Skills Math
Enrichment
English as a Second Language
Special Education

The elementary curriculum features a developmentally appropriate approach to learning and an emphasis on activities that promote early literacy. The secondary program offers required and elective courses, which are aligned to the Core Curriculum Content Standards.

The District continues to adapt the educational program to the standards set forth in the No Child Left Behind Legislation. Thus, a five-year curriculum plan was created in math, literacy and science. Staff development activities are geared toward fulfilling the "Highly Qualified" standards for certified and non-certified personnel.

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

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

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

5. BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget 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 funds. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

6. ACCOUNTING SYSTEM 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 various funds. These funds are explained in "Notes to the Financial Statements," Note 1.

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

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. OTHER INFORMATION:

A. Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board selected the accounting firm of Suplee, Clooney, & Company. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of The Single Audit Act of 1996 and the related Uniform Guidance and New Jersey OMB Circular 15-08. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

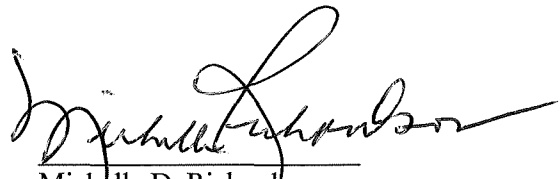
10. FUTURE GROWTH: The District continues to monitor its population through demographic studies in preparation of any needed facility changes.

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

Respectfully submitted,



Dr. Stephen Genco
Superintendent of Schools



Michelle D. Richardson
Business Administrator/
Board Secretary

**JACKSON TOWNSHIP SCHOOL DISTRICT
BOARD OF EDUCATION
JACKSON, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30TH, 2018**

<u>Members of the Board of Education</u>	<u>Term Expires November</u>
Scott Sargent, Board President	2018
Vicki Grasso, Board Vice President	2018
John J. Burnetsky	2018
Thomas Colucci	2019
Sharon E. Dey	2020
Tara Rivera	2020
Michael Walsh	2019

Other Officials

Dr. Stephen Genco, Superintendent of Schools

Michelle D. Richardson, Board Secretary/School Business Administrator

George Stone, Treasurer

Nicholas Montenegro, Board Attorney

**JACKSON TOWNSHIP SCHOOL DISTRICT
BOARD OF EDUCATION
JACKSON, NEW JERSEY**

**CONSULTANTS AND ADVISORS
JUNE 30TH, 2018**

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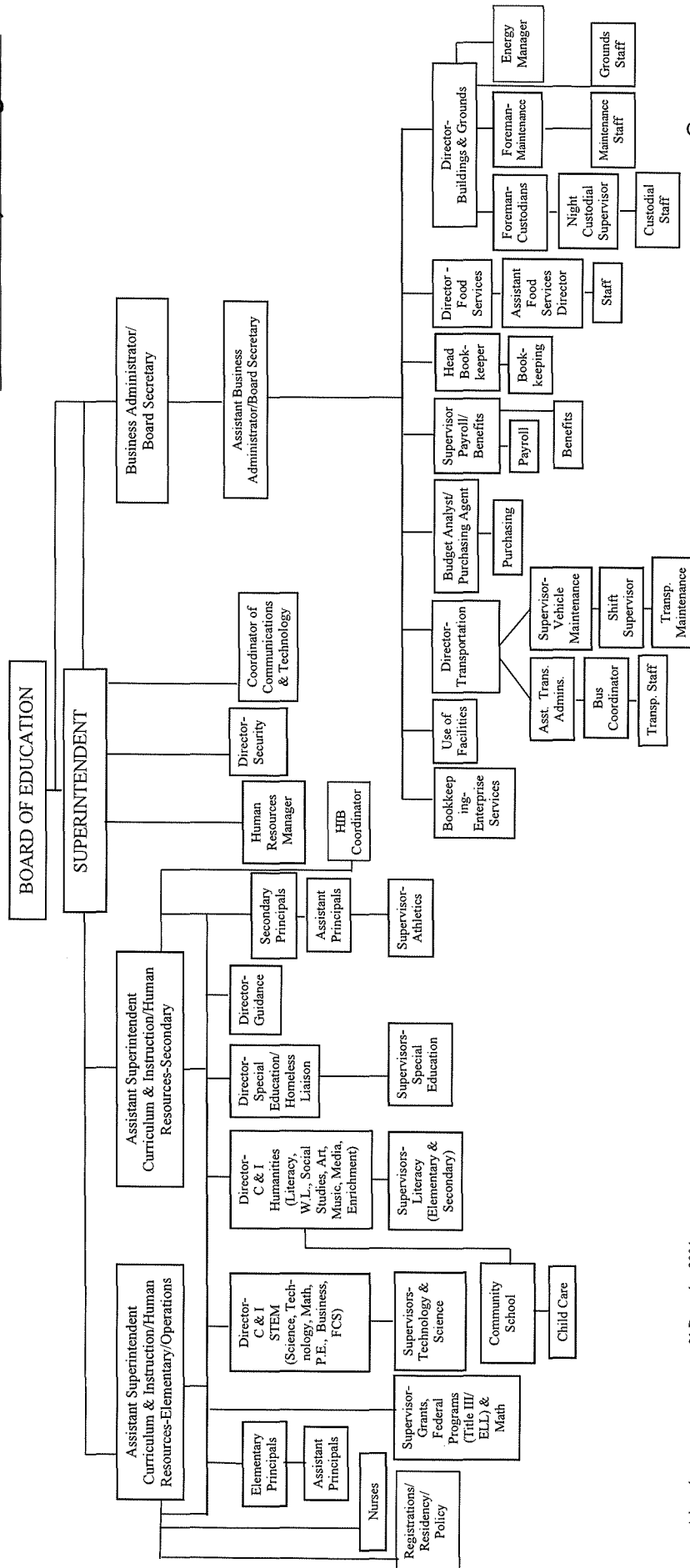
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**Official Depository
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1110 - ORGANIZATIONAL CHART

POLICY - 2nd Reading
November 21, 2017 Agenda



ADMINISTRATION
 1110/page 1 of 1
 Organizational Chart

Adopted: 21 December 2004
 Revised: 17 December 2013
 Revised: 18 August 2015
 Revised: 16 August 2016
 Revised-1st Reading: 17 October 2017
 Revised-Adopted: 21 November 2017

FINANCIAL SECTION



SUPLEE, CLOONEY & COMPANY

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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Jackson School District
County of Ocean
Jackson, New Jersey 08527

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey, 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 State of New Jersey *OMB Circular 15-08* "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

SUPLEE, CLOONEY & COMPANY

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

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

Opinion

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

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 7 to the basic financial statements, in 2018, the District adopted Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information in Exhibit C-1 through C-3, the schedules related to accounting and reporting for pensions in Exhibit L-1 through L-4 and the schedules related to accounting and reporting for postretirement benefits other than pensions (OPEB) On Exhibit M-1 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.

SUPLEE, CLOONEY & COMPANY

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Jackson School District's basic financial statements. The accompanying supplementary information schedules such as the introductory section, combining statements and individual fund financial statements, the statistical section and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by the Uniform Guidance, New Jersey's OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the State of New Jersey, Department of Education, Division of Finance, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by the Uniform Guidance, New Jersey's OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the State of New Jersey, Department of Education, Division of Finance is the responsibility of management and was derived from and relates 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 records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 4, 2019 on our consideration of the Jackson School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 effectiveness of the Jackson School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Jackson School District's internal control over financial reporting and compliance.


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 948

February 4, 2019

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

**JACKSON TOWNSHIP BOARD OF EDUCATION
JACKSON, NEW JERSEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED**

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

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. Certain comparative information between the current year (2017-2018) and the prior year (2016-2017) is required to be presented in the MD&A. In FY2018 the District Implemented GASB 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". Prior Year Information has not been restated.

Financial Highlights

Key financial highlights for 2018 are as follows:

In the District Wide Statements:

- ◆ In total, net position decreased \$646,930 which represents a 3.04 percent decrease from 2017.
- ◆ General revenues accounted for \$140,633,617 in revenue or 70 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$58,845,877 or 30 percent of total revenues of \$199,479,495.
- ◆ Total assets of governmental activities decreased by \$4,659,706 cash and cash equivalents increased by \$1,570,852. Receivables decreased by \$913,491 and capital assets decreased by \$3,747,374.
- ◆ The School District had \$195,887,321 in expenses; \$58,845,877 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$140,633,617 were adequate to provide for these programs.

In the Fund Financial Statements:

- ◆ The General Fund had \$151,438,075 in revenues and \$152,920,723 in expenditures.
- ◆ The District recognized \$740,244 in proceeds from a Capital Lease
- ◆ Overall the General Fund's fund balance decreased \$360,198 from 2017.

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 Jackson 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. The fund financial statements also look at the School district's most significant funds with all other non-major funds presented in total in one column. In the case of Jackson School District, the General Fund is by far the most significant fund.

**JACKSON TOWNSHIP BOARD OF EDUCATION
JACKSON, NEW JERSEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED (Continued)**

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains most of the funds used by the School District to provide programs and activities, the view of the School district as a whole looks at all financial transactions and asks the question, "How did we do financially during 2018?" The Statement of Net Assets and the Statement of Activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. 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 assets and changes in those assets. This change in net assets is important because it tells the reader that, for the school district as a whole, the financial position of the School district has improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, and other factors.

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

- ◆ Governmental activities – All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- ◆ Business-Type Activity – This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service, Child Care Program, Community School Program, Preschool Program, Digital Media Program, Summer Electives and STEM Summer Camp Program enterprise funds are reported as business activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's funds. The School District uses many funds to account for a multitude of financial transactions. The School District's 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 the reader 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 Assets 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.

**JACKSON TOWNSHIP BOARD OF EDUCATION
JACKSON, NEW JERSEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED (Continued)**

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The notes to the financial statements can be found immediately following the fund financial statements.

The School District as a Whole

Recall that the Statement of Net Assets provides the perspective of the School District as a whole. Net assets may serve over time as a useful indicator of a government's financial position. The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Table 1 provides a summary of the School District's net assets for 2018. In accordance with GASB Statement 34, net asset comparisons to fiscal year 2017 are presented.

**TABLE 1
NET POSITION**

	2018			2017		
	Governmental Activities	Business Activities	Total	Governmental Activities	Business Activities	Total
ASSETS						
Current & Other Assets	\$15,797,138	\$3,060,969	\$18,858,107	\$16,708,579	\$3,370,603	\$20,079,182
Capital Assets	131,107,094	1,185,145	132,292,240	134,854,468	1,200,060	136,054,528
TOTAL ASSETS	146,904,232	4,246,114	151,150,347	151,563,047	4,570,663	156,133,710
DEFERRED OUTFLOWS OF RESOURCES:						
Loss on Refunding of Long Term Debt	1,038,053		1,038,053	1,154,140		1,154,140
Premium on Refunding of Long Term Debt	4,331,208		4,331,208	4,820,301		4,820,301
Pension Related	17,033,449		17,033,449	22,234,329		22,234,329
TOTAL DEFERRED OUTFLOWS	22,402,710		22,402,710	28,208,770		28,208,770
LIABILITIES						
Long-Term Liabilities	124,805,607	116,891	124,922,498	147,131,334	115,733	147,247,066
Other Liabilities	12,005,763	432,548	12,438,311	10,973,666	461,441	11,435,106
TOTAL LIABILITIES	136,811,370	549,439	137,360,809	158,105,000	577,173	158,682,173
DEFERRED INFLOWS OF RESOURCES:						
Pension Related	12,463,178		12,463,178	942,490		942,490
Gain on Refunding of Long Term Debt	3,076,364		3,076,364	3,418,182		3,418,182
	15,539,542		15,539,542	4,360,672		4,360,672
NET POSITION						
Net investment in capital assets	66,097,599	1,185,145	67,282,744	65,055,149	1,200,060	66,255,209
Restricted	10,685,982		10,685,982	12,474,787		12,474,787
Unrestricted:						
Pension related (deficit)	(56,599,845)		(56,599,845)	(54,701,590)		(54,701,590)
Other (deficit)	(3,227,706)	2,511,530	(716,176)	(5,522,200)	2,793,430	(2,728,770)
TOTAL NET POSITION	\$16,956,030	\$3,696,675	\$20,652,706	\$17,306,146	\$3,993,490	\$21,299,636

The District's combined net position was \$20,657,206 on June 30, 2018.

**JACKSON TOWNSHIP BOARD OF EDUCATION
JACKSON, NEW JERSEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
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UNAUDITED (Continued)**

Table 2 shows changes in net assets for fiscal year 2018. In accordance with GASB Statement 34, revenue and expense comparisons to fiscal year 2017 is presented to comparatively analyze district-wide data.

**TABLE 2
CHANGES IN NET POSITION**

	2018			2017		
	Governmental Activities	Business Activities	Total	Governmental Activities	Business Activities	Total
Revenues:						
Program Revenues:						
Operating Grants & Contributions	\$54,163,330	\$1,216,546	\$55,379,877	\$44,931,583	\$1,147,911	\$46,079,494
Charges for Services		3,466,001	3,466,001		3,385,334	3,385,334
General Revenues						
Property Taxes	88,488,342		88,488,342	86,792,371		86,792,371
Grants (includes State Aid) and Entitlements	51,087,003		51,087,003	51,002,696		51,002,696
Other Revenues	1,060,743		1,060,743	859,034	21,820	880,854
Transfers	740,257	(740,257)		450,000	(450,000)	
Disposal of Capital Assets	(2,470)		(2,470)	(4,515)		(4,515)
	195,537,204	3,942,291	199,479,495	184,031,169	4,105,065	188,136,234
Expenses:						
Instruction	113,693,148		113,693,148	108,116,037		108,116,037
Pupils and Instructional Staff	28,282,891		28,282,891	26,132,832		26,132,832
General & School Adm, Central						
Serv & Adm Technology	16,365,329		16,365,329	15,700,717		15,700,717
Maintenance	15,486,698		15,486,698	14,933,639		14,933,639
Transportation	13,974,062		13,974,062	12,776,349		12,776,349
Interest on Long-Term Debt	3,186,377		3,186,377	3,949,029		3,949,029
Other	4,898,814		4,898,814	4,485,789		4,485,789
Business-Type		4,239,106	4,239,106		4,064,961	4,064,961
Total Expenses	195,887,320	4,239,106	200,126,426	186,094,392	4,064,961	190,159,353
Change in Net Position	(350,116)	(296,814)	(646,930)	(2,063,224)	40,104	(2,023,119)
Net Position July 1,	17,306,146	3,993,490	21,299,636	19,369,370	3,953,385	23,322,755
Net Position June 30,	16,956,030	3,696,675	20,652,706	17,306,146	3,993,490	21,299,636

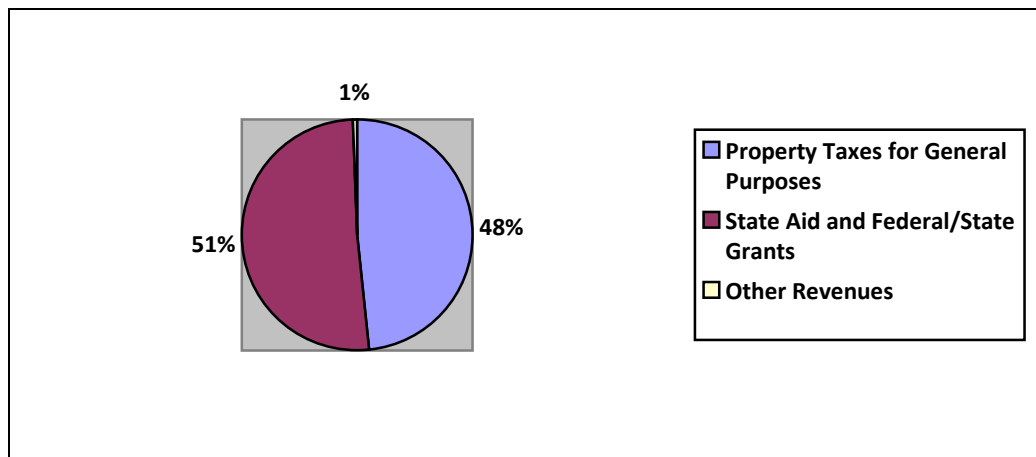
Variances in both the revenues and expenditures are significantly affected by fluctuations in the actuarial expenses for PERS Pension expense under GASB 68 and Postemployment Benefits under GASB 75.

**JACKSON TOWNSHIP BOARD OF EDUCATION
JACKSON, NEW JERSEY
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Governmental Activities

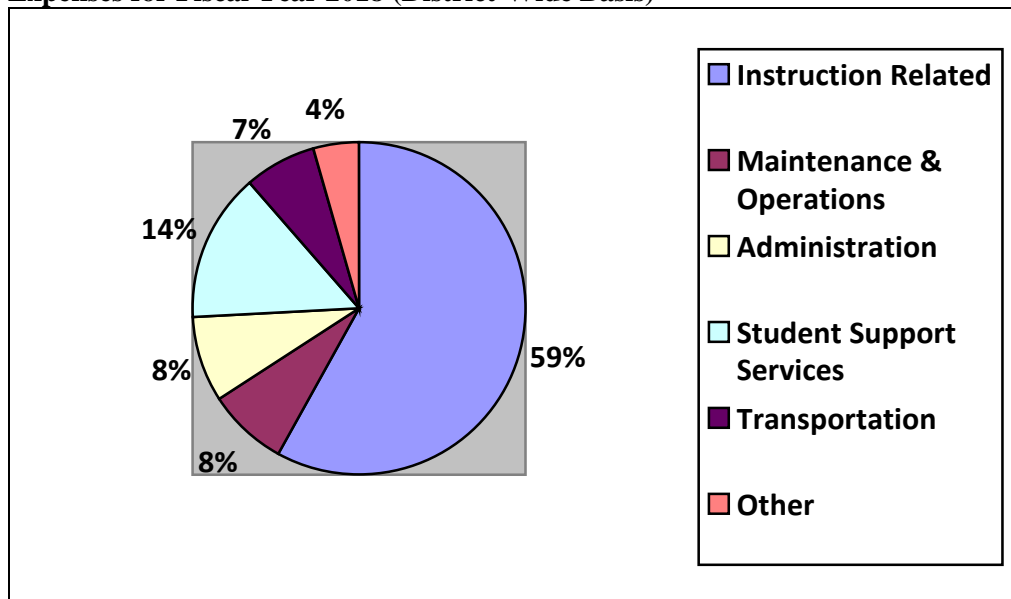
As shown in Table 2 the District's total revenue from Governmental Activities was \$195,537,204. Property taxes made up 48 percent of these revenues. Federal, state, and local grants and state aid accounted for another 51 percent of revenue.

Sources of Revenue for Fiscal Year 2018 (District-Wide Basis)



Also on Table 2, the total cost of Governmental programs and services was \$195,887,320. Direct instruction comprises 59 percent of District expenses.

Expenses for Fiscal Year 2018 (District-Wide Basis)



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JACKSON, NEW JERSEY
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Business-Type Activities

Revenues for the District's business-type activities (food service, child care, community school, pre-school programs, digital media and summer elective) were comprised of charges for services and federal and state reimbursements.

- ◆ Business Type expenses and transfers exceeded revenues by \$296,814.27.
- ◆ Charges for services represent \$3,515,347 of revenue. This represents amounts paid by patrons for the various program services.
- ◆ Federal and state reimbursement for meals, including payments for free and reduced lunches, and donated commodities was \$1,196,701.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. The total costs include compensating absences, unallocated benefits, and depreciation and is reduced by grants and specific state aid. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions. In accordance with GASB Statement 34, a comparison to fiscal year 2017 is presented.

**TABLE 3
NET COST OF SERVICES**

	Total Cost of Services <u>2018</u>	Total Cost of Services <u>2017</u>	Net Cost of Services <u>2018</u>	Net Cost of Services <u>2017</u>
Instruction	113,693,148	\$108,116,037	\$76,794,112	\$75,239,081
Pupils and Instructional Staff	28,282,891	26,132,832	20,738,583	20,252,470
Gen. & School Adm, Central				
Serv & Adm Technology	16,365,329	15,700,717	11,113,269	11,042,536
Maintenance	15,486,698	14,933,639	13,984,070	14,933,639
Transportation	13,974,062	12,776,349	11,537,238	11,711,856
Interest on Long-Term Debt	3,186,377	3,949,029	2,735,663	3,497,439
Business-Type	4,239,106	4,064,961	(443,442)	(468,284)
Other	4,898,814	4,485,789	4,821,055	4,485,789
Total Expenses	<u>\$200,126,426</u>	<u>\$190,159,353</u>	<u>\$141,280,548</u>	<u>\$140,694,525</u>

Instruction expenses include the activities involving the interaction between teachers and students in a school classroom, another location such as a home or hospital, and in other learning situations such as those involving co-curricular activities.

Support Services includes expenses for pupils and instructional staff providing administrative, technical, and logistical support to facilitate and enhance instruction. This area includes Attendance and Social Work Services, Health Services, Child Study Team Services, Curriculum Development, Staff Training, and School Library Services.

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School Administration, General Administration, Central Service & Administrative Technology includes expenses associated with administrative responsibility for the schools: Supervision of the schools, evaluation of school staff members, fiscal services, human resources, strategic planning, purchasing, payroll, and management of the district's information technology system.

Operation and Maintenance of Facilities involve keeping the physical plant open, comfortable, and safe for use, and keeping the grounds, buildings, and equipment in effective working condition.

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

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

Business Type Activities involves the transactions associated with the operation of the Food Service, Child Care, Community School, Preschool, Extended Enrichment Kindergarten, Digital Mass Media, Summer Elective and STEM Summer Camp Programs.

Other includes special schools and unallocated depreciation.

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$163,067,718 and expenditures were \$164,878,210. The District also had \$1,481,607 in other financing sources consisting mainly of capital lease proceeds and Inter-equity transfers. The net negative change in fund balance for the year was \$328,759.

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 general fund, special revenue fund and debt service fund for the fiscal year ended June 30, 2017, and the amount and percentage of increases and decreases in relation to prior year revenues.

REVENUES (FUND-BASED FINANCIAL STATEMENTS):

	<u>Amount</u>	<u>Percentage</u>	<u>Increase/Decrease from 2017</u>	<u>Percentage Change</u>
Local Sources	\$89,576,869	54.97%	\$1,856,346	2.12%
State Sources	70,081,511	43.00%	3,056,264	4.56%
Federal Sources	<u>3,307,575</u>	<u>2.03%</u>	<u>21,426</u>	<u>0.65%</u>
	<u><u>\$162,965,955</u></u>	<u><u>100.00%</u></u>	<u><u>\$4,934,036</u></u>	<u><u>3.12%</u></u>

The increase in State sources is due to activity relating to the Districts Capital Projects Fund SDA Grant projects as they near completion.

Federal revenues increased due to the District's increase in Title I Funding.

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JACKSON, NEW JERSEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED (Continued)**

The following schedule represents a summary of general fund, special revenue fund, and debt service fund expenditures for the fiscal year ended June 30, 2018, and the percentage of increases and decreases in relation to prior year amounts.

EXPENDITURES (FUND BASED FINANCIAL STATEMENTS)

	<u>Amount</u>	<u>Percentage</u>	<u>Increase/(Decrease) from 2017</u>	<u>Percentage Change</u>
Current Expense:				
Instruction	\$55,831,573	33.88%	\$1,968,537	3.65%
Undistributed	94,810,232	57.54%	10,460,558	12.40%
Capital Outlay	1,976,552	1.20%	(838,564)	-29.79%
Special Schools	302,366	0.18%	(79,098)	-20.74%
Special Revenue	3,343,697	2.03%	31,340	0.95%
Debt Service:				
Principal	5,400,000	3.28%	(430,000)	-7.38%
Interest	3,114,075	1.89%	(554,703)	-15.12%
Total	<u>\$164,778,495</u>	<u>100.00%</u>	<u>\$10,558,069</u>	<u>6.85%</u>

Changes in expenditures were the results of varying factors.

General Fund Budgeting Highlights

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

Over the course of the year, the District revised the annual operating budget as needed. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

◆ The District received \$1,292,873 in extraordinary aid, which is state aid for special education students whose individual program cost exceeds program guidelines; this was \$192,873 more than anticipated. There was no guarantee from the Department of Education that these funds would be available.

◆ TPAF, which is the state's contribution to the pension fund, is neither a revenue item nor an expenditure item to the District but is required to be reflected in the financial statements. This number is reflective of the amount of money the New Jersey Department of Education pays on-behalf of certified staff for pension and FICA purposes. Salaries of regular instruction continue to increase in proportion with negotiated contracts.

◆ The District's philosophy is to include special education students in regular academic classes whenever possible but with additional services. Students who may have been originally scheduled for Resource Room classes were scheduled for Inclusion classes. This necessitates the cost for additional instructional aides and teachers to accommodate resource students.

**JACKSON TOWNSHIP BOARD OF EDUCATION
JACKSON, NEW JERSEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED (Continued)**

Capital Assets

At the end of the fiscal year 2018, the School District had \$131,107,094 invested in land, building, furniture and equipment, and vehicles. Table 4 shows fiscal year 2018 balances compared to 2017.

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

	<u>2018</u>	<u>2017</u>
Land	15,707,450	\$15,707,450
Construction in Progress	9,800	12,994,470
Site Improvements	1,511,025	1,594,783
Building and Building Improvements	107,390,774	98,125,866
Machinery and Equipment	6,488,045	6,431,898
	<u>\$131,107,094</u>	<u>\$134,854,468</u>

Overall capital assets decreased \$3,747,373 from fiscal year 2017 to fiscal year 2018. The decrease in capital assets is due primarily to depreciation. For more detailed information, please refer to the Notes to the Financial Statements.

Debt Administration

At June 30, 2017, the School District had \$132,156,745 of outstanding debt. Of this amount, \$5,621,036 is for compensated absences; \$1,907,473 for various capital leases; \$61,640,000 of serial bonds for school construction; \$4,331,208 in unamortized bond premium and \$58,657,027 in net pension liability.

Table 5 illustrates the balances of the District's various bonds issues outstanding at June 30, 2018 and June 30, 2017.

**Table 5
Outstanding Bonded Debt at June 30,**

	<u>2018</u>	<u>2017</u>
2006 Refunding Bonds	\$27,435,000.00	\$32,090,000.00
2014 Refunding Bonds	7,055,000.00	7,800,000.00
2017 Refunding Bonds	<u>27,150,000.00</u>	<u>27,150,000.00</u>
Total	<u>\$61,640,000.00</u>	<u>\$67,040,000.00</u>

At June 30, 2018, the School District's overall legal debt margin was \$192,546,323.

**JACKSON TOWNSHIP BOARD OF EDUCATION
JACKSON, NEW JERSEY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
UNAUDITED (Continued)**

For the Future

The Jackson School District is in good financial condition presently. The School District is proud of its community support of the public schools. During the 2017-2018 school year, the state slightly increased state aid. There is uncertainty regarding the method and amount of funding the states portion of educational aid in the future. The Board and Administration continue to find creative means to fill the gap between funding, and the cost to provide education to Jackson's students.

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

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Ms. Michelle D. Richardson, Business Administrator/Board Secretary at Jackson Township Board of Education, Administration Building, 151 Don Connor Blvd., Jackson, NJ 08527. Please visit our website at www.jacksonsd.org.

BASIC FINANCIAL STATEMENTS

The basic financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all funds as of June 30, 2018

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.

JACKSON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2018

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
ASSETS:			
Cash and cash equivalents	\$8,223,200.47	\$2,812,948.59	\$11,036,149.06
Receivables, net	2,212,871.08	206,455.64	2,419,326.72
Interfunds		213.64	213.64
Inventory		41,351.32	41,351.32
Restricted assets:			
Restricted cash and cash equivalents	5,361,066.24		5,361,066.24
Capital assets:			
Land and Construction in progress	15,717,250.00		15,717,250.00
Other Capital Assets net of depreciation	115,389,844.39	1,185,145.18	116,574,989.57
Total Assets	146,904,232.18	4,246,114.37	151,150,346.55
DEFERRED OUTFLOWS OF RESOURCES:			
Loss on Refunding of Long Term Debt	1,038,053.16		1,038,053.16
Premium on Refunding of Long Term Debt	4,331,207.77		4,331,207.77
Pension Related	17,033,449.00		17,033,449.00
Total Deferred Outflow of Resources	22,402,709.94		22,402,709.94
LIABILITIES:			
Accounts payable	4,355,452.53	44,245.36	4,399,697.89
Payable to state government	29,206.81		29,206.81
Deposits payable	688.25		688.25
Unearned revenue	58,128.32	388,302.85	446,431.17
Accrued Interest Payable	211,149.48		211,149.48
Noncurrent liabilities:			
Due within one year:			
Bonds and capital leases payable	7,351,137.56		7,351,137.56
Due beyond one year:			
Net Pension Liability	58,657,027.00		58,657,027.00
Compensated absences payable	5,621,036.35	116,890.71	5,737,927.06
Bonds and capital leases payable	60,527,544.08		60,527,544.08
Total liabilities	136,811,370.38	549,438.92	137,360,809.30
DEFERRED INFLOWS OF RESOURCES:			
Related to pensions	12,463,178.00		12,463,178.00
Gain on Refunding of Long Term Debt	3,076,363.64		3,076,363.64
	15,539,541.64		15,539,541.64
NET POSITION:			
Net investment in capital assets	66,097,599.31	1,185,145.18	67,282,744.49
Restricted for:			
Capital projects fund	348,447.73		348,447.73
Debt service fund	189,494.99		189,494.99
Other purposes	10,748,039.55		10,748,039.55
Unrestricted (deficit)	(60,427,551.49)	2,511,530.27	(57,916,021.22)
Total net position	\$16,956,030.09	\$3,696,675.45	\$20,652,705.54

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

JACKSON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
JUNE 30, 2018

Functions/Programs	Expenses	Indirect Cost Allocation	Programs Revenues		Net (Expense) Revenue and Changes in Net Position		
			Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 36,829,441.64	\$ 33,121,979.48	\$	\$ 22,088,866.81	\$	\$ (47,862,554.31)	
Special	18,625,983.12	19,548,485.78		13,199,784.58	(24,974,684.32)	(24,974,684.32)	
Other Instruction	3,115,194.96	2,452,063.28		1,610,385.10	(3,956,873.14)	(3,956,873.14)	
Support services:							
Tuition	4,286,311.49	(4,286,311.49)					
Student and instruction related services	16,189,573.83	12,093,317.50		8,716,965.79	(19,565,925.54)	(19,565,925.54)	
General administrative services	1,656,085.70	(403,567.81)		79,860.00	(1,172,657.89)	(1,172,657.89)	
School administrative services	5,489,311.67	5,744,334.24		3,600,242.65	(7,633,403.26)	(7,633,403.26)	
Central service/Admin information technology	2,549,403.43	1,329,762.07		399,300.02	(3,479,865.48)	(3,479,865.48)	
Plant operations and maintenance	11,023,853.08	4,462,845.41		1,502,628.99	(13,984,069.50)	(13,984,069.50)	
Pupil transportation	9,583,448.44	4,390,613.72		2,436,824.09	(11,537,238.07)	(11,537,238.07)	
Unallocated benefits	77,477,081.07	(77,477,081.07)					
Special Schools	302,366.25	218,085.41		77,758.42	(442,693.24)	(442,693.24)	
Interest on Long-Term Debt	3,186,376.85			450,713.65	(2,735,663.20)	(2,735,663.20)	
Unallocated depreciation	5,572,888.56	(1,194,526.52)			(4,378,362.04)	(4,378,362.04)	
Total governmental activities	195,887,320.09			54,163,330.10	(141,723,989.99)	(141,723,989.99)	
Business-type activities							
Child Care	1,181,719.82		1,326,897.01			145,177.19	
Food Service	2,648,320.48		1,679,170.36	1,216,546.46		247,396.34	
Community School	89,033.45		97,554.94			8,521.49	
Preschool	254,914.56		286,324.11			31,409.55	
Digital Media	40,163.93		46,555.00			6,391.07	
Summer Electives	16,956.43		22,150.00			5,193.57	
STEM Summer Camp	7,996.85		7,350.00		(646.85)	(646.85)	
Total business-type activities	4,239,105.52		3,466,001.42	1,216,546.46		443,442.36	
Total primary government	\$ 200,126,425.61	\$	\$ 3,466,001.42	\$ 55,379,876.56	\$ (141,723,989.99)	\$ (141,280,547.63)	
General Revenues:							
Taxes:							
					\$	\$ 81,522,303.00	
						6,966,039.00	
						50,185,200.16	
						901,802.60	
						1,060,742.72	
						(2,470.00)	
						(740,256.63)	
						(740,256.63)	
						(296,814.27)	
						140,633,617.48	
						(646,930.15)	
						21,299,635.69	
						3,993,489.72	
						3,696,675.45	
						20,652,705.54	

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

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

JACKSON TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS:					
Cash and cash equivalents	\$ 6,698,186.40	\$ 40,972.47	\$ 1,083,397.13	\$ 400,644.47	\$ 8,223,200.47
Cash with Fiscal Agents	36,774.13				36,774.13
Cash, Capital Reserve	5,324,292.11				5,324,292.11
Other receivables		4,995.95			4,995.95
Due from other funds	688,829.10				688,829.10
Receivables from other governments	1,671,469.02	452,346.97			2,123,815.99
Total assets	\$ 14,419,550.76	\$ 498,315.39	\$ 1,083,397.13	\$ 400,644.47	\$ 16,401,907.75
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable	\$ 1,841,407.22	\$ 956.31	\$	\$	\$ 1,842,363.53
Interfund payables		446,109.83	158,660.13		604,769.96
Payable to state government		29,206.81			29,206.81
Deposits payable		688.25			688.25
Unearned revenue	36,774.13	21,354.19			58,128.32
Total liabilities	1,878,181.35	498,315.39	158,660.13		2,535,156.87
Fund balances:					
Restricted:					
Capital reserve account	5,324,292.11				5,324,292.11
Reserved Excess Surplus designated for subsequent years expenditures	3,571,138.18				3,571,138.18
Reserve for Excess surplus	1,852,609.26				1,852,609.26
Capital projects fund			576,289.27		576,289.27
Debt service fund				5,456.00	5,456.00
Assigned:					
Encumbrances	191,989.04				191,989.04
Designated for subsequent years expenditures	1,601,340.82			395,188.47	1,996,529.29
Committed:					
Encumbrances			348,447.73		348,447.73
Total fund balances	12,541,369.41		924,737.00	400,644.47	13,866,750.88
Total liabilities and fund balances	\$ 14,419,550.76	\$ 498,315.39	\$ 1,083,397.13	\$ 400,644.47	\$ 16,401,907.75

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

TOWNSHIP OF JACKSON SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

Total Fund Balances (Brought Forward)	\$13,866,750.88
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Amounts Reported for Governmental Activities in the Statement
of Net Position (A-1) are different because:

Capital assets used in governmental activities are not financial
resources and therefore are not reported in the funds.

Cost of Assets	\$222,178,500.61	
Accumulated Depreciation	<u>(91,071,406.22)</u>	
		131,107,094.39

Long term liabilities, including bonds payable, and other related
amounts that are not due and payable in the current period
and therefore are not reported as liabilities in the funds.

Net Pension Liability	(58,657,027.00)	
Compensated Absences	(5,621,036.35)	
Bonds Payable		
Outstanding at June 30, 2018	\$ (61,640,000.00)	
Less: Unamortized Balance of Refunding Bonds	<u>(2,038,310.48)</u>	
	(63,678,310.48)	
Capital Leases:		
Outstanding at June 30, 2018	<u>(1,907,473.87)</u>	
	<u>(1,907,473.87)</u>	
		(129,863,847.70)

Deferred Outflows and Inflows of resources are applicable
to future periods and therefore are not reported in the funds.

Pensions:

Deferred Outflows		
Pension related	<u>17,033,449.00</u>	
		17,033,449.00
Deferred Inflows:		
Pension related		(12,463,178.00)

Certain liabilities are not due and payable in the current period
and therefore, are not reported in the governmental funds.

Accounts Payable - Pension Related	(2,513,089.00)	
Accrued Interest Payable	<u>(211,149.48)</u>	
		<u>(2,724,238.48)</u>

Net Position of Governmental Activities	<u><u>\$16,956,030.09</u></u>
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The accompanying Notes to the Financial Statements are an integral part of this statement.

JACKSON TOWNSHIP BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Local sources:					
Local tax levy	\$ 81,522,303.00	\$	\$	6,966,039.00	\$ 88,488,342.00
Interest on capital reserve	22,135.14				22,135.14
Miscellaneous	1,021,924.47	44,467.63	15,576.65		1,081,968.75
Total - local sources	82,566,362.61	44,467.63	15,576.65	6,966,039.00	89,592,445.89
State sources	68,711,217.92	152,148.44	86,186.21	1,218,145.00	70,167,697.57
Federal sources	160,494.16	3,147,080.50			3,307,574.66
Total revenues	151,438,074.69	3,343,696.57	101,762.86	8,184,184.00	163,067,718.12
EXPENDITURES:					
Current expense:					
Regular instruction	36,829,441.64				36,829,441.64
Special instruction	15,886,936.15	2,739,046.97			18,625,983.12
Other Instruction	3,115,194.96				3,115,194.96
Support services:					
Tuition	4,286,311.49				4,286,311.49
Student & instruction related services	15,633,109.27	556,464.56			16,189,573.83
General administrative services	1,656,085.70				1,656,085.70
School administrative services	5,489,311.67				5,489,311.67
Central service/Admin information technology	2,549,403.43				2,549,403.43
Plant operations and maintenance	11,023,853.08				11,023,853.08
Pupil transportation	10,326,102.62				10,326,102.62
Unallocated benefits	43,846,054.86				43,846,054.86
Special schools	302,366.25				302,366.25
Debt Service:					
Principal				5,400,000.00	5,400,000.00
Interest				3,114,075.00	3,114,075.00
Capital outlay	1,976,552.23	48,185.04	99,714.99		2,124,452.26
Total expenditures	152,920,723.35	3,343,696.57	99,714.99	8,514,075.00	164,878,209.91
Excess (deficiency) of revenues over (under) expenditures	(1,482,648.66)		2,047.87	(329,891.00)	(1,810,491.79)
Other financing sources (uses):					
Transfers In/out	382,206.63		(36,031.95)	394,081.95	740,256.63
Interest earned on Arbitrage reserve				1,106.46	1,106.46
Capital leases (non-budgeted)	740,244.30				740,244.30
Total other financing sources	1,122,450.93		(36,031.95)	395,188.41	1,481,607.39
Net change in fund balances	(360,197.73)		(33,984.08)	65,297.41	(328,884.40)
Fund balances, July 1, 2017	12,901,567.14	\$ -0-	\$ 958,721.08	\$ 335,347.06	14,195,635.28
Fund balances, June 30, 2018	\$ 12,541,369.41	\$ -0-	\$ 924,737.00	\$ 400,644.47	\$ 13,866,750.88

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

JACKSON TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Total net change in fund balances - governmental funds (from B-2) (\$328,884.40)

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		(5,572,888.56)
Capital outlays	\$2,124,452.26	
Less: Capital Outlays not capitalized	<u>(296,467.00)</u>	
		1,827,985.26

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.

Bonds Paid by Budget	5,400,000.00
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Proceeds from debt issues are a financing source in governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net position.

Capital lease proceeds - Current Year	(740,244.30)
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Repayment of long-term debt 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.

Payment of capital lease payable	742,654.18
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In the statement of activities, interest on long-term debt is accrued, regardless of when due. In governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.

(1,566.31)

Bond Issue costs are reported in the Governmental Funds as expenditures in the year the bonds are issued. However, on the Statement of Activities the costs are amortized over the life of the Bonds.

225,731.46

In the statement of activities, only the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net position will differ from the change in fund balance by the cost of the asset removed(-).

(2,470.00)

District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

District pension contributions	2,334,330.00	
Less: Pension expense	<u>(4,232,585.00)</u>	
		(1,898,255.00)

In the statement of activities, certain expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-). When the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

(2,178.21)

Change in net position of governmental activities (A-2)	<u><u>(\$350,115.88)</u></u>
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The accompanying Notes to the Financial Statements are an integral part of this statement.

OTHER FUNDS

JACKSON TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUNDS - ENTERPRISE FUNDS
JUNE 30, 2018

	CHILD CARE FUND	FOOD SERVICE FUND	COMMUNITY SCHOOL FUND	PRE-SCHOOL FUND	DIGITAL MEDIA FUND	SUMMER ELECTIVES	STEM SUMMER CAMP	TOTAL
ASSETS:								
Current assets:								
Cash and cash equivalents	\$1,160,851.72	\$902,005.23	\$186,304.43	\$485,599.86	\$35,378.09	\$36,316.44	\$6,492.82	\$2,812,948.59
Accounts receivable:								
State		5,980.73						5,980.73
Federal		199,984.91						199,984.91
Other		490.00						490.00
Interfunds		213.64						213.64
Inventories		41,351.32						41,351.32
Total current assets	1,160,851.72	1,150,025.83	186,304.43	485,599.86	35,378.09	36,316.44	6,492.82	3,060,969.19
Noncurrent assets:								
Furniture, machinery and equipment		2,191,653.64						2,191,653.64
Less accumulated depreciation		(1,006,508.46)						(1,006,508.46)
Total noncurrent assets		1,185,145.18						1,185,145.18
Total assets	1,160,851.72	2,335,171.01	186,304.43	485,599.86	35,378.09	36,316.44	6,492.82	4,246,114.37
LIABILITIES:								
Current liabilities:								
Unearned revenue	220,985.82	71,011.03	25,473.00	20,983.00	19,825.00	23,000.00	7,025.00	388,302.85
Accounts payable	40,420.89	1,421.00		2,403.47				44,245.36
Noncurrent liabilities:								
Due beyond one year:								
Compensated absences	7,291.32	88,719.39		20,880.00				116,890.71
Total current liabilities	268,698.03	159,730.42	26,894.00	44,266.47	19,825.00	23,000.00	7,025.00	549,438.92
Total liabilities	268,698.03	159,730.42	26,894.00	44,266.47	19,825.00	23,000.00	7,025.00	549,438.92
NET POSITION:								
Net investment in capital assets		1,185,145.18						1,185,145.18
Unrestricted	892,153.69	990,295.41	159,410.43	441,333.39	15,553.09	13,316.44	(532.18)	2,511,530.27
Total net position	\$892,153.69	\$2,175,440.59	\$159,410.43	\$441,333.39	\$15,553.09	\$13,316.44	(\$532.18)	\$3,696,675.45

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

JACKSON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	CHILD CARE FUND	FOOD SERVICE FUND	EXTENDED ENRICHMENT KINDERGARTEN FUND	COMMUNITY SCHOOL FUND	PRE-SCHOOL FUND	DIGITAL MEDIA FUND	SUMMER ELECTIVES	STEM SUMMER CAMP	TOTAL
OPERATING REVENUES:									
Charges for services:									
Daily sales - reimbursable programs		\$1,035,166.25							\$1,035,166.25
Daily sales - non-reimbursable programs		616,932.36							616,932.36
Special Functions		27,071.75							27,071.75
Tuition - Individuals	\$1,326,897.01			\$97,554.94	\$286,324.11	\$46,555.00	\$22,150.00	\$7,350.00	1,786,831.06
Total operating revenues	1,326,897.01	1,679,170.36		97,554.94	286,324.11	46,555.00	22,150.00	7,350.00	3,466,001.42
OPERATING EXPENSES:									
Cost of sales - reimbursable		874,416.76							874,416.76
Cost of sales - non-reimbursable		232,484.15							232,484.15
Salaries	974,309.71	943,770.78		65,628.63	232,042.56	25,313.50	14,421.28	4,824.00	2,260,310.46
Employee benefits	148,792.52			12,824.70	20,880.00				603,947.80
Other purchase service	10,793.92			10,240.00		8,559.57			29,593.49
Rentals	466.92								466.92
Supplies and materials	14,541.16	65,360.25		225.12		6,065.86	2,535.15	3,172.85	91,900.39
Repairs		18,214.94							18,214.94
Non-instructional equipment		1,702.23							1,702.23
Miscellaneous	32,815.59	12,480.87		115.00	1,992.00	225.00			47,638.46
Depreciation		78,429.92							78,429.92
Total operating expenses	1,181,719.82	2,648,320.48		89,033.45	254,914.56	40,163.93	16,956.43	7,996.85	4,239,105.52
Operating income (loss)	145,177.19	(969,150.12)		8,521.49	31,409.55	6,391.07	5,193.57	(646.85)	(773,104.10)
NONOPERATING REVENUES (EXPENSES):									
State Sources		31,272.05							31,272.05
Federal Sources:									
National School Lunch Program		852,473.48							852,473.48
National School Breakfast Program		97,149.30							97,149.30
Commissions / Rebates		19,845.62							19,845.62
Miscellaneous		30,577.95							30,577.95
National food distribution commodities		185,228.06							185,228.06
Total nonoperating revenues (expenses)		1,216,546.46							1,216,546.46
Excess (deficiency) of revenues over (under) expenditures	145,177.19	247,396.34		8,521.49	31,409.55	6,391.07	5,193.57	(646.85)	443,442.36
Other financing uses:									
Transfer of funds	(300,000.00)		(440,256.63)						(740,256.63)
Total other financing (uses)	(300,000.00)		(440,256.63)						(740,256.63)
Net change in fund balances	(154,822.81)	247,396.34	(440,256.63)	8,521.49	31,409.55	6,391.07	5,193.57	(646.85)	(296,814.27)
Total net position - beginning	1,046,976.50	1,928,044.25		150,888.94	409,923.84	9,162.02	8,122.87	114.67	3,993,489.72
Total net position - ending	\$892,153.69	\$2,175,440.59		\$159,410.43	\$441,333.39	\$15,553.09	\$13,316.44	(\$532.18)	\$3,696,675.45

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

JACKSON TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	CHILD CARE FUND	FOOD SERVICE FUND	EXTENDED ENRICHMENT KINDERGARTEN FUND	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND	PRE-SCHOOL FUND	COMMUNITY SCHOOL FUND	DIGITAL MEDIA FUND	SUMMER ELECTIVES	STEM SUMMER CAMP	TOTAL
Cash flows from operating activities:										
Receipts from customers	\$1,358,912.22	\$1,684,274.76		\$73,627.94	\$275,296.11		\$43,545.00	\$45,150.00	\$12,450.00	\$3,493,256.03
Payments to employees	(933,888.82)	(943,770.78)		(64,207.63)	(228,639.09)		(25,313.50)	(14,421.28)	(4,824.00)	(2,216,065.10)
Payments to employee benefits	(141,501.20)	(448,463.76)		(12,824.70)						(602,789.66)
Payments to suppliers	(101,177.85)	(1,048,579.91)		(11,566.87)	(1,992.00)		(17,175.43)	(2,535.15)	(3,233.57)	(1,186,260.78)
Net cash provided by (used for) operating activities	182,344.35	(756,539.69)		(14,971.26)	43,665.02		1,056.07	28,193.57	4,392.43	(511,859.51)
Cash flows from noncapital financing activities:										
State sources		27,558.42								27,558.42
Federal sources		833,558.71								833,558.71
Operating subsidies and transfers to other funds	(300,000.00)	19,949.43	(440,256.63)							(720,307.20)
Net cash provided by noncapital financing activities	(300,000.00)	881,066.56	(440,256.63)							140,809.93
Cash flows from capital and related financing activities:										
Purchases of capital assets										
Net cash provided by (used for) capital and related financing activities		(63,515.15)								(63,515.15)
Net increase (decrease) in cash and cash equivalents	(117,655.65)	61,011.72	(440,256.63)	(14,971.26)	43,665.02		1,056.07	28,193.57	4,392.43	(434,564.73)
Cash and cash equivalents, July 1, 2017	1,278,507.37	840,993.51	440,256.63	201,275.69	441,934.84		34,322.02	8,122.87	2,100.39	3,247,513.32
Cash and cash equivalents, June 30, 2018	\$1,160,851.72	\$902,005.23		\$186,304.43	\$485,599.86		\$35,376.09	\$36,316.44	\$6,492.82	\$2,812,948.59
Reconciliation of operating income (loss) to net cash provided (used) by operating activities										
Operating income (loss)	\$145,177.19	(\$869,150.12)		\$8,521.49	\$31,409.55		\$6,391.07	\$5,193.57	(\$646.85)	(\$773,104.10)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:										
Depreciation		78,429.92								78,429.92
Federal commodities		185,228.06								185,228.06
Change in assets and liabilities:										
(Increase) decrease in other accounts receivable		1,043.00								1,043.00
Increase (decrease) in unearned revenue	32,153.49	11,819.45		(23,927.00)	(11,028.00)		(3,010.00)	23,000.00	5,100.00	34,107.94
Increase (decrease) in accounts payable	(2,277.65)	(30,596.85)		434.25	2,403.47		(2,325.00)		(60.72)	(32,422.50)
Increase (decrease) in compensated absences	7,291.32	(27,013.18)			20,880.00					1,158.14
(Increase) decrease in inventories		(6,289.97)								(6,289.97)
Net cash provided by (used for) operating activities	37,167.16	212,610.43		(23,492.75)	12,255.47		(5,335.00)	23,000.00	5,039.28	261,244.59
	\$182,344.35	(\$756,539.69)		(\$14,971.26)	\$43,665.02		\$1,056.07	\$28,193.57	\$4,392.43	(\$511,859.51)

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

JACKSON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	STATE UNEMPLOYMENT COMPENSATION <u>TRUST FUND</u>		<u>AGENCY FUNDS</u>
ASSETS:			
Cash and cash equivalents	\$	495,115.45	\$ 4,965,976.67
Intrafund Receivable		<u>119,914.80</u>	<u></u>
Total assets	\$	<u><u>615,030.25</u></u>	<u><u>4,965,976.67</u></u>
LIABILITIES:			
Interfund payable	\$		\$ 84,272.78
Intrafund payable			119,914.80
Payroll deductions and withholdings			830,664.63
Wages payable - summer payroll			3,310,565.21
Due to student groups		<u></u>	<u>620,559.25</u>
Total liabilities	\$	<u></u>	<u>4,965,976.67</u>
NET POSITION:			
Held in trust for unemployment claims and other purposes	\$	<u>615,030.25</u>	<u></u>
Total net position	\$	<u><u>615,030.25</u></u>	<u>-0-</u>

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

EXHIBIT "B-8"

JACKSON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

		STATE UNEMPLOYMENT COMPENSATION <u>TRUST FUND</u>
ADDITIONS:		
Contributions:		
Other	\$	<u>142,878.21</u>
Total contributions		<u>142,878.21</u>
Investment earnings:		
Interest		<u>2,049.60</u>
Net investment earnings		<u>2,049.60</u>
Total additions		<u>144,927.81</u>
DEDUCTIONS:		
Unemployment claims		<u>56,467.83</u>
Total deductions		<u>56,467.83</u>
Change in net position		<u>88,459.98</u>
Net position beginning of year		<u>526,570.27</u>
Net position end of year	\$	<u><u>615,030.25</u></u>

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

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The Township of Jackson School District is a Type II District located in Ocean County, New Jersey. The School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board of Education of the Jackson School District, comprised of seven elected individuals, is the primary governing authority of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

The primary criterion for including activities within the District's reporting entity, are set forth in Statement No. 39 of the Governmental Accounting Standards Board entitled "*Determining Whether Certain Organizations are Component Units*" (GASB 39), as codified in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

Organizations that are legally separate, tax-exempt entities and meet *all* of the following criteria should be discretely presented as component units. These criteria are:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government
2. The primary government, or its component unit, is entitled to, or has the ability to otherwise access, a majority of the economic resources of the organization
3. The economic resources received or held by an *individual organization* that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include elementary schools, middle schools and high schools, located in the Township of Jackson. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

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 statement of activities display information about the District as a whole. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish generally 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 fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the District.

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Fund Financial Statements: During the fiscal year, the District segregates transactions related to certain 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 are presented for each fund category-governmental, proprietary, and fiduciary. 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 as the oversight entity believes that the presentation of all funds as major is important for the public interest and to promote consistency among District financial reporting models.

Governmental Funds

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

As required by the New Jersey Statement Department of Education, the District includes budgeted capital outlay in this fund. U.S. 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 the current expense by Board resolution; in certain instances approval by the County Superintendent of Schools may also be required.

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

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Projects Funds 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 debt issued to finance major property acquisition, construction and improvement programs.

Proprietary Funds

Enterprise Fund The enterprise fund accounts for all revenues and expenses pertaining to the District's Food Service Child Care, Community School, Preschool, Digital Media, Summer Electives and STEM Summer Camp programs operations. These funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (*i.e.* expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Fiduciary Funds

Agency Funds The agency funds are used to account for assets held by the District on behalf of outside parties, including other governments, or on behalf of other funds within the District. The agency funds included are as follows:

Payroll and Student Activities Funds These are agency funds 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.

Private Purpose Trust Funds These trust funds are used to account for assets donated by individuals that will provide for the payment of awards and other purposes.

Unemployment Insurance Trust Funds An expendable trust fund used to account for unemployment compensation claims as they arise.

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting-Measurement Focus

Basis of accounting determines when transactions are recorded in the financial records and reported in 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. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation for expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under 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 are 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 transactions 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 long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from the issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval. In accordance with P.L. 2011, c. 202, which became effective January 17, 2012, the District elected to move the April 2013 school Board election to the date of the November general election thereby eliminating the vote on the annual base budget. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2.2(f)1. Expenditures may not legally exceed budgeted appropriations at the line item level. All budget amendments and transfers must be approved by School Board resolution. Budget amendments during the year ended June 30, 2018 totaled \$-0-.

All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures. Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles (GAAP) with the exception of the legally mandated (N.J.S.A. 18A:22-44.2) revenue recognition of one or more deferred State Aid payments for budgetary purposes only due to the State deferral of such payments into the subsequent budget year and the accounting treatment of encumbrances in the special revenue fund as described 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.

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control (Continued)

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 recognized 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 records.

Encumbrance Accounting

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditures 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 assigned fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue and capital project funds for which the District has received advances are reflected in the balance sheet as unearned revenues at fiscal year end.

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

Interfunds

Interfund receivables and payables arise from transactions between particular funds and are considered short term in duration. The interfund transactions are recorded by all funds affected in the period in which the transactions are executed and are part of the district's available spendable resources.

Inventories and Prepaid Expenses

Inventories of materials and supplies held for consumption in the governmental funds are recorded as expenditures at the time of purchase and year end balances are not reported in the financial statements.

Inventories of food and/or supplies in the food service fund are recorded at cost on a first-in, first-out basis or, in the case of Food Distribution Commodities, at stated value which approximates market.

Prepaid expenses which benefit future periods, other than those recorded in the enterprise fund, are recorded as expenditures in the year of purchase.

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

The District has an established formal system of accounting for its capital assets. Capital Assets used for governmental purposes, which include land, buildings and improvements and furniture and equipment, are only reported in the district-wide financial statements. The District generally defines capital assets as assets with an initial cost of \$2,000.00 or more and an estimated useful life in excess of one year. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

	<u>Estimated Life</u>
School Buildings	50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office and Computer Equipment	10
Instructional Equipment	10
Grounds Equipment	15

Compensated Absences

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

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy and/or collective bargaining unit contracts. Upon termination, employees are paid for accrued vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after four years of service.

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences (Continued)

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave and vacation days that are expected to become eligible for payment upon termination. The District estimates its accrued compensated absences liability based on the accumulated sick and vacation days at the balance sheet date by those employees who are currently eligible to receive termination payments.

For the district-wide statements, the current portion is the amount estimated to be used in the following year. For the governmental funds in the fund financial statements, a liability is reported only for to the extent of the amount actually due at year end as a result of employee resignations/retirements. Compensated absences are a reconciling item between the fund level and district-wide presentations.

Fund Equity

Fund balance restrictions are used to indicate that portion of the fund balance that is not available for expenditures or is legally segregated for a specific future use. Designation of portions of the fund balances are established to indicate tentative plans for financial utilization in a future period. The unassigned fund balances represent the amount available for future budgetary operations.

Unearned Revenue

Unearned revenue in the special revenue and proprietary funds represents funds which have been received but not yet earned. A corresponding accounts receivable has also been established for any open encumbrances at year end which is an allowable practice under generally accepted accounting principles.

Accrued Liabilities and Long-Term Obligations

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

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

Net Position represents the difference between assets and liabilities. Net investment in capital assets 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 District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

Fund Balance Restrictions

GASB Statement 54, "Fund Balance Reporting and Governmental Fund Type Definitions" modifies fund balance reporting and clarifies fund type definitions. This Statement aims to enhance the usefulness of fund balance information by providing clearer fund balance clarifications that can be applied more consistently.

Under the standard, in the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation. The District reports the Capital Reserve and Excess Surplus as Restricted Fund Balance.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education. The District does not report any balances as Committed Fund balance.

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Restrictions (Continued)

Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator. The District reports Year End Encumbrances as Assigned Fund Balance.

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

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

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. For the District, "available" means within sixty days of the fiscal year end.

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

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues Exchange and Non-exchange Transactions (Continued)

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the 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.

Operating Revenues and Expenses

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

Allocation of Indirect Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of the 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.

Extraordinary and Special Items

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

Management Estimates

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

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting and Financial Reporting for Pensions

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

In the Governmental Fund Financial Statements the year end Net pension liability is not required to be reflected. Pension related revenues and expenditures are reflected based on amounts that are normally expected to be liquidated with available financial resources for required pension contributions. Expenditures for PERS are recognized based upon billings made by the State of New Jersey due April 1st of each fiscal year. TPAF contributions are paid on the District's behalf by the State of New Jersey. The Governmental Fund Financial Statements reflects both a revenue and expenses for this pension contribution.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has two items that qualify for reporting in this category, deferred amounts from refunding debt and deferred items that are pension related.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the District has only one item that qualifies for reporting in this category, deferred amounts that are pension related.

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

The Board considers petty cash, change funds, cash in banks, and short term investments with original maturities of three months or less as cash and cash equivalents. Investments are stated at cost, which approximates market.

Deposits

New Jersey statutes permit the deposit of public funds in public depositories which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. Each depository participating in the GUDPA system must pledge collateral equal to 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of 75% of its capital funds. No collateral is required for amounts covered by FDIC insurance. The collateral which may be pledged to support these deposits includes obligations of the State and federal governments, insured securities and other collateral approved by the Department. When the capital position of the depository deteriorates or the depository takes an unusually large amount of public deposits, the Department of Banking and Insurance requires additional collateral to be pledged. Under (GUDPA), if a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of the deposits to the governmental unit.

The Township of Jackson School District had the following cash and cash equivalents at June 30, 2018:

<u>Fund Type</u>	<u>Amount</u>
Cash in Bank:	
Governmental Funds	\$ 19,374,042.33
Proprietary Funds	2,816,364.64
Fiduciary Funds	5,941,200.39
Total Cash in Bank	\$ 28,131,607.36
Less: Reconciling Items	(6,273,299.94)
	\$ <u>21,858,307.42</u>

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Deposits

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The District does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of June 30, 2018, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank of \$28,131,607.36, \$286,774.13 was covered by Federal Depository Insurance and \$27,844,833.23 was covered under the provisions of NJGUDPA.

Investments

The types of investments which may be purchased by the District are strictly limited by the express authority of the N.J.S.A. 18A:20-37 Education, Administration of School Districts. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a1 et seq., and operated in accordance with 17 C.F.R. § 270.2a7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:2037. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments (Continued)

4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by School Districts;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:2037. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 C. 17:1941); and
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

As of June 30, 2018 the District had no investments.

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 3: CAPITAL ASSETS

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

	Beginning <u>Balance</u>	<u>Additions</u>	Deletions & <u>Transfers</u>	Ending <u>Balance</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$15,707,450.00			\$15,707,450.00
Construction in Progress	12,994,469.97	\$89,229.99	(\$13,073,899.96)	9,800.00
Total Capital Assets not being depreciated	<u>28,701,919.97</u>	<u>89,229.99</u>	<u>(13,073,899.96)</u>	<u>15,717,250.00</u>
Site improvements	7,179,836.60	135,485.00		7,315,321.60
Buildings and Building Improvements	158,724,742.21	338,427.00	13,073,899.96	172,137,069.17
Machinery and Equipment	27,806,708.36	1,264,843.27	(2,062,691.78)	27,008,859.85
Totals at historical cost	<u>193,711,287.17</u>	<u>1,738,755.27</u>	<u>11,011,208.18</u>	<u>206,461,250.62</u>
Gross Assets (Memo only)	<u>222,413,207.14</u>	<u>1,827,985.26</u>	<u>(2,062,691.78)</u>	<u>222,178,500.62</u>
Less: Accumulated Depreciation				
Site improvements	(5,585,053.74)	(219,242.72)		(5,804,296.46)
Buildings and Building Improvements	(60,598,875.84)	(4,147,419.22)		(64,746,295.06)
Machinery and Equipment	(21,374,809.87)	(1,206,226.62)	(2,060,221.78)	(20,520,814.71)
Total Depreciation	<u>(87,558,739.45)</u>	<u>(5,572,888.56)</u>	<u>(2,060,221.78)</u>	<u>(91,071,406.23)</u>
Total capital assets being depreciated, net of depreciation	<u>106,152,547.72</u>	<u>(3,834,133.29)</u>	<u>13,071,429.96</u>	<u>115,389,844.39</u>
Total Governmental Fund Activities	<u>\$134,854,467.69</u>	<u>(\$3,744,903.30)</u>	<u>(\$2,470.00)</u>	<u>\$131,107,094.39</u>

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 3: CAPITAL ASSETS (CONTINUED)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions & Transfers</u>	<u>Ending Balance</u>
Proprietary Activities:				
Buildings & Building Improvements	\$1,009,964.99			\$1,009,964.99
Machinery & Equipment	<u>1,124,620.50</u>	<u>\$63,515.15</u>	<u>\$6,447.00</u>	<u>1,181,688.65</u>
Totals at historical cost	<u>2,134,585.49</u>	<u>63,515.15</u>	<u>6,447.00</u>	<u>2,191,653.64</u>
Less: Accumulated Depreciation				
Buildings & Building Improvements	(113,621.06)	(25,249.12)		(138,870.18)
Machinery & Equipment	<u>(820,904.48)</u>	<u>(53,180.80)</u>	<u>(6,447.00)</u>	<u>(867,638.28)</u>
Total Depreciation	<u>(934,525.54)</u>	<u>(78,429.92)</u>	<u>(6,447.00)</u>	<u>(1,006,508.46)</u>
Total Proprietary Fund Activities	<u><u>\$1,200,059.95</u></u>	<u><u>(\$14,914.77)</u></u>	<u><u></u></u>	<u><u>\$1,185,145.18</u></u>

Depreciation expense was charged to functional expenses areas of the District for Governmental Funds as follows:

Instruction:	
Regular	(\$20,472.13)
Special Education Instruction	(2,731.97)
Instruction other	(20,590.94)
Support services:	
Student & Instruction Related Services	(70,762.88)
Central Service/Adm Tech	(166,831.86)
Plant Operations & Maintenance	(199,967.33)
Pupil transportation	(713,169.41)
Direct Expense of various functions	<u>(4,378,362.04)</u>
	<u><u>(\$5,572,888.56)</u></u>

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 4: LONG-TERM LIABILITIES

Bonds are issued by the District pursuant to the provisions of Title 18A, Education, of the New Jersey Statutes and are required to be approved by the voters of the municipality through referendum. The proceeds of bonds are recorded in the Capital Projects Fund and are restricted to the use for which they were approved in the bond referendum. All bonds are retired in annual installments within the statutory period of usefulness

School Bonds issued by the District are entitled to and benefit from the provision of the New Jersey School Board Reserve Act P.L. 1980 c.72. Basically, funds are held by the State of New Jersey within its State Fund for the Support of Free Public Schools as a school bond reserve pledged by law to secure payment of principal and interest due on such bonds in the event of the inability of the issuer to make payments.

The following is a summary of transactions that affect long-term liabilities for the year ended June 30, 2018:

Governmental Funds:

	Balance June 30, <u>2017</u>	<u>Additions</u>	<u>Reductions</u>	Balance June 30, <u>2018</u>	Amounts due Within <u>one year</u>
Bonds Payable	\$67,040,000.00		\$5,400,000.00	\$61,640,000.00	\$6,110,000.00
Unamortized Bond Premium	4,820,301.43		489,093.66	4,331,207.77	489,093.66
Compensated Absences	5,618,858.13	\$2,178.22		5,621,036.35	
Capital Leases Payable	2,650,128.05		742,654.18	1,907,473.87	752,043.90
Pension Liability	<u>73,633,794.00</u>	<u></u>	<u>14,976,767.00</u>	<u>58,657,027.00</u>	<u></u>
Balance June 30, 2018	<u>\$153,763,081.61</u>	<u>\$2,178.22</u>	<u>\$21,608,514.84</u>	<u>\$132,156,744.99</u>	<u>\$7,351,137.56</u>

Business-Type Funds:

	Balance June 30, <u>2017</u>	<u>Additions</u>	Balance June 30, <u>2018</u>	Amounts due Within <u>one year</u>
Compensated Absences	<u>\$115,732.57</u>	<u>\$1,158.14</u>	<u>\$116,890.71</u>	<u>-0-</u>
Balance June 30, 2018	<u>\$115,732.57</u>	<u>\$1,158.14</u>	<u>\$116,890.71</u>	<u>-0-</u>

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

Debt Service Requirements:

The annual requirements to amortize all debt outstanding as of June 30, 2018, including interest payments on issued debt, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>June 30,</u>			
FY2019	\$6,110,000.00	\$2,832,437.50	\$8,942,437.50
FY2020	5,960,000.00	2,521,475.00	8,481,475.00
FY2021	6,205,000.00	2,235,062.50	8,440,062.50
FY2022	6,500,000.00	1,936,437.50	8,436,437.50
FY2023	6,825,000.00	1,605,812.50	8,430,812.50
FY2024	7,175,000.00	1,258,500.00	8,433,500.00
FY2025	7,470,000.00	962,300.00	8,432,300.00
FY2026	7,835,000.00	598,450.00	8,433,450.00
FY2027	7,560,000.00	226,800.00	7,786,800.00
	<u>\$61,640,000.00</u>	<u>\$14,177,275.00</u>	<u>\$75,817,275.00</u>

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

Refunding bonds payable with their outstanding balances are comprised of the following individual issues:

<u>Issue</u>	<u>Amount Outstanding June 30, 2018</u>
\$87,650,000.00 in Refunding School Bonds dated April 13, 2007, due in remaining annual installments ranging between \$4,655,000.00 and \$5,945,000.00 beginning June 15, 2019 and ending June 15, 2027 with interest from 2.50% to 5.25%	\$27,435,000.00
\$21,150,000.00 in Refunding Bonds dated September 14, 2016 due in remaining annual installments ranging between \$6,255,000.00 and \$7,560,000.00 beginning June 15, 2024 and ending June 15, 2027 with interest from 2.00% to 5.00%	7,055,000.00
\$7,890,000.00 in Refunding School Bonds dated September 11, 2014, due in remaining annual installments ranging between \$745,000.00 and \$1,005,000.00 beginning February 1, 2019 and ending February 1, 2026 with interest from 3.00% to 5.00%	<u>27,150,000.00</u>
	<u><u>\$61,640,000.00</u></u>

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

Refunding School Bonds

The District's outstanding Bonds Payable include Refunding Bonds. As a result of these refundings, the Statement of Net Assets reflect Deferred Outflows for losses on Refunding Bonds and Deferred Inflows for Gains on Refunding Bonds. Under the escrow agreements, the escrows are irrevocably pledged to the payment of principal and interest on the refunded bonds. As a result the refunded obligations are considered to be defeased and the liability for those bonds have been removed from the financial statements.

The balance of the Deferred Outflows and Inflows resulting from the Bond Refunding as well as the FY2018 activity is reflected below.

Deferred Outflow - Loss on Refunding of Long Term Debt

	Balance June 30, 2017	<u>Reductions</u>	Balance June 30, 2018
2006 Refunding	\$1,093,594.43	\$109,359.45	\$984,234.98
2014 Refunding	<u>60,545.45</u>	<u>6,727.27</u>	<u>53,818.18</u>
	<u><u>\$1,154,139.88</u></u>	<u><u>\$116,086.72</u></u>	<u><u>\$1,038,053.16</u></u>

Deferred Inflow - Gain on Refunding of Long Term Debt

	Balance June 30, 2017	<u>Reductions</u>	Balance June 30, 2018
2016 Refunding	<u>\$3,418,181.82</u>	<u>\$341,818.18</u>	<u>\$3,076,363.64</u>

Bonds Authorized But Not Issued

As of June 30, 2018, the District had \$973.00 in Bonds Authorized But Not Issued.

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

Capital Leases Payable

The District is leasing school buses totaling \$3,749,000.00 under capital leases. The capital leases are for terms of five years. The following is a schedule of the future minimum lease payments under the capital lease and the present value of the net minimum lease payments at June 30, 2018:

Fiscal Year Ended <u>June 30,</u>	Governmental <u>Funds</u>
2019	\$782,368.23
2020	583,566.07
2021	399,330.01
2022	<u>204,211.99</u>
Total Minimum Lease Payments	1,969,476.30
Less: Amount Representing Interest	<u>62,002.43</u>
 Present Value of Lease Payments	 <u><u>\$1,907,473.87</u></u>

OPERATING LEASES

The District has two commitments to lease technology equipment under operating leases that expire on March 13, 2021 and April 10, 2022 respectively. The total operating lease payments made during the year ended June 30, 2018 were \$1,104,731.52. Future minimum lease payments are as follows:

Fiscal Year Ended <u>June 30,</u>	Governmental <u>Funds</u>
2019	\$696,002.19
2020	710,968.01
2021	726,279.78
2022	<u>370,881.11</u>
Total Minimum Lease Payments	<u><u>\$2,504,131.09</u></u>

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 5: PENSION PLANS

Description of Plans All required employees of the District are covered by the Public Employees' Retirement System, the Teachers' Pension and Annuity Fund or the Defined Contribution Retirement Program which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of each system will be assumed by the State of New Jersey should the system terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for each of the above systems. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or on line at www.state.nj.us/treasury/pensions.

Teachers' Pension and Annuity Fund (TPAF) The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple employer plan with a special funding situation, as under current statute, 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.

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

Defined Contribution Retirement Program (DCRP) The Defined Contribution Retirement Program (DCRP) was established under the provision of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 to provide coverage elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one year of membership.

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 5: PENSION PLANS (CONTINUED)

Significant Legislation

Effective June 28, 2011, P.L. 2011, c. 78 enacted certain changes in the operations and benefit provisions of the TPAF and the PERS systems.

As a result of these changes new members of TPAF and PERS, hired on or after June 28, 2011, will need 30 years of creditable service and have attained the age of 65 for receipt of the early retirement benefit without a reduction of 1/4 of 1% for each month that the member is under age 65. New members will be eligible for a service retirement benefit at age 65.

Funding Changes

Under the new legislation, the methodology for calculating the unfunded accrued liability payment portion of the employer's annual pension contribution to the PERS, and TPAF. The unfunded actuarial accrued liability (UAAL) will be amortized for each plan over an open-ended 30 year period and paid in level dollars. Beginning with the July 1, 2019 actuarial valuation (July 1, 2018 for PFRS), the UAAL will be amortized over a closed 30 year period until the remaining period reaches 20, when the amortization period will revert to an open-ended 20 year period.

COLA Suspension

The payment of automatic cost-of-living adjustment to current and future retirees and beneficiaries are suspended until reactivated as permitted by this law.

Vesting and Benefit Provisions The vesting and benefit provisions of PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after ten years of service, except for post-retirement healthcare benefits that vest after 25 years of service.

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.

Contribution Requirements The contribution policy is set by N.J.S.A. 43:15A and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation.

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 5: PENSION PLANS (CONTINUED)

Contribution Requirements (Continued)

Effective June 28, 2011, P.L. 2011, c. 78 provides for increases in the employee contribution rates: from 5.5% to 6.5% plus an additional 1% phased-in over 7 years beginning in the first year, meaning after 12 months, after the law's effective date for TPAF and PERS.

Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of TPAF (i.e. the State of New Jersey makes the employer contribution on behalf of public school districts).

Three Year Trend Information for PERS

<u>Year Ended</u> <u>June 30,</u>	<u>Annual</u> <u>Pension Cost</u> <u>(APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
2018	\$2,334,330.00	100%	-0-
2017	\$2,208,695.00	100%	-0-
2016	\$2,131,663.00	100%	-0-

Three Year Trend Information for TPAF (On-behalf Contribution)

<u>Year Ended</u> <u>June 30,</u>	<u>Annual</u> <u>Pension Cost</u> <u>(APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
2018	\$7,987,279.00	100%	-0-
2017	\$5,619,350.00	100%	-0-
2016	\$4,222,950.00	100%	-0-

In accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District for the years ended June 30, 2018, 2017 and 2016 \$4,147,906.92 \$4,055,071.75 and \$4,028,354.88 respectively for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68

Public Employees Retirement System (PERS)

At June 30, 2018, the District reported a liability of \$58,657,027.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016 which was rolled forward to June 30, 2017. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2017, the District's proportion was 0.2519804763 percent, which was an increase of 0.003361535 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized pension expense of \$4,307,329.00 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2017 measurement date.

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

	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>
Differences between expected and actual experience		\$1,381,170.00
Changes of assumptions	\$11,774,045.00	11,817,370.00
Net difference between projected and actual earnings on pension plan investments		399,415.00
Changes in proportion and differences between District contributions and proportionate share of contributions	689,133.00	922,405.00
District contributions subsequent to the measurement date	<u> </u>	<u>2,513,089.00</u>
	<u>\$12,463,178.00</u>	<u>\$17,033,449.00</u>

The \$2,513,089.00 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2018, the plan measurement date is June 30, 2017) will be recognized as a reduction of the net pension liability in the year ended June 30, 2019.

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68

Public Employees Retirement System (PERS) (Continued)

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

Year Ended <u>June 30</u>	<u>Amount</u>
2019	\$1,382,579.00
2020	2,085,462.00
2021	1,280,803.00
2022	(1,531,869.00)
2023	(1,159,793.00)
	<u>\$2,057,182.00</u>

Actuarial Assumptions

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

Inflation	2.25 Percent
Salary Increases	
Through 2026	1.65-4.15 Percent (based on age)
Thereafter	2.65-5.15 Percent (based on age)
Investment Rate of Return	7.00 Percent

Mortality Rate

Preretirement 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. Postretirement 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.

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

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

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017 and 7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

Long-Term Rate of Return (continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute return/risk 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%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real estate	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed market equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts venture capital	8.25%	13.08%
	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 5.00% and 3.98% as of June 30, 2017 and 2016, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and 7.65%, and a municipal bond rate of 3.58% and 2.85% as of June 30, 2017 and 2016, respectively, 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.

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

Discount Rate (Continued)

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 40% of the actuarially determined contributions and the local employer contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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, 2017 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension 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:

	1% Decrease <u>4.00%</u>	At Current Discount Rate <u>5.00%</u>	1% Increase <u>6.00%</u>
District's proportionate share of the pension liability	\$72,768,023.00	\$58,657,027.00	\$46,900,819.00

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Teachers Pensions and Annuity Fund (TPAF)

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.

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2018 was as follows:

Net Pension Liability:	
Districts proportionate share	-0-
State's proportionate share	
associated with the District	<u>\$349,042,812</u>
	<u><u>\$349,042,812</u></u>

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2017, the proportion of the TPAF net pension liability associated with the District was .51768363618% which was a decrease of .0097611871 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the District recognized on-behalf pension expense and revenue of \$24,179,919.00 in the government-wide financial statements for contributions provided by the State. This pension expense and revenue was based on the pension plans June 30, 2017 measurement date.

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

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

Inflation rate	2.25%
Salary increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment rate of return	7.00%

Mortality Rate

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

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

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% and 7.65% at June 30, 2017 and June 30, 2016 respectively) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions (Continued)

Long-Term Expected Rate of Return (Continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
US Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real estate	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. equity	30.00%	8.19%
Non-U.S. developed market equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts venture capital	8.25%	13.08%
	<u>100.00%</u>	

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 4.25% and 3.22% as of June 30, 2017 and 2016, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and 7.65, and a municipal bond rate of 3.58% and 2.85% as of June 30, 2017 and 2016, respectively, 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.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

Because the District's proportionate share of the net pension liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Teachers Public and Annuity Fund (TPAF). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75

Plan Description and Benefits Provided

The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan, with 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 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. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. According to N.J.S.A 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Employees Covered by Benefit Terms

The State Health Benefit Local Education Retired Employees Plan Membership covered by the benefit terms consisted of the following:

Active Plan Members	\$223,747
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	142,331
Inactive Plan Members or Beneficiaries	
Not Yet Receiving Benefits	- 0 -
Total Plan Members	<u>\$366,078</u>

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

Total OPEB Liability

The portion of the Total OPEB Liability that was associated with the District at June 30, 2018 was as follows:

Nonemployer OPEB Liability:

Districts proportionate share	-0-
State's proportionate share associated with the District	<u>\$345,955,079.00</u>
	<u><u>\$345,955,079.00</u></u>

The total nonemployer OPEB liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017.

The total OPEB Liability was determined separately based on actual data of the District.

For the year ended June 30, 2018, the District recognized on-behalf post-employment expense and revenue of \$21,015,790.00 in the government-wide financial statements for contributions provided by the State. This expense and revenue was based on the plans June 30, 2017 measurement date.

At June 30, 2017, the District's proportion was 0.6449591703 percent, which was a decrease of .0006049088 from its proportion measured as of June 30, 2016.

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS. TPAF/ABP and PFRS participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Consequently, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position.

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

Actuarial Assumptions and Other Imputes

The total OPEB liability in the June 30, 2017 actuarial valuation reported by the State in the State's most recently issued CAFR was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation 2.5 percent

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases			
Through 2026	1.55-4.55%	2.15-4.15%	2.10-8.98%
	Based on years Of Service	Based on Age	Based of Age
Thereafter	2.00-5.45%	3.15-5.15%	3.10-9.98
	Based on years Of Service	Based on Age	Based of Age

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

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

Health Care Trend Assumptions

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

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

Discount Rate

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

Changes in the Total OPEB Liability

Shown below are details regarding The Total OPEB Liability for the Measurement Period from June 30, 2016 to June 30, 2017:

Balance at 6/30/16		\$373,341,225
Changes for the year:		
Service cost	\$14,878,405	
Interest	10,955,051	
Changes in assumptions or other inputs	(45,501,609)	
Benefit payments	(8,013,054)	
Contributions from Members	295,061	
Net change in OPEB Liability		<u>(27,386,146)</u>
Balance at 6/30/17		<u><u>\$345,955,079</u></u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total nonemployer OPEB liability associated with the District as of June 30, 2017 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:

	June 30, 2017		
	1.00% <u>Decrease (2.58%)</u>	At Discount <u>Rate (3.58)</u>	1.00% <u>Increase (4.58%)</u>
State of New Jersey's Share of Nonemployer OPEB Liability Associated with the District	\$410,673,638	\$345,955,079	\$294,619,703

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

Sensitivity of the Total OPEB Liability to Changes in Healthcare Trends.

The following presents the total nonemployer OPEB liability associated with the District as of June 30, 2017 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, 2017		
	<u>1.00%</u> <u>Decrease</u>	<u>Healthcare Cost</u> <u>Trend Rate</u>	<u>1.00%</u> <u>Increase</u>
State of New Jersey's Share of Nonemployer OPEB Liability Associated with the District	\$284,514,609	\$345,955,079	\$427,547,300

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

At June 30, 2017, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB associated with the District from the following sources:

	<u>Deferred</u> <u>Inflow of</u> <u>Resources</u>	<u>Deferred</u> <u>Outflow of</u> <u>Resources</u>
Changes of assumptions	\$40,914,720.00	-
Changes in proportion	276,427.00	-
	<u>\$41,191,147.00</u>	<u>-</u>

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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

<u>Year Ended</u> <u>June 30,</u>	<u>Amount</u>
2019	(\$4,846,236)
2020	(\$4,846,236)
2021	(\$4,846,236)
2022	(\$4,846,236)
2023	(\$4,846,236)
Total Thereafter	<u>(\$16,959,966)</u>
	<u><u>(\$41,191,147)</u></u>

In accordance with GASBS No. 75, the District's proportionate share of school retirees OPEB is zero. There is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources in the financial statements.

State Health Benefit Local Education Retired Employee Plan Information

The New Jersey Division of Pension and Benefits issues publicly available reports on the OPEB plan. Those reports may be obtained by writing to the Division of Pension and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or on their website at:

<http://www.state.nj.us/treasury/pensions/gasb-notice-oheb.shtml>

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 8: LITIGATION

The District's counsel advises that there is no litigation, pending litigation, claims, contingent liabilities, unasserted claims or assessments or statutory violations which involve the School District and which might materially affect the District's financial position.

NOTE 9: CONTINGENCIES

The District receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2017-2018 fiscal year were subject to the Uniform Guidance and New Jersey OMB Circular 15-08 which mandates that grant revenues and expenditures be audited in conjunction with the District's annual audit if expenditures for federal or state programs exceed \$750,000.00 Findings and questioned costs, if any, relative to federal and state financial assistance programs are discussed in the Single Audit Section, Schedule of Findings and Questioned Costs. In addition, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. The District's management does not believe any such audit would result in material amounts of disallowed costs.

NOTE 10: 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 insurance coverage covering each of those risks of loss. The administration believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded the insurance coverage in any of the past three fiscal years.

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 10: RISK MANAGEMENT (CONTINUED)

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 fiduciary trust fund for the current and previous two years:

<u>Year Ended June 30,</u>	<u>Interest</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2018	\$2,049.60	\$142,878.21	\$56,467.83	\$615,030.25
2017	644.52	113,727.93	152,615.96	526,570.27
2016	616.87	218,251.35	183,282.59	564,813.78

NOTE 11: COMPENSATED ABSENCES

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

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

The liability for vested compensated absences of the governmental fund types are recorded in the district - wide statement of net position. As of June 30, 2018, a liability existed for compensated absences for governmental fund-types in the district- wide statement of net position of \$5,621,036.35.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2018 a liability existed for compensated absences in the proprietary funds of \$116,890.71.

For additional descriptive information see Note 1, Summary of Significant Accounting Policies.

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 12: FUND BALANCE APPROPRIATED

General Fund The table below reflects the District's Fund Balance at June 30, 2018 on both a GAAP (Exhibit B-1) and Budgetary (Exhibit C-1) basis including the required adjustment related to the last state aid payment which under GAAP is not recognized:

	<u>Budgetary Basis</u>	<u>Adjustment</u>	<u>GAAP Basis</u>
Restricted:			
Excess Surplus:			
Designated for Subsequent			
Year's Expenditures	\$ 3,571,138.18	\$	3,571,138.18
Current Year	3,112,711.06	(1,260,101.80)	1,852,609.26
Capital Reserve	5,324,292.11		5,324,292.11
Assigned:			
Designated for Subsequent			
Year's Expenditures	1,601,340.82		1,601,340.82
Encumbrances	191,989.04		191,989.04
Unassigned	<u>3,647,828.20</u>	<u>(3,647,828.20)</u>	<u> </u>
	\$ <u>17,449,299.41</u>	\$ <u>(4,907,930.00)</u>	\$ <u>12,541,369.41</u>

Debt Service Fund Of the \$400,644.47 in Debt Service Fund Balance at June 30, 2018, \$395,188.47 is restricted in accordance with N.J.S.A. 18A:7F-41c(2) and \$5,456.00 is assigned and has been appropriated and included as anticipated revenue for the year ended June 30, 2019.

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 13: CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS

Calculation of Excess Surplus In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2007, c73 (S1701), the Restricted Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if the District did not appropriate a required minimum amount as budgeted fund balance in the subsequent year's budget.

General Fund Expenditures:		
Fiscal Year Ended, June 30 2018		\$152,920,723.35
Increased by:		
Transfer from Capital Outlay to Capital Projects		\$358,050.00
		<u>\$153,278,773.35</u>
Less:		
Reimb. TPAF Social Security Contributions	\$4,147,906.92	
Reimb. TPAF Pension Contributions	13,474,112.00	
Capital Leases	<u>740,244.30</u>	
		<u>18,362,263.22</u>
Adjusted General Fund Expenditures		\$134,916,510.13
Excess Surplus Percentage		<u>2.00%</u>
		<u>\$2,698,330.20</u>
Increased by:		
Additional Assigned Fund Balance –		
Unreserved-		
Designated for Subsequent Year's		
Expenditures		
July 1, 2018-August 1, 2018	\$600,000.00	
Extraordinary Aid (unbudgeted)	192,873.00	
Non-Public Transportation Aid (unbudgeted)	<u>156,625.00</u>	
		<u>949,498.00</u>
Maximum Unreserved/Undesignated		
General Fund Balance		\$3,647,828.20
Actual Unassigned		
General Fund Balance		<u>6,760,539.26</u>
Excess Surplus		<u><u>\$3,112,711.06</u></u>
Recapitulation of Excess Surplus, June 30, 2018:		
Restricted for Excess Surplus - Designated for		
Subsequent Year's Expenditure		\$3,571,138.18
Restricted for Excess Surplus		<u>3,112,711.06</u>
		<u><u>\$6,683,849.24</u></u>

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 13: CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS (CONTINUED)

Based on the preceding calculation, as of June 30, 2018, \$3,112,138.18 is reported as Restricted Fund Balance Excess Surplus and is required to be appropriated for property tax relief in the 2019-20 budget. \$3,571,138.18 is reported as Restricted Fund Balance Excess Surplus Designated for Subsequent Year's Expenditure and is required to be appropriated for property tax relief in the 2018-19 budget.

NOTE 14: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2018:

<u>Fund</u>	<u>Interfund Balance</u>	
	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 688,829.10	\$
Special Revenue Fund		446,109.83
Capital Projects Fund		158,660.13
Enterprise Fund	213.64	
Fiduciary Fund		84,272.78
	<u>\$ 689,042.74</u>	<u>\$ 689,042.74</u>

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were received.

NOTE 15: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Township of Jackson Board of Education for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department of Education, 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 (June 1 to June 30) of any unanticipated revenue or unexpended line item appropriations, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained by either a separate proposal at budget time or by a special question at one of the four special election dates authorized by 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.

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 15: CAPITAL RESERVE ACCOUNT (CONTINUED)

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

Balance, June 30, 2017 (Budgetary Basis)	\$ 5,660,206.97
Interest Earnings	<u>22,135.14</u>
	5,682,342.11
Withdrawals:	
Board Resolution dated 4/24/18	\$ <u>358,050.00</u>
	<u>358,050.00</u>
Balance, June 30, 2018 (Budgetary Basis)	\$ <u><u>5,324,292.11</u></u>

NOTE 16: INVENTORY

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

Food and Supplies \$41,351.32

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Act Amendment of 1996) 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.

NOTE 17: TAX ABATEMENTS

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

Jackson Township School District
Notes to the Financial Statements
For the Fiscal Year Ending June 30, 2018

NOTE 17: TAX ABATEMENTS (CONTINUED)

The District has identified agreements that have been entered into by Jackson Township that require disclosure under this statement. The gross dollar amount, on an accrual basis, by which the District's property tax revenues were potentially reduced during the reporting period as a result of tax abatement agreements totaled \$180,499.38. It is important to note that the District Tax Levy is guaranteed to be paid in full by the municipalities and that the District collected its full tax levy for FY2018.

NOTE 18: SUBSEQUENT EVENTS

The Board of Education has evaluated subsequent events occurring after the financial statement date through February 4, 2019 which is the date the financial statements were available to be issued. The District has determined that the following subsequent event requires disclosure:

The District's General Fund budget derives a material amount of its support in the form of Unrestricted State Aid. In 2018 the State of New Jersey passed legislation which reallocated this aid amongst the State's various school district's based upon a revised funding formula. As a result, the Jackson School District will see its State Aid reduced over the next seven year by a total of \$17,316,277.00. The District's administration is in the process of appealing this new funding formula along with formulating plans to manage the ramifications of this loss of revenue.

On July 31, 2018 the District appropriated an additional \$600,000.00 of Unassigned Fund Balance for use in the FY2019 Budget to partially offset this loss of Unrestricted State Aid.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

JACKSON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
REVENUES					
Local sources:					
Local tax levy	\$ 81,522,303.00	\$	81,522,303.00	\$ 81,522,303.00	\$ 22,135.14
Interest on Capital reserve					
Miscellaneous	1,175,256.00		1,175,256.00	1,021,924.47	(153,331.53)
Total-local sources	82,697,559.00		82,697,559.00	82,566,362.61	(131,196.39)
State sources:					
Equalization Aid	42,102,240.00		42,102,240.00	42,102,240.00	
Categorical Transportation Aid	1,013,961.00		1,013,961.00	1,013,961.00	
Categorical Special Education Aid	5,211,500.00		5,211,500.00	5,211,500.00	
Security Aid	854,977.00		854,977.00	854,977.00	
Adjustment Aid	195,598.00		195,598.00	195,598.00	
PARCC Readiness Aid	86,430.00		86,430.00	86,430.00	
Per Pupil Growth Aid	86,430.00		86,430.00	86,430.00	
Professional Learning Community Aid	84,750.00		84,750.00	84,750.00	
Extraordinary Aid	1,100,000.00		1,100,000.00	1,292,873.00	192,873.00
Other State Aid				156,625.00	156,625.00
On-behalf TPAF Non-Contributory Insurance (non-budgeted)				193,831.00	193,831.00
On-behalf TPAF Pension (non-budgeted)				7,987,279.00	7,987,279.00
On-behalf TPAF Long-term Disability (non-budgeted)				8,996.00	8,996.00
On-behalf TPAF Post Retirement Contributions (non-budgeted)				5,284,006.00	5,284,006.00
Reimbursed TPAF Social Security Contributions (non-budgeted)				4,147,906.92	4,147,906.92
Total - state sources	50,735,886.00		50,735,886.00	68,707,402.92	17,971,516.92
Federal sources:					
Medicaid reimbursement	128,092.00		128,092.00	160,494.16	32,402.16
	128,092.00		128,092.00	160,494.16	32,402.16
Total revenues	133,561,537.00		133,561,537.00	151,434,259.69	17,872,722.69

JACKSON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
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IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
EXPENDITURES					
CURRENT EXPENSE:					
Instruction - regular programs:					
Salaries of teachers:					
Kindergarten	\$ 1,651,514.00	\$ 12,422.00	\$ 1,663,936.00	\$ 1,632,825.93	\$ 31,110.07
Grades 1-5	12,004,439.00	55,603.98	12,060,042.98	11,513,837.96	546,205.02
Grades 6-8	8,340,858.00	12,763.81	8,353,621.81	8,199,429.98	154,191.83
Grades 9-12	11,233,222.00	(89,714.00)	11,143,508.00	11,123,195.33	20,312.67
Total Salaries of teachers:	33,230,033.00	(8,924.21)	33,221,108.79	32,469,289.20	751,819.59
Regular Programs - Home Instruction:					
Salaries of teachers	140,000.00	66,841.74	206,841.74	206,841.74	
Purchased professional educational services	113,500.00	(58,984.50)	54,515.50	51,015.50	3,500.00
Total Regular Programs - Home Instruction:	253,500.00	7,857.24	261,357.24	257,857.24	3,500.00
Regular programs - undistributed instruction:					
Purchased professional educational services	1,492,700.00	(110.00)	1,492,590.00	1,162,993.00	329,597.00
Other purchased services(400-500 series)	1,293,037.00	(6,495.96)	1,286,541.04	1,274,014.93	12,526.11
General supplies	1,549,185.17	79,760.12	1,628,945.29	1,450,928.21	178,017.08
Textbooks	374,314.00	(349,413.42)	24,900.58	22,392.78	2,507.80
Other Objects	166,441.00	39,842.04	206,283.04	191,966.28	14,316.76
Total Regular programs - undistributed instruction	4,875,677.17	(236,417.22)	4,639,259.95	4,102,295.20	536,964.75
Total Regular Programs - Instruction	38,359,210.17	(237,484.19)	38,121,725.98	36,829,441.64	1,292,284.34

JACKSON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Special education:					
Learning and / or Language Disabilities:					
Salaries of teachers	\$ 195,603.00	\$ (16,542.17)	\$ 179,060.83	\$ 179,060.83	\$
Other salaries for instruction	127,325.00	27,825.05	155,150.05	155,150.05	
Purchased professional educational services	3,060.00	17,071.10	20,131.10	18,823.80	1,307.30
General supplies	41,272.04	2,674.00	43,946.04	37,468.64	6,477.40
Textbooks	316.00		316.00		316.00
Total Learning and / or Language Disabilities	367,576.04	31,027.98	398,604.02	390,503.32	8,100.70
Behavioral Disabilities:					
Salaries of teachers	457,774.00	3,800.40	461,574.40	461,574.40	
Other salaries for instruction	384,166.00	(228,944.57)	155,221.43	155,221.43	
Purchased professional educational services	15,000.00	(9,693.70)	5,306.30	4,164.80	1,141.50
Total Behavioral Disabilities:	856,940.00	(234,837.87)	622,102.13	620,960.63	1,141.50
Multiple Disabilities:					
Salaries of teachers	766,660.00	90,354.16	857,014.16	857,014.16	
Other salaries for instruction	727,806.00	472,137.80	1,199,943.80	1,199,943.80	
Purchased professional educational services	5,100.00	24,308.40	29,408.40	23,796.90	5,611.50
General supplies	36,040.00	3,576.03	39,616.03	35,567.34	4,048.69
Total Multiple Disabilities:	1,535,606.00	590,376.39	2,125,982.39	2,116,322.20	9,660.19
Resource room/resource center:					
Salaries of teachers	9,483,537.00	(56,570.09)	9,426,966.91	9,426,954.52	12.39
Other salaries for instruction	2,291,490.00	(63,022.13)	2,228,467.87	2,228,169.62	298.25
Purchased professional educational services	296,000.00	(29,920.80)	266,079.20	147,946.30	118,132.90
General supplies	203,320.00	(86,648.70)	116,671.30	110,638.30	6,033.00
Textbooks		966.36	966.36	876.18	90.18
Total Resource room/resource center	12,274,347.00	(235,195.36)	12,039,151.64	11,914,584.92	124,566.72

JACKSON TOWNSHIP SCHOOL DISTRICT
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IN FUND BALANCE - BUDGET AND ACTUAL
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	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Preschool disabilities-part -time:					
Salaries of teachers	\$ 251,715.00	\$ 40,347.64	\$ 292,062.64	\$ 292,062.64	\$
Other salaries for instruction	220,072.00	99,139.69	319,211.69	319,211.68	0.01
General supplies	24,025.00	(10,589.00)	13,436.00	13,018.24	417.76
Total Preschool disabilities-part -time	495,812.00	128,898.33	624,710.33	624,292.56	417.77
Preschool disabilities-full -time:					
Salaries of teachers	336,380.00	(78,676.91)	257,703.09	195,538.44	62,164.65
Other salaries for instruction	665,415.00	(665,415.00)			
Purchased professional - educational services	9,180.00	(1,765.00)	7,415.00		7,415.00
General supplies	27,276.00	(2,501.00)	24,775.00	24,734.08	40.92
Total Preschool disabilities-full -time	1,038,251.00	(748,357.91)	289,893.09	220,272.52	69,620.57
Total special education	16,568,532.04	(468,088.44)	16,100,443.60	15,886,936.15	213,507.45
Basic skills/remedial:					
Salaries of teachers	358,909.00	(16,016.00)	342,893.00	336,937.00	5,956.00
Other Purchased Services (400-500 series)	1,059.00		1,059.00	934.80	124.20
Total basic skills/remedial	359,968.00	(16,016.00)	343,952.00	337,871.80	6,080.20
Bilingual education:					
Salaries of teachers	248,247.00	55,937.07	304,184.07	304,184.07	
Other salaries for instruction	30,558.00	593.61	31,151.61	31,151.61	
Total bilingual education	278,805.00	56,530.68	335,335.68	335,335.68	
School sponsored cocurricular activities:					
Salaries	432,965.00	24,154.58	457,119.58	457,119.58	
Total school sponsored cocurricular activities	432,965.00	24,154.58	457,119.58	457,119.58	

JACKSON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
School sponsored athletics:					
Salaries	\$ 1,129,310.00	\$ 31,088.85	\$ 1,160,398.85	\$ 1,160,194.20	\$ 204.65
Rentals	934.00		934.00	933.84	0.16
Purchased Services	352,285.00	(19,149.68)	333,135.32	292,308.82	40,826.50
Travel	7,000.00	(1,736.00)	5,264.00	4,456.00	808.00
Supplies and Materials	224,623.37	(21,779.50)	202,843.87	201,643.63	1,200.24
Other Objects	12,780.00	(245.00)	12,535.00	12,423.50	111.50
Transfers to Cover Deficit (Agency Funds)	196,740.00	(7,370.00)	189,370.00	189,370.00	
Total school sponsored athletics	1,923,672.37	(19,191.33)	1,904,481.04	1,861,329.99	43,151.05
Other instructional programs					
Salaries	124,337.00	13,369.53	137,706.53	123,537.91	14,168.62
Total other instructional programs	124,337.00	13,369.53	137,706.53	123,537.91	14,168.62
Total other instructional programs	2,480,974.37	18,332.78	2,499,307.15	2,441,987.48	57,319.67
Total - instruction	58,047,489.58	(646,725.17)	57,400,764.41	55,831,572.75	1,569,191.66
Undistributed expenditures:					
Instruction:					
Tuition to other LEA's within the state-regular	136,950.00	(870.00)	136,080.00	117,536.07	18,543.93
Tuition to other LEA's within the state-special	153,719.00	161,235.74	314,954.74	314,518.69	436.05
Tuition to county vocational school district-regular	258,662.00		258,662.00	192,600.00	66,062.00
Tuition to CSSD and regional day schools	1,235,732.00	(242,620.30)	993,111.70	906,447.50	86,664.20
Tuition to private schools for the handicapped with state	2,844,373.00	69,427.56	2,913,800.56	2,647,353.23	266,447.33
Tuition-state facilities	43,114.00	64,742.00	107,856.00	107,856.00	
Tuition-other	51,915.00	(51,915.00)			
Total undistributed expenditures - instruction	4,724,465.00		4,724,465.00	4,286,311.49	438,153.51

JACKSON TOWNSHIP SCHOOL DISTRICT
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IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Attendance and social work services:					
Salaries	\$ 141,580.00	\$ 602.54	\$ 142,182.54	\$ 136,659.12	\$ 5,523.42
Other purchased services (400-500) series	402.00		402.00		402.00
Supplies and Materials	1,765.00		1,765.00	1,048.58	716.42
Other Objects	650.00		650.00	44.97	605.03
Total attendance and social work services	144,397.00	602.54	144,999.54	137,752.67	7,246.87
Health services:					
Salaries	1,061,461.00	(9,389.45)	1,052,071.55	1,033,416.37	18,655.18
Other Salaries	25,803.00	278.05	26,081.05	26,081.05	
Purchased professional and technical services	744,884.00	90,000.00	834,884.00	669,486.71	165,397.29
Other Purchased Services (400-500 series, not including 580)	681.00	(581.00)	100.00		100.00
Travel	950.00	179.00	1,129.00	994.00	135.00
Supplies and materials	31,292.00	(2,120.99)	29,171.01	27,481.92	1,689.09
Other Objects	200.00	265.66	465.66	315.00	150.66
Total health services	1,865,271.00	78,631.27	1,943,902.27	1,757,775.05	186,127.22
Other support services - student related services:					
Salaries	1,323,207.00	(46,550.82)	1,276,656.18	1,276,603.35	52.83
Supplies and materials	1,990.00	(70.00)	1,920.00	1,594.65	325.35
Total other support services - students related services	1,325,197.00	(46,620.82)	1,278,576.18	1,278,198.00	378.18
Other support services- Students- Extra Services					
Salaries	2,620,876.00	470,211.46	3,091,087.46	3,091,087.46	
Purchased Professional - Educational Services	494,705.00	(49,492.00)	445,213.00	413,039.94	32,173.06
Total other support services- Students- Extra Services	3,115,581.00	420,719.46	3,536,300.46	3,504,127.40	32,173.06

JACKSON TOWNSHIP SCHOOL DISTRICT
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IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Other support services - students - regular:					
Salaries of other professional staff	\$ 2,281,675.00	\$ (64,507.06)	\$ 2,217,167.94	\$ 2,213,780.89	\$ 3,387.05
Salaries of secretarial and clerical assistants	357,627.00	(6,340.19)	351,286.81	335,533.19	15,753.62
Other Salaries	4,500.00		4,500.00	1,500.00	3,000.00
Purchased Professional - Educational Services	7,625.00	(1,738.00)	5,887.00	4,050.00	1,837.00
Rentals	1,251.00	1.44	1,252.44	1,251.96	0.48
Other Purchased Services (400-500 series)	26,050.00	(4,994.68)	21,055.32	20,094.84	960.48
Travel	2,800.00	925.00	3,725.00	1,020.00	2,705.00
Supplies and Materials	37,212.28	4,448.84	41,661.12	37,031.00	4,630.12
Other objects	5,775.00	4,719.61	10,494.61	10,483.20	11.41
Total other support services - students - regular	2,724,515.28	(67,485.04)	2,657,030.24	2,624,745.08	32,285.16
Other support services - students - special services:					
Salaries of other professional staff	2,479,410.00	33,627.07	2,513,037.07	2,506,784.53	6,252.54
Salaries of secretarial and clerical assistants	451,169.00	90,372.79	541,541.79	540,947.26	594.53
Other Salaries	1,000.00		1,000.00		1,000.00
Purchased Professional - Educational Services	257,542.23	276,439.00	533,981.23	525,765.77	8,215.46
Misc. Pur Serv (400-500 series o/ than resid. Costs)	22,382.00	(5,807.69)	16,574.31	16,477.08	97.23
Travel	10,000.00	(3,771.00)	6,229.00	6,217.41	11.59
Supplies and Materials	58,616.00	(22,463.42)	36,152.58	35,392.41	760.17
Other objects	3,350.00	4,406.09	7,756.09	7,665.02	91.07
Total other support services - students - special services	3,283,469.23	372,802.84	3,656,272.07	3,639,249.48	17,022.59
Improvement of instruction services:					
Salaries of Supervisors of Instruction	1,091,253.00	(2,921.70)	1,088,331.30	1,088,331.30	
Salaries of other professional staff	156,713.00	37,920.15	37,920.15	36,645.99	1,274.16
Salaries of secretarial and clerical assistants	68,866.00	3,867.34	160,580.34	152,921.29	7,659.05
Other Salaries	113,709.00	(2,328.00)	66,538.00	54,431.34	12,106.66
Purchased Prof- Educational Services	18,710.00	3,337.90	117,046.90	116,765.96	280.94
Other Purchased Services (400-500)	5,800.00	(5,241.35)	13,468.65	13,468.65	
Travel	45,400.00	5,333.25	11,133.25	10,700.03	433.22
Supplies and Materials		(5,891.07)	39,508.93	39,503.18	5.75
Other objects		14,308.46	14,308.46	14,308.46	
Total improvement of instruction services:	1,500,451.00	48,384.98	1,548,835.98	1,527,076.20	21,759.78

JACKSON TOWNSHIP SCHOOL DISTRICT
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IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Educational media services/school library:					
Salaries	\$ 1,022,035.00	\$ (133,672.29)	\$ 888,362.71	\$ 882,249.51	\$ 6,113.20
Purchased Professional and Technical Services	300,000.00	(128,503.91)	171,496.09	171,496.09	
Other Purchased Services (400-500)	21,416.00	(3,300.00)	18,116.00	13,915.90	4,200.10
Supplies and Materials	219,369.00	(160,145.96)	59,223.04	55,867.37	3,355.67
Total educational media services/school library	1,562,820.00	(425,622.16)	1,137,197.84	1,123,528.87	13,668.97
Instructional Staff Training Services:					
Other Salaries	18,856.00	(2,366.79)	16,489.21	3,718.64	12,770.57
Purchased Professional - Educational Services	8,500.00	1,500.00	10,000.00	9,750.00	250.00
Other Purchased Services (400-500)	21,562.00	(7,992.00)	13,570.00		13,570.00
Travel	43,400.00	2,952.00	46,352.00	25,906.85	20,445.15
Supplies and Materials	200.00	150.00	350.00	176.00	174.00
Other objects	3,100.00	(1,500.00)	1,600.00	1,105.03	494.97
Total instructional staff training services:	95,618.00	(7,256.79)	88,361.21	40,656.52	47,704.69
Support services general administration:					
Salaries	333,849.00	(13,637.00)	320,212.00	312,059.45	8,152.55
Legal services	285,000.00	2,310.87	287,310.87	287,310.87	
Audit Fees	69,800.00		69,800.00	69,800.00	
Architectural/Engineering Services	182,112.58	(39,990.33)	142,122.25	56,818.75	85,303.50
Other purchased professional services	33,400.00	219.00	33,619.00	33,618.13	0.87
Communications/telephone	281,940.00	50,712.33	332,652.33	304,052.28	28,600.05
Travel	2,400.00	500.00	2,900.00	2,572.34	327.66
BOE Other purchased services(580-585)	4,000.00	1,186.00	5,186.00	5,185.25	0.75
Other purchased services	275,364.00	(1,366.00)	273,998.00	271,812.00	2,186.00
Legal Advertising	7,600.00	(700.00)	6,900.00	2,351.45	4,548.55
General supplies	2,142.00	866.00	3,008.00	2,805.34	202.66
BOE in-house training/meeting supplies	250.00	(231.00)	19.00	19.00	
Judgements	199,387.81	143,907.46	343,295.27	270,298.20	72,997.07
Miscellaneous expenditures	6,630.00	(240.00)	6,390.00	4,845.25	1,544.75
BOE membership dues and fees	31,000.00	1,538.00	32,538.00	32,537.39	0.61
Total support services general administration	1,714,875.39	145,075.33	1,859,950.72	1,656,085.70	203,865.02

JACKSON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE/ (UNFAVORABLE)</u>
Support services school administration:					
Salaries of principals/asst. principals	\$ 3,568,735.00	\$ (16,645.43)	\$ 3,552,089.57	\$ 3,544,157.23	\$ 7,932.34
Salaries of school administration	318,849.00		318,849.00	315,559.20	3,289.80
Salaries of secretarial and clerical assistants	1,517,981.00	8,255.15	1,526,236.15	1,456,812.68	69,423.47
Other Salaries	14,050.00	3,334.55	17,384.55	9,845.45	7,539.10
Purchased Professional and Technical Services	20,000.00		20,000.00	20,000.00	
Other Purchased Services (400-500 series)					
Travel	2,554.56	(1,090.00)	1,464.56	1,153.09	311.47
Miscellaneous purchased services	11,120.00	(322.71)	10,797.29	9,955.50	841.79
Supplies and Materials	59,915.64	(3,849.54)	56,066.10	47,758.99	8,307.11
Other objects	61,400.00	29,515.90	90,915.90	84,069.53	6,846.37
Total support services school administration	5,574,605.20	19,197.92	5,593,803.12	5,489,311.67	104,491.45
Central Services:					
Salaries	1,192,783.00	8,243.95	1,201,026.95	1,179,556.99	21,469.96
Purchased professional services	2,650.00		2,650.00		2,650.00
Rentals	3,145.00	1.00	3,146.00	3,145.32	0.68
Purchased services	26,822.00	(2,500.00)	24,322.00	11,702.54	12,619.46
Travel	2,800.00	1,473.00	4,273.00	2,822.73	1,450.27
Misc. purchased services (400-500 series)	25,200.00		25,200.00	14,575.73	10,624.27
Supplies and materials	59,608.00	(1,523.00)	58,085.00	32,106.94	25,978.06
Interest on current loans	89,194.00	(3,173.00)	86,021.00	72,661.31	13,359.69
Miscellaneous expenditures	21,585.00	2,549.00	24,134.00	11,444.53	12,689.47
Total central services	1,423,787.00	5,070.95	1,428,857.95	1,328,016.09	100,841.86
Administrative Information. Technology					
Salaries	217,258.00	156,984.99	374,242.99	362,482.62	11,760.37
Purchased professional services	630,844.00	41,226.00	672,070.00	655,970.00	16,100.00
Rentals	467.00		467.00	466.92	0.08
Other Purchased Services (400- 500 series)	110,237.00	13,784.72	124,021.72	124,021.68	0.04
Supplies and Materials		78,086.50	78,086.50	78,086.50	
Other Objects	5,580.00	(5,580.00)			
Total Administrative Information. Technology	964,886.00	284,511.80	1,249,397.80	1,221,387.34	28,010.46

JACKSON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Required Maintenance for School Facilities:					
Salaries	\$ 804,281.00	\$ 11,898.17	\$ 816,179.17	\$ 816,179.17	\$
Cleaning, Repair and Maintenance Services	410,342.00	10,344.05	420,686.05	417,700.74	2,985.31
General supplies	200,501.00	88,502.73	289,003.73	268,436.07	20,567.66
Miscellaneous Expenditures	2,310.00	(1,659.00)	651.00	651.00	
Total Required Maintenance for School Facilities	1,417,434.00	109,085.95	1,526,519.95	1,502,966.98	23,552.97
Other operation and maint. of plant :					
Salaries	3,717,946.00	(100,603.25)	3,617,342.75	3,555,475.60	61,867.15
Salaries of Non-Instructional Aides	356,164.00	4,826.66	360,990.66	335,991.54	24,999.12
Purchased professional and technical services	60,021.00	(22,150.00)	37,871.00	25,634.06	12,236.94
Cleaning, repair and maint. services	74,802.00	59,247.63	134,049.63	122,973.58	11,076.05
Other purchased property services	551,343.00	(247,033.00)	304,310.00	208,928.30	95,381.70
Insurance	742,084.00		742,084.00	741,634.00	450.00
Travel	1,500.00	5,157.00	6,657.00	6,488.14	168.86
Miscellaneous Purchased Services(580-590)	22,800.00	(95.00)	22,705.00	9,718.09	12,986.91
General supplies	267,290.00	36,089.00	303,379.00	303,269.13	109.87
Energy (Propane)	1,500.00		1,500.00	453.05	1,046.95
Energy (Natural Gas)	313,000.00	8,877.00	321,877.00	299,532.38	22,344.62
Energy (Electricity)	2,227,486.27	(12,981.00)	2,214,505.27	2,164,185.45	50,319.82
Energy (Oil)	256,221.51		256,221.51	121,932.98	134,288.53
Other objects	6,828.00	(1,700.00)	5,128.00	2,412.95	2,715.05
Total other operation and maint. of plant	8,598,985.78	(270,364.96)	8,328,620.82	7,898,629.25	429,991.57
Care & Upkeep of Grounds					
Salaries	675,149.00	47,990.08	723,139.08	723,139.08	
Cleaning, Repair and Maintenance Services	93,750.00	2,262.00	96,012.00	85,994.76	10,017.24
General supplies	186,350.00	(46,336.00)	140,014.00	133,911.91	6,102.09
Total Care and Upkeep of Grounds	955,249.00	3,916.08	959,165.08	943,045.75	16,119.33

JACKSON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Security					
Salaries	\$ 412,403.00	\$ (23,757.66)	\$ 388,645.34	\$ 371,406.99	\$ 17,238.35
Purchased Professional & Technical Services (300-500)	170,000.00	4,135.00	174,135.00	172,880.00	1,255.00
Cleaning, Repair and Maintenance Services	70,000.00	(21,060.00)	48,940.00	40,986.02	7,953.98
General Supplies	63,181.00	37,667.00	100,848.00	93,938.09	6,909.91
Other Objects	8,635.00	(2,880.00)	5,755.00		5,755.00
Total Security	724,219.00	(5,895.66)	718,323.34	679,211.10	39,112.24
Total operation and maintenance of plant services	11,695,887.78	(163,258.59)	11,532,629.19	11,023,853.08	508,776.11
Student transportation services:					
Salaries of Non-Instructional Aides	722,521.00	(6,094.13)	716,426.87	716,426.87	
Salaries for pupil transportation (between home and school)-regular	3,345,300.00	57,966.40	3,403,266.40	3,346,355.55	56,910.85
Salaries for pupil transportation (between home and school)-Special Ed	1,079,898.00	(128,161.11)	951,736.89	884,299.50	67,437.39
Salaries for pupil transportation (other than between home & school)	231,789.00	75,850.49	307,639.49	290,739.35	16,900.14
Salaries for pupil transportation (between home and school)-Non-public school	80,324.00		80,324.00	59,733.42	20,590.58
Management Fee - ESC & CTSA	69,839.00	12,530.00	82,369.00	82,368.32	0.68
Purchased professional and technical services	72,076.00	(14,380.00)	57,696.00	43,009.54	14,686.46
Cleaning, Repair and Maintenance Services	282,040.00	(51,755.00)	230,285.00	188,823.31	41,461.69
Lease Purchase Payments - School Buses	945,264.00	(204,362.00)	740,902.00	740,901.30	0.70
Contracted Services - between home and school vendor	3,000.00	(3,000.00)			
Contracted services (other than btw home & school)-vendors				(3,174.22)	3,174.22
Contract. Serv. (btw home and Sch) Joint Agreements	47,800.00	(32,439.00)	15,361.00	13,463.55	1,897.45
Contract. Serv. (Sp Ed Stds) - Vendors	38,649.00	8,700.00	47,349.00	43,128.92	4,220.08
Contracted services (regular students) - ESCs & CTSA's	1,258,099.00	280,507.00	1,538,606.00	1,538,605.06	0.94
Contracted services (spec ed students) - ESCs & CTSA's	610,100.00		610,100.00	589,589.65	20,510.35
Contract. Serv - Aid in Lieu Pymts-Non-Public Schools		475.00	475.00	474.19	0.81
Travel					
Miscellaneous purchased services - Transportation(580-590)	118,912.00	7,380.00	126,292.00	125,813.62	478.38
General Supplies	8,550.00	2,689.37	11,239.37	11,238.48	0.89
Transportation Supplies	1,593,608.58	219,525.64	1,813,134.22	1,653,736.48	159,397.74
Miscellaneous Expenditures	2,250.00	(746.37)	1,503.63	569.73	933.90
Total student transportation services	10,510,019.58	224,686.29	10,734,705.87	10,326,102.62	408,603.25

JACKSON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	\$ 2,110,803.00	\$ (175,959.53)	\$ 1,934,843.47	\$ 1,934,272.72	\$ 570.75
Other retirement contributions - regular	2,619,807.24	(170,201.47)	2,449,605.77	2,407,914.51	41,691.26
Workers Compensation	987,386.00	680.00	988,066.00	988,066.00	
Health Benefits	21,153,715.00	(342,372.42)	20,811,342.58	20,182,397.20	628,945.38
Tuition Reimbursements	64,227.00		64,227.00	61,402.00	2,825.00
Other Employee Benefits	397,526.00	315,901.42	713,427.42	649,983.51	63,443.91
Total Unallocated Benefits - Employee Benefits:	27,333,464.24	(371,952.00)	26,961,512.24	26,224,035.94	737,476.30
Total personal services	27,333,464.24	(371,952.00)	26,961,512.24	26,224,035.94	737,476.30
On-behalf TPAF Non-Contributory Insurance (non-budgeted)				193,831.00	(193,831.00)
On-behalf TPAF Pension (non-budgeted)				7,987,279.00	(7,987,279.00)
On-behalf TPAF Long-Term Disability (non-budgeted)				8,996.00	(8,996.00)
On-behalf TPAF Post Retirement Contributions (non-budgeted)				5,284,006.00	(5,284,006.00)
Reimbursed TPAF Social Security Contributions (non-budgeted)				4,147,906.92	(4,147,906.92)
Total Undistributed Expenditures	79,559,309.70	517,487.98	80,076,797.68	94,810,232.12	(14,733,434.44)
TOTAL EXPENDITURES - CURRENT EXPENSE FUND 11	137,606,799.28	(129,237.19)	137,477,562.09	150,641,804.87	(13,164,242.78)
CAPITAL OUTLAY:					
Equipment:					
Grades 1-5		3,462.00	3,462.00		3,462.00
Grades 5-8	4,000.00	12,692.22	16,692.22	16,691.25	0.97
Grades 9-12		29,901.88	29,901.88	29,891.40	10.48
Resource Room/Resource Center	2,500.00	25,892.78	28,392.78	28,389.29	3.49
School Sponsored Athletics	25,714.60	44,305.00	70,019.60	56,004.59	14,015.01
Undist. Expenditures - Instruction					
Inst. Staff	75,300.00	(22,526.76)	52,773.24	52,773.24	
Admin info tech	72,100.00	28,488.73	100,588.73	100,588.73	
Maintenance of Grounds	33,000.00	5,149.00	38,149.00	36,662.00	1,487.00
Custodial Services	114,735.00	(1,200.16)	113,534.84	113,177.43	357.41
Security	65,000.00		65,000.00	2,030.07	62,969.93
Student Transp - Non-Inst Equip	46,000.00	(1,975.00)	44,025.00	37,358.00	6,667.00
Total Equipment	438,349.60	124,189.69	562,539.29	473,566.00	88,973.29

JACKSON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Facilities acquisition and construction services:					
Construction services	\$ 591,431.32	\$ (0.00)	\$ 591,431.32	\$ 466,274.93	\$ 125,156.39
Assessment for Debt Service on SDA Funding	296,467.00		296,467.00	296,467.00	
Transfer to Capital Projects	7,424.00		7,424.00		7,424.00
Total facilities acquis. and const. services	895,322.32		895,322.32	762,741.93	132,580.39
Assets acquired under capital leases (non-budgeted)					
Undistributed expenditures:					
Transportation				740,244.30	(740,244.30)
Total assets acquired under capital leases (non-budgeted)				740,244.30	(740,244.30)
TOTAL CAPITAL OUTLAY	1,333,671.92	124,189.69	1,457,861.61	1,976,552.23	(518,690.62)
SPECIAL SCHOOLS					
Summer Schools - Instruction					
Salaries of Teachers	351,265.00	5,047.50	356,312.50	302,366.25	53,946.25
Total Summer Schools Instruction	351,265.00	5,047.50	356,312.50	302,366.25	53,946.25
TOTAL OTHER SPECIAL SCHOOLS	351,265.00	5,047.50	356,312.50	302,366.25	53,946.25
TOTAL SPECIAL SCHOOLS	351,265.00	5,047.50	356,312.50	302,366.25	53,946.25
TOTAL EXPENDITURES	139,291,736.20		139,291,736.20	152,920,723.35	(13,628,987.15)
Excess (deficiency) of revenues over (under) expenditures	(5,730,199.20)		(5,730,199.20)	(1,486,463.66)	4,243,735.54

JACKSON TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Other financing sources					
Transfer of funds	\$	\$	\$	382,206.63	\$ 382,206.63
Capital leases (non-budgeted)				740,244.30	740,244.30
Total other financing sources				1,122,450.93	1,122,450.93
Excess of Revenues and other Financing Sources Over Expenditures and Other Expenditures and other Financing Sources	(5,730,199.20)		(5,730,199.20)	(364,012.73)	5,366,186.47
Fund balances, July 1	17,813,312.14		17,813,312.14	17,813,312.14	
Fund balances, June 30	\$ 12,083,112.94	\$	12,083,112.94	\$ 17,449,299.41	\$ 5,366,186.47
Recapitulation:					
Restricted:					
Excess Surplus - Designated for Subsequent Year's Expenditures				\$ 3,571,138.18	
Excess Surplus - Current Year				3,112,711.06	
Capital Reserve				5,324,292.11	
Assigned:					
Designated for Subsequent Year's Expenditures				1,601,340.82	
Encumbrances				191,989.04	
Unassigned				3,647,828.20	
				17,449,299.41	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				(4,907,930.00)	
Fund Balance per Governmental Funds (GAAP)			\$	12,541,369.41	

JACKSON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES:					
State sources	\$ 164,548.00	\$ 15,813.25	\$ 180,361.25	\$ 152,148.44	\$ (28,212.81)
Federal sources	2,845,508.00	335,065.00	3,180,573.00	3,147,080.50	(33,492.50)
Other sources		65,825.27	65,825.27	44,467.63	(21,357.64)
Total revenues	3,010,056.00	416,703.52	3,426,759.52	3,343,696.57	(83,062.95)
EXPENDITURES:					
Instruction:					
Salaries of teachers	264,450.00	(22,472.00)	241,978.00	241,978.00	
Other salaries	154,191.00	39,661.00	193,852.00	192,222.75	1,629.25
Purchased professional - technical services	625.00	35,735.60	36,360.60	13,390.60	22,970.00
Other purchased professional services	140,227.00	18,418.25	158,645.25	129,462.59	29,182.66
Contracted Services	6,395.00	92.00	6,487.00	6,487.00	
Tuition	1,969,482.00	(63,423.00)	1,906,059.00	1,906,059.00	
Supplies and materials	167,623.00	75,262.69	242,885.69	228,582.35	14,303.34
Textbooks	17,926.00	(2,697.00)	15,229.00	15,204.85	24.15
Other Objects	2,950.00	5,918.97	8,868.97	5,659.83	3,209.14
Total instruction	2,723,869.00	86,496.51	2,810,365.51	2,739,046.97	71,318.54
Support services:					
Salaries of Supervisors of Instruction	122,209.00	(35,689.00)	86,520.00	86,520.00	
Salaries of Secretaries and Clerical Assistants	38,473.00	(1,271.00)	37,202.00	37,202.00	
Other Salaries	1,000.00	86,729.78	87,729.78	87,729.78	
Personal services - employee benefits	59,319.00	64,618.06	123,937.06	123,937.06	
Purchased professional - technical services		3,639.22	3,639.22	2,850.00	789.22
Purchased professional - educational services	55,000.00	105,272.00	160,272.00	154,613.75	5,658.25
Other purchased services		36,452.74	36,452.74	34,211.74	2,241.00
Supplies and materials	10,186.00	21,214.23	31,400.23	29,400.23	2,000.00
Total support services	286,187.00	280,966.03	567,153.03	556,464.56	10,688.47
Facilities acquisition and construction services:					
Instructional equipment		18,249.00	18,249.00	18,249.00	
Non-Instructional equipment		30,991.98	30,991.98	29,936.04	1,055.94
Total facilities acquisition and construction serv.		49,240.98	49,240.98	48,185.04	1,055.94
Total expenditures	3,010,056.00	416,703.52	3,426,759.52	3,343,696.57	83,062.95
Excess (deficiency) of revenues over (under) expenditures					

JACKSON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
BUDGET TO GAAP RECONCILIATION
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Note A - Explanation of difference between budgetary inflows and outflows
and GAAP Revenues and Expenditures

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$151,434,259.69	\$3,343,696.57
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year	(4,907,930.00)	
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	4,911,745.00	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$151,438,074.69</u>	<u>\$3,343,696.57</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule.	\$152,920,723.35	\$3,343,696.57
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$152,920,723.35</u>	<u>\$3,343,696.57</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSION (GASB 68)

JACKSON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS

Measurement Date Ending <u>June 30,</u>	District's Proportion of the Net Pension <u>Liability (Asset)</u>	District's Proportionate Share of the Net Pension <u>Liability (Asset)</u>	District's Covered-Employee <u>Payroll</u>	District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of it's Covered- <u>Employee Payroll</u>	Plan Fiduciary Net Position as a percentage of the total <u>Pension Liability</u>
2013	0.2521939629%	\$ 48,199,277	17,029,074	283.04%	48.72%
2014	0.2554735380%	47,831,634	16,822,768	284.33%	52.08%
2015	0.2479451138%	55,658,710	17,530,734	317.49%	47.92%
2016	0.2486189228%	73,633,794	17,611,997	418.09%	40.14%
2017	0.2519804763%	58,657,027	17,742,881	330.59%	48.10%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

JACKSON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS

<u>Fiscal Year</u> <u>Ending</u> <u>June 30,</u>	<u>Contractually</u> <u>Required</u> <u>Contribution</u>	<u>Contributions in</u> <u>Relation to the</u> <u>Contractually</u> <u>Required</u> <u>Contributions</u>	<u>Contribution</u> <u>Deficiency</u> <u>(Excess)</u>	<u>District's</u> <u>Covered-</u> <u>Employee</u> <u>Payroll</u>	<u>Contributions as</u> <u>a Percentage of</u> <u>Covered-</u> <u>Employee</u> <u>Payroll</u>
2014	\$ 1,900,230	\$ 1,900,230	\$ -0-	\$ 17,029,074	11.16%
2015	2,106,087	2,106,087	-0-	16,822,768	12.52%
2016	2,131,663	2,131,663	-0-	17,530,734	12.16%
2017	2,359,635	2,359,635	-0-	17,611,997	13.40%
2018	2,346,002	2,346,002	-0-	17,742,881	13.22%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

JACKSON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS PENSION AND ANNUITY FUND
LAST TEN YEARS

Measurement Date Ending <u>June 30,</u>	District's Proportion Share of the Net Pension <u>Liability (Asset)</u>	District's Proportionate Share of the Net Pension <u>Liability (Asset)</u>	District's Covered-Employee <u>Payroll</u>	District's Proportion Share of the Net Pension Liability (Asset) as a percentage of it's Covered- <u>Employee Payroll</u>	Plan Fiduciary Net Position as a percentage of the total <u>Pension Liability</u>
2013	0.5400397299%	\$	\$	-0-	33.76%
2014	0.5295315570%		52,681,833	-0-	33.64%
2015	0.5400397299%		52,778,237	-0-	28.71%
2016	0.5274475489%		52,790,402	-0-	22.33%
2017	0.5176863618%		57,049,928	-0-	25.41%
			57,947,004	-0-	

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

JACKSON TOWNSHIP SCHOOL DISTRICT
SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSION (GASB 68)
NOTE TO RSI III
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Public Employees Retirement System

Change in benefit terms: None

Change in assumptions: The discount rate changed from 3.98% to 5.00% as of June 30, 2017.

Teacher Pension and Annuity Fund

Change in benefit terms: None

Change in assumptions: The discount rate changed from 3.22% to 4.25% as of June 30, 2017.

**SCHEDULE RELATED TO ACCOUNTING AND REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN
PENSIONS (GASB 75)**

JACKSON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE
TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST TEN YEARS

	Fiscal Year Ended June 30, 2018
Changes for the year:	
Service cost	\$14,878,405
Interest	10,955,051
Changes in assumptions or other inputs	(45,501,609)
Benefit payments	(8,013,054)
Contributions from Members	295,061
Net changes	<u>(27,386,146)</u>
Beginning Balance	\$373,341,225
Ending Balance	<u><u>\$345,955,079</u></u>
Covered Employee Payroll	60,306,639
Total OPEB Liability as a percentage of Covered Employee Payroll	-0-

Change of Benefit Terms:

No Change in Benefits terms between the June 30, 2016 actuarial valuation and the June 30, 2017 actuarial valuation.

Change of Assumptions:

The Discount Rate Changed from 2.85% at the June 30, 2016 measurement date to 3.58% at the 6/30/2017 measurement date.

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

OTHER SUPPLEMENTARY INFORMATION

<p>SPECIAL REVENUE FUND DETAIL STATEMENTS</p>
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JACKSON TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	TITLE I	TITLE II A	TITLE III E LE	TITLE III IMMIGRANT	TITLE IV	IDEA PART B	IDEA PRESCHOOL	CARL D PERKINS
REVENUES:								
State sources	\$ 796,937.75	\$ 178,102.00	\$ 25,170.00	\$ 4,850.00	\$ 28,427.00	\$ 1,942,127.75	\$ 65,843.00	\$ 51,748.00
Federal sources								
Other sources								
Total revenues	\$ 796,937.75	\$ 178,102.00	\$ 25,170.00	\$ 4,850.00	\$ 28,427.00	\$ 1,942,127.75	\$ 65,843.00	\$ 51,748.00
EXPENDITURES:								
Instruction:								
Salaries of teachers	\$ 190,930.00	\$	\$	\$	\$	\$	\$ 51,048.00	\$
Other salaries	170,620.67		4,049.07		17,553.01			7,415.60
Purchased professional - technical services	2,975.00				3,000.00			
Other purchased professional services								
Contracted Services								
Tuition						1,906,059.00	502.00	7,252.63
Supplies and materials	125,218.08		15,031.18	4,850.00	4,361.85			
Textbooks								
Other Objects	1,470.00							
Total instruction	491,213.75		19,080.25	4,850.00	24,914.86	1,906,059.00	51,550.00	14,668.23
Support services:								
Salaries of Supervisors of Instruction	86,520.00							
Salaries of Secretaries and Clerical Assistants	31,250.00	5,952.00						
Other Salaries	417.78	83,000.00						4,312.00
Personal services - employee benefits	99,646.00	8,016.50	309.75		1,342.81		14,293.00	329.00
Purchased professional - technical services								
Purchased professional - educational services	52,775.00	62,250.00	1,500.00			36,068.75		2,020.00
Other purchased services	25,921.74	5,185.00	3,105.00					
Supplies and materials	9,193.48	13,698.50	1,175.00		2,169.33			3,163.92
Total support services	305,724.00	178,102.00	6,089.75		3,512.14	36,068.75	14,293.00	9,824.92
Facilities acquisition and construction serv:								
Instructional equipment								18,249.00
Non - instructional equipment								9,005.85
Total facilities acquisition and construction serv.								27,254.85
Total expenditures	\$ 796,937.75	\$ 178,102.00	\$ 25,170.00	\$ 4,850.00	\$ 28,427.00	\$ 1,942,127.75	\$ 65,843.00	\$ 51,748.00

JACKSON TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	TEMPORARY EMERGENCY IMPACT AID FOR DISPLACED STUDENTS	NON - PUBLIC TEXTBOOKS	NON - PUBLIC COMP. EDUCATION	NON - PUBLIC ENGLISH AS A SECOND LANGUAGE	NON-PUBLIC HOME SUPPLEMENTAL	NON - PUBLIC TRANSPORTATION	EXAMINATION & CLASSIFICATION	NON-PUBLIC SPEECH
REVENUES:								
State sources	\$ 53,875.00	15,204.85 \$	29,233.00 \$	813.00 \$	2,936.25 \$	6,487.00 \$	11,287.00 \$	16,070.00
Federal sources								
Other sources								
Total revenues	\$ 53,875.00	15,204.85 \$	29,233.00 \$	813.00 \$	2,936.25 \$	6,487.00 \$	11,287.00 \$	16,070.00
EXPENDITURES:								
Instruction:								
Salaries of teachers	\$	\$	\$	\$	\$	\$	\$	\$
Other salaries								
Purchased professional - technical services								
Other purchased professional services			29,233.00	813.00	2,936.25	6,487.00	11,287.00	16,070.00
Contracted Services								
Tuition								
Supplies and materials	53,875.00	15,204.85						
Textbooks								
Other Objects								
Total instruction	53,875.00	15,204.85	29,233.00	813.00	2,936.25	6,487.00	11,287.00	16,070.00
Support services:								
Salaries of Supervisors of Instruction								
Salaries of Secretaries and Clerical Assistants								
Other Salaries								
Personal services - employee benefits								
Purchased professional - technical services								
Purchased professional - educational services								
Other purchased services								
Supplies and materials								
Total support services								
Facilities acquisition and construction serv:								
Instructional equipment								
Non - instructional equipment								
Total facilities acquisition and construction serv.								
Total expenditures	\$ 53,875.00	15,204.85 \$	29,233.00 \$	813.00 \$	2,936.25 \$	6,487.00 \$	11,287.00 \$	16,070.00

JACKSON TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	NON - PUBLIC SUPPLEMENTAL	NON-PUBLIC NURSING	NON-PUBLIC TECHNOLOGY INITIATIVE	NON-PUBLIC SECURITY	FARM TO SCHOOL	OTHER LOCAL GRANTS	TOTAL
REVENUES:							
State sources	\$ 11,101.00 \$	26,953.88 \$	10,279.50 \$	20,788.96 \$	994.00 \$	\$	152,148.44
Federal sources							3,147,080.50
Other sources						44,467.63	44,467.63
Total revenues	\$ 11,101.00 \$	26,953.88 \$	10,279.50 \$	20,788.96 \$	994.00 \$	44,467.63 \$	3,343,696.57
EXPENDITURES:							
Instruction:							
Salaries of teachers	\$	\$	\$	\$	\$	\$	241,978.00
Other salaries							192,222.75
Purchased professional - technical services							13,390.60
Other purchased professional services	11,101.00	26,953.88	10,279.50	20,788.96			129,462.59
Contract Services							6,487.00
Tuition					994.00		1,906,059.00
General supplies						16,497.61	228,582.35
Textbooks							15,204.85
Other Objects						4,189.83	5,659.83
Total instruction	11,101.00	26,953.88	10,279.50	20,788.96	994.00	20,687.44	2,739,046.97
Support services:							
Salaries of Supervisors of Instruction							86,520.00
Salaries of Secretaries and Clerical Assistants							37,202.00
Other Salaries							87,729.78
Personal services - employee benefits							123,937.06
Purchased professional - technical services						2,850.00	2,850.00
Purchased professional - educational services							154,613.75
Other purchased services							34,211.74
Supplies and materials							29,400.23
Total support services						2,850.00	556,464.56
Facilities acquisition and construction serv:							
Instructional equipment							18,249.00
Non - instructional equipment						20,930.19	29,936.04
Total facilities acquisition and construction serv.						20,930.19	48,185.04
Total expenditures	\$ 11,101.00 \$	26,953.88 \$	10,279.50 \$	20,788.96 \$	994.00 \$	44,467.63 \$	3,343,696.57

<p>CAPITAL PROJECTS FUND DETAIL STATEMENTS</p>

JACKSON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2018

Revenues and Other Financing Sources:	
State sources - ROD grant	(\$31,127.76)
Miscellaneous	15,576.65
Total revenues	<u>(15,551.11)</u>
Expenditures and Other Financing Uses:	
Purchased professional and technical services	359,460.78
Construction services	(111,303.66)
Total expenditures	<u>248,157.12</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(263,708.23)</u>
Other financing sources (uses):	
Transfers out - Interest	(15,576.65)
Transfer In - Capital Reserve	358,050.00
Transfer Out - Cancelled Project	(378,505.30)
Total other financing sources (uses)	<u>(36,031.95)</u>
Net change in fund balance	(299,740.18)
Fund balance - beginning	<u>876,029.45</u>
Fund balance - ending	<u><u>\$576,289.27</u></u>
Fund Balance - budgetary basis	\$576,289.27
Current Year Encumbrances	<u>348,447.73</u>
Fund Balance - GAAP basis (B-1)	<u><u>\$924,737.00</u></u>
Expenditures - budgetary basis	\$248,157.12
Add: prior year encumbrances	<u>200,005.60</u>
	448,162.72
Less:	
Current year encumbrances	<u>\$348,447.73</u>
	<u><u>348,447.73</u></u>
Expenditures - GAAP basis (B-2)	<u><u>\$99,714.99</u></u>

JACKSON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
CONSTRUCTION OF A NEW ELEMENTARY SCHOOL
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - SCC Grant	\$9,091,292.00		\$9,091,292.00	\$9,091,292.00
Bond proceeds and transfers	10,870,255.12	(\$0.80)	10,870,254.32	10,870,255.12
Total revenues	19,961,547.12	(0.80)	19,961,546.32	19,961,547.12
Expenditures and Other Financing Uses:				
Purchased professional and technical services	1,575,696.30		1,575,696.30	1,575,696.63
Construction services	17,056,890.40		17,056,890.40	17,056,890.87
Equipment purchases	1,328,959.62		1,328,959.62	1,328,959.62
Total expenditures	19,961,546.32		19,961,546.32	19,961,547.12
Excess (deficiency) of revenues over (under) expenditures	\$0.80	(\$0.80)		

Additional project information:

Project Number	202144
Grant Date	06/07/02
Bond Authorization Date	04/15/02
Bonds Authorized	\$15,758,708.00
Bonds Issued	\$15,758,708.00
Original Authorized Cost	\$24,850,000.00
Additional Authorized Cost	(4,888,452.88)
Revised Authorized Cost	\$19,961,547.12
Percentage Increase over Original Authorized Cost	-19.67%
Percentage completion	100.00%
Original target completion date	FY2005
Revised target completion date	FY2007

JACKSON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
ACQUISITION OF LAND AND EQUIPMENT TO BUILD A NEW HIGH SCHOOL
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - SCC Grant	\$21,762,967.00		\$21,762,967.00	\$21,762,967.00
Bond proceeds and transfers	54,545,190.44		54,545,190.44	54,545,190.44
Total revenues	<u>76,308,157.44</u>		<u>76,308,157.44</u>	<u>76,308,157.44</u>
Expenditures and Other Financing Uses:				
Purchased professional and technical services	5,109,555.28		5,109,555.28	5,275,848.99
Land and improvements	11,967,668.51		11,967,668.51	11,967,668.51
Construction services	57,061,752.28	\$10,485.00	57,072,237.28	57,215,341.57
Equipment purchases	1,849,298.37		1,849,298.37	1,849,298.37
Total expenditures	<u>75,988,274.44</u>	<u>10,485.00</u>	<u>75,998,759.44</u>	<u>76,308,157.44</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$319,883.00</u>	<u>(\$10,485.00)</u>	<u>\$309,398.00</u>	

Additional project information:

Project Number	202274
Grant Date	04/02/03
Bond Authorization Date	04/15/02
Bonds Authorized	\$48,758,033.00
Bonds Issued	\$48,758,033.00
Original Authorized Cost	\$70,521,000.00
Additional Authorized Cost	\$5,787,157.44
Revised Authorized Cost	\$76,308,157.44

Percentage Increase over Original Authorized Cost

8.21%

Percentage completion

85.00%

Original target completion date

FY2006

Revised target completion date

FY2013

JACKSON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
ACQUISITION OF LAND FOR FUTURE CONSTRUCTION OF A NEW MIDDLE SCHOOL
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Bond proceeds and transfers	\$418,428.69	(\$378,504.50)	\$39,924.19	\$418,428.69
Total revenues	<u>418,428.69</u>	<u>(378,504.50)</u>	<u>39,924.19</u>	<u>418,428.69</u>
Expenditures and Other Financing Uses:				
Purchased professional and technical services	39,924.19		39,924.19	44,999.69
Land and improvements				260,000.00
Construction services				113,429.00
Total expenditures	<u>39,924.19</u>		<u>39,924.19</u>	<u>418,428.69</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$378,504.50</u>	<u>(\$378,504.50)</u>		

Additional project information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	04/15/02
Bonds Authorized	N/A
Bonds Issued	\$500,000.00
Original Authorized Cost	\$500,000.00
Additional Authorized Cost	(81,571.31)
Revised Authorized Cost	\$418,428.69
Percentage Increase over Original Authorized Cost	-16.31%
Percentage completion	5.00%
Original target completion date	FY2005
Revised target completion date	FY2013

JACKSON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
RENOVATIONS AND IMPROVEMENTS TO JACKSON MEMORIAL HIGH SCHOOL
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Bond proceeds and transfers	\$5,776,847.00		\$5,776,847.00	\$5,776,847.00
Total revenues	5,776,847.00		5,776,847.00	5,776,847.00
Expenditures and Other Financing Uses:				
Purchased professional and technical services	666,304.19		666,304.19	710,251.00
Construction services	4,820,431.72		4,820,431.72	4,863,825.00
Equipment purchases	194,832.74		194,832.74	202,771.00
Total expenditures	5,681,568.65		5,681,568.65	5,776,847.00
Excess (deficiency) of revenues over (under) expenditures	\$95,278.35	\$0.00	\$95,278.35	\$0.00

Additional project information:

Project Number	29-2360-020-05-1000
Grant Date	09/27/05
Bond Authorization Date	
Bonds Authorized	\$5,279,070.00
Bonds Issued	-0-
Original Authorized Cost	\$5,279,070.00
Additional Authorized Cost	\$497,777.00
Revised Authorized Cost	\$5,776,847.00
Percentage Increase over Original Authorized Cost	N/A
Percentage completion	80.00%
Original target completion date	FY2007
Revised target completion date	FY2013

JACKSON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
RENOVATIONS AND IMPROVEMENTS TO MCAULIFFE MIDDLE SCHOOL
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Bond proceeds and transfers	\$4,742,319.00		\$4,742,319.00	\$4,742,319.00
Total revenues	<u>4,742,319.00</u>		<u>4,742,319.00</u>	<u>4,742,319.00</u>
Expenditures and Other Financing Uses:				
Purchased professional and technical services	323,661.34		323,661.34	323,661.87
Construction services	4,418,657.13		4,418,657.13	4,418,657.13
Total expenditures	<u>4,742,318.47</u>		<u>4,742,318.47</u>	<u>4,742,319.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$0.53</u>	<u>\$0.00</u>	<u>\$0.53</u>	<u>\$0.00</u>

Additional project information:

Project Number	29-2360-048-05-1000
Grant Date	N/A
Bond Authorization Date	09/27/05
Bonds Authorized	\$6,441,930.00
Bonds Issued	-0-
Original Authorized Cost	\$6,441,930.00
Additional Authorized Cost	(1,097,777.00)
Revised Authorized Cost	\$5,344,153.00

Percentage Increase over Original Authorized Cost	N/A
Percentage completion	85.00%
Original target completion date	FY2007
Revised target completion date	FY2013

JACKSON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
HVAC AND PLUMBING UPGRADES - JACKSON MEMORIAL HIGH SCHOOL
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State sources - ROD grant	\$4,875,233.00		\$4,875,233.00	\$4,875,233.00
Transfer from capital reserve	7,657,671.00		7,657,671.00	7,657,671.00
Total revenues	<u>12,532,904.00</u>		<u>12,532,904.00</u>	<u>12,532,904.00</u>
Expenditures and Other Financing Uses:				
Purchased professional and technical services	648,004.00		648,004.00	648,004.00
Construction services	11,859,900.00	(\$121,788.66)	11,738,111.34	11,884,900.00
Total expenditures	<u>12,507,904.00</u>	<u>(121,788.66)</u>	<u>12,386,115.34</u>	<u>12,532,904.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$25,000.00</u>	<u>\$121,788.66</u>	<u>\$146,788.66</u>	<u>\$0.00</u>

Additional project information:

Project Number 2360-055-11-G31Y

Grant Date 07/01/14

Original Authorized Cost \$12,532,904.00

Additional Authorized Cost

Revised Authorized Cost \$12,532,904.00

Percentage Increase over Original Authorized Cost N/A

Percentage completion 80.00%

Original target completion date FY2016

Revised target completion date FY2016

JACKSON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
SECURITY UPGRADES - MCAULIFFE MIDDLE SCHOOL
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State sources - ROD grant	\$45,712.00	(\$7,304.57)	\$38,407.43	\$45,712.00
Transfer from capital reserve	68,568.00		68,568.00	68,568.00
Total revenues	114,280.00		106,975.43	114,280.00
Expenditures and Other Financing Uses:				
Purchased professional and technical services	8,122.66	202.32	8,324.98	8,246.00
Construction services	98,650.45		98,650.45	106,034.00
Total expenditures	106,773.11	202.32	106,975.43	114,280.00
Excess (deficiency) of revenues over (under) expenditures	\$7,506.89	(\$202.32)	\$0.00	\$0.00
Additional project information:				
Project Number	2360-025-14-G2XL			
Grant Date	07/01/14			
Original Authorized Cost	\$114,280.00			
Additional Authorized Cost				
Revised Authorized Cost	\$114,280.00			
Percentage Increase over Original Authorized Cost	N/A			
Percentage completion	75.00%			
Original target completion date	FY2016			
Revised target completion date	FY2016			

JACKSON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
SECURITY UPGRADES - GOETZ MIDDLE SCHOOL
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State sources - ROD grant	\$74,113.00	(\$3,533.94)	\$70,579.06	\$74,113.00
Transfer from capital reserve	111,169.00		111,169.00	111,169.00
Total revenues	185,282.00		181,748.06	185,282.00
Expenditures and Other Financing Uses:				
Purchased professional and technical services	10,013.63	183.17	10,196.80	10,196.80
Construction services	166,308.45		166,308.45	175,085.20
Total expenditures	176,322.08	183.17	176,505.25	185,282.00
Excess (deficiency) of revenues over (under) expenditures	\$8,959.92	(\$183.17)	\$5,242.81	\$0.00
Additional project information:				
Project Number	2360-055-11-G2KA			
Grant Date	07/01/14			
Original Authorized Cost	\$185,282.00			
Additional Authorized Cost				
Revised Authorized Cost	\$185,282.00			
Percentage Increase over Original Authorized Cost	N/A			
Percentage completion	75.00%			
Original target completion date	FY2016			
Revised target completion date	FY2016			

JACKSON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
SECURITY UPGRADES - JACKSON MEMORIAL HIGH SCHOOL
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State sources - ROD grant	\$89,684.00	(\$1,634.66)	\$88,049.34	\$89,684.00
Transfer from capital reserve	134,527.00		134,527.00	134,527.00
Total revenues	<u>224,211.00</u>		<u>222,576.34</u>	<u>224,211.00</u>
Expenditures and Other Financing Uses:				
Purchased professional and technical services	4,782.74	119.12	4,901.86	4,901.86
Construction services	215,221.83		215,221.83	219,309.14
Total expenditures	<u>220,004.57</u>	<u>119.12</u>	<u>220,123.69</u>	<u>224,211.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$4,206.43</u>	<u>(\$119.12)</u>	<u>\$2,452.65</u>	<u>\$0.00</u>

Additional project information:

Project Number 2360-055-11-G2JW
Grant Date 07/01/14
Original Authorized Cost \$224,211.00
Additional Authorized Cost
Revised Authorized Cost \$224,211.00

Percentage Increase over Original Authorized Cost N/A

Percentage completion 75.00%

Original target completion date FY2016

Revised target completion date FY2016

JACKSON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
SECURITY UPGRADES - HOLMAN ELEMENTARY SCHOOL
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State sources - ROD grant	\$39,177.00	(\$1,813.62)	\$37,363.38	\$39,177.00
Transfer from capital reserve	58,766.00		58,766.00	58,766.00
Total revenues	97,943.00		96,129.38	97,943.00
Expenditures and Other Financing Uses:				
Purchased professional and technical services	5,386.50	98.25	5,484.75	5,386.50
Construction services	87,969.15		87,969.15	92,556.50
Total expenditures	93,355.65	98.25	93,453.90	97,943.00
Excess (deficiency) of revenues over (under) expenditures	\$4,587.35	(\$98.25)	\$2,675.48	\$0.00
Additional project information:				
Project Number	2360-055-11-G2JY			
Grant Date	07/01/14			
Original Authorized Cost	\$97,943.00			
Additional Authorized Cost				
Revised Authorized Cost	\$97,943.00			
Percentage Increase over Original Authorized Cost	N/A			
Percentage completion	75.00%			
Original target completion date	FY2016			
Revised target completion date	FY2016			

JACKSON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
SECURITY UPGRADES - ROSENAUER MIDDLE SCHOOL
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State sources - ROD grant	\$23,764.00	(\$1,285.75)	\$22,478.25	\$23,764.00
Transfer from capital reserve	35,645.00		35,645.00	35,645.00
Total revenues	59,409.00		58,123.25	59,409.00
Expenditures and Other Financing Uses:				
Purchased professional and technical services	3,871.77	91.81	3,963.58	3,963.58
Construction services	52,232.72		52,232.72	55,445.42
Total expenditures	56,104.49	91.81	56,196.30	59,409.00
Excess (deficiency) of revenues over (under) expenditures	\$3,304.51	(\$91.81)	\$1,926.95	\$0.00
Additional project information:				
Project Number	2360-055-11-G2JX			
Grant Date	07/01/14			
Original Authorized Cost	\$59,409.00			
Additional Authorized Cost				
Revised Authorized Cost	\$59,409.00			
Percentage Increase over Original Authorized Cost	N/A			
Percentage completion	75.00%			
Original target completion date	FY2016			
Revised target completion date	FY2016			

JACKSON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
SECURITY UPGRADES - SWITLIK ELEMENTARY SCHOOL
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State sources - ROD grant	\$41,818.00	(\$1,376.38)	\$40,441.62	\$41,818.00
Transfer from capital reserve	62,727.00		62,727.00	62,727.00
Total revenues	104,545.00		103,168.62	104,545.00
Expenditures and Other Financing Uses:				
Purchased professional and technical services	3,928.53	97.92	4,026.45	4,026.45
Construction services	97,076.35		97,076.35	100,518.55
Total expenditures	101,004.88	97.92	101,102.80	104,545.00
Excess (deficiency) of revenues over (under) expenditures	\$3,540.12	(\$97.92)	\$2,065.82	\$0.00

Additional project information:

Project Number 2360-055-11-G2JZ
Grant Date 07/01/14

Original Authorized Cost \$104,545.00
Additional Authorized Cost
Revised Authorized Cost \$104,545.00

Percentage Increase over Original Authorized Cost N/A
Percentage completion 75.00%
Original target completion date FY2016
Revised target completion date FY2016

JACKSON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
SECURITY UPGRADES - CRAWFORD ELEMENTARY SCHOOL
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State sources - ROD grant	\$38,361.00	(\$2,920.64)	\$35,440.36	\$38,361.00
Transfer from capital reserve	57,541.00		57,541.00	57,541.00
Total revenues	95,902.00		92,981.36	95,902.00
Expenditures and Other Financing Uses:				
Purchased professional and technical services	8,429.23	168.28	8,597.51	8,597.51
Construction services	80,002.78		80,002.78	87,304.49
Total expenditures	88,432.01	168.28	88,600.29	95,902.00
Excess (deficiency) of revenues over (under) expenditures	\$7,469.99	(\$168.28)	\$4,381.07	\$0.00
Additional project information:				
Project Number	2360-055-11-G2XM			
Grant Date	07/01/14			
Original Authorized Cost	\$95,902.00			
Additional Authorized Cost				
Revised Authorized Cost	\$95,902.00			
Percentage Increase over Original Authorized Cost	N/A			
Percentage completion	75.00%			
Original target completion date	FY2016			
Revised target completion date	FY2016			

JACKSON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
SECURITY UPGRADES - ELMS ELEMENTARY SCHOOL
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State sources - ROD grant	\$40,644.00	(\$2,157.00)	\$38,487.00	\$40,644.00
Transfer from capital reserve	60,967.00		60,967.00	60,967.00
Total revenues	<u>101,611.00</u>		<u>99,454.00</u>	<u>101,611.00</u>
Expenditures and Other Financing Uses:				
Purchased professional and technical services	6,517.00	118.89	6,635.89	6,635.89
Construction services	89,637.81		89,637.81	94,975.11
Total expenditures	<u>96,154.81</u>	<u>118.89</u>	<u>96,273.70</u>	<u>101,611.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$5,456.19</u>	<u>(\$118.89)</u>	<u>\$3,180.30</u>	<u>\$0.00</u>

Additional project information:

Project Number	07/01/14
Grant Date	\$101,611.00
Original Authorized Cost	
Additional Authorized Cost	\$101,611.00
Revised Authorized Cost	
Percentage Increase over Original Authorized Cost	N/A
Percentage completion	75.00%
Original target completion date	FY2016
Revised target completion date	FY2016

JACKSON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
SECURITY UPGRADES - JOHNSON ELEMENTARY SCHOOL
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State sources - ROD grant	\$35,460.00	(\$2,007.99)	\$33,452.01	\$35,460.00
Transfer from capital reserve	53,191.00		53,191.00	53,191.00
Total revenues	<u>88,651.00</u>		<u>86,643.01</u>	<u>88,651.00</u>
Expenditures and Other Financing Uses:				
Purchased professional and technical services	5,985.00	109.15	6,094.15	6,094.15
Construction services	77,585.35		77,585.35	82,556.85
Total expenditures	<u>83,570.35</u>	<u>109.15</u>	<u>83,679.50</u>	<u>88,651.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$5,080.65</u>	<u>(\$109.15)</u>	<u>\$2,963.51</u>	<u>\$0.00</u>
Additional project information:				
Project Number	2360-055-11-G2XO			
Grant Date	07/01/14			
Original Authorized Cost	\$88,651.00			
Additional Authorized Cost				
Revised Authorized Cost	\$88,651.00			
Percentage Increase over Original Authorized Cost	N/A			
Percentage completion	75.00%			
Original target completion date	FY2016			
Revised target completion date	FY2016			

JACKSON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
SECURITY UPGRADES - JACKSON LIBERTY SCHOOL
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State sources - ROD grant	\$57,189.00	(\$7,093.21)	\$50,095.79	\$57,189.00
Transfer from capital reserve	85,784.00		85,784.00	85,784.00
Total revenues	<u>142,973.00</u>		<u>135,879.79</u>	<u>142,973.00</u>
Expenditures and Other Financing Uses:				
Purchased professional and technical services	8,901.74	221.87	9,123.61	9,123.61
Construction services	125,848.05		125,848.05	133,849.39
Total expenditures	<u>134,749.79</u>	<u>221.87</u>	<u>134,971.66</u>	<u>142,973.00</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$8,223.21</u>	<u>(\$221.87)</u>	<u>\$908.13</u>	<u>\$0.00</u>

Additional project information:

Project Number	07/01/14
Grant Date	\$142,973.00
Original Authorized Cost	
Additional Authorized Cost	\$142,973.00
Revised Authorized Cost	
Percentage Increase over Original Authorized Cost	N/A
Percentage completion	75.00%
Original target completion date	FY2016
Revised target completion date	FY2016

JACKSON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
LIBERTY TRANSPORTATION GARAGE
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
Transfer from capital reserve		358,050.00	358,050.00	358,050.00
Total revenues	0.00	358,050.00	358,050.00	358,050.00
Expenditures and Other Financing Uses:				
Purchased professional and technical services		358,050.00	358,050.00	358,050.00
Total expenditures	0.00	358,050.00	358,050.00	358,050.00
Excess (deficiency) of revenues over (under) expenditures	\$0.00	\$0.00	\$0.00	\$0.00

Additional project information:

Project Number	N/A
Grant Date	N/A
Original Authorized Cost	\$358,050.00
Additional Authorized Cost	
Revised Authorized Cost	\$358,050.00
Percentage Increase over Original Authorized Cost	N/A
Percentage completion	2.75%
Original target completion date	FY2019
Revised target completion date	FY2019

JACKSON TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES - BUDGETARY BASIS
AS OF JUNE 30, 2018

<u>ISSUE/PROJECT TITLE</u>	<u>ORIGINAL DATE</u>	<u>APPROPRIATIONS</u>	<u>EXPENDITURES TO DATE</u>		<u>(MEMO ONLY) UNEXPENDED PROJECT BALANCE</u>
			<u>PRIOR YEAR</u>	<u>CURRENT YEAR</u>	
Acquisition of Land & Equipment to Build a New High School, Construction of a New Elementary School, Renovation and Construction of Gymnasium additions at two Schools, and the Acquisition of land for the future Construction of a New Middle School	1/22/2002	\$ 102,527,166.00	\$ 102,430,611.69	\$ -	\$ 96,554.31
Renovations and Improvements to Jackson Memorial High School and Christa McAuliffe Middle School	9/17/2005	10,742,494.70	10,423,887.12	9,209.58	309,398.00
Security Upgrades:					
McAuliffe Middle School	7/1/2014	106,975.43	106,773.11	202.32	
Goetz Middle School	7/1/2014	181,748.06	176,322.08	183.17	5,242.81
Jackson Memorial High School	7/1/2014	222,576.34	220,004.57	119.12	2,452.65
Crawford Elementary School	7/1/2014	92,981.36	88,432.01	168.28	4,381.07
Elms Elementary School	7/1/2014	99,454.00	96,154.81	118.89	3,180.30
Jackson Liberty High School	7/1/2014	135,879.79	134,749.79	221.87	908.13
Johnson Elementary School	7/1/2014	86,643.01	83,570.35	109.15	2,963.51
Holman Elementary School	7/1/2014	96,129.38	93,355.65	98.25	2,675.48
Rosenauer Middle School	7/1/2014	58,123.25	56,104.49	91.81	1,926.95
Switlik Elementary School	7/1/2014	103,168.62	101,004.88	97.92	2,065.82
Plumbing and HVAC Upgrades					
Jackson Memorial High School	7/1/2014	12,532,904.00	12,507,904.00	(121,788.66)	146,788.66
Liberty Transportation Garage	4/24/2018	358,050.00		358,050.00	
Totals		\$ 127,344,293.94	\$ 126,518,874.55	\$ 246,881.70	\$ 578,537.69

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 within the school district.

CHILD CARE FUND: This fund provides for the operation of a Child Care program within the school district.

COMMUNITY SCHOOL FUND: This fund provides for the operation of a Community School within the school district.

PRE-SCHOOL FUND: This fund provides for the operation of a Pre-School program within the school district.

DIGITAL MEDIA PROGRAM FUND: This Fund provides for the operation of the District's Digital Media Program

**EXTENDED ENRICHMENT KINDERGARTEN
PROGRAM FUND:**

This Fund provides for the operation of the District's Extended Enrichment Kindergarten Program

SUMMER ELECTIVE FUND This Fund provides for the operation of the District's Summer Elective Program

STEM SUMMER CAMP FUND This Fund provides for the operation of the District's STEM Summer Camp Program

JACKSON TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUNDS - ENTERPRISE FUNDS
JUNE 30, 2018

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND							TOTAL
	CHILD CARE FUND	FOOD SERVICE FUND	COMMUNITY SCHOOL FUND	PRE-SCHOOL FUND	DIGITAL MEDIA FUND	SUMMER ELECTIVES	STEM SUMMER CAMP	
ASSETS:								
Current assets:								
Cash and cash equivalents	\$1,160,851.72	\$902,005.23	\$186,304.43	\$485,599.86	\$35,378.09	\$36,316.44	\$6,492.82	\$2,812,948.59
Accounts receivable:								
State		5,980.73						5,980.73
Federal		199,984.91						199,984.91
Other		490.00						490.00
Interfunds		213.64						213.64
Inventories		41,351.32						41,351.32
Total current assets	1,160,851.72	1,150,025.83	186,304.43	485,599.86	35,378.09	36,316.44	6,492.82	3,060,969.19
Noncurrent assets:								
Furniture, machinery & equipment		2,191,653.64						2,191,653.64
Less accumulated depreciation		(1,006,508.46)						(1,006,508.46)
Total noncurrent assets		1,185,145.18						1,185,145.18
Total assets	1,160,851.72	2,335,171.01	186,304.43	485,599.86	35,378.09	36,316.44	6,492.82	4,246,114.37
LIABILITIES:								
Current liabilities:								
Unearned revenue	220,985.82	71,011.03	25,473.00	20,983.00	19,825.00	23,000.00	7,025.00	388,302.85
Accounts payable	40,420.89		1,421.00	2,403.47				44,245.36
Noncurrent liabilities:								
Compensated absences	7,291.32	88,719.39		20,880.00				116,890.71
Total current liabilities	268,698.03	159,730.42	26,894.00	44,266.47	19,825.00	23,000.00	7,025.00	549,438.92
Total liabilities	268,698.03	159,730.42	26,894.00	44,266.47	19,825.00	23,000.00	7,025.00	549,438.92
NET POSITION:								
Net investment in capital assets		1,185,145.18						1,185,145.18
Unrestricted	892,153.69	990,295.41	159,410.43	441,333.39	15,553.09	13,316.44	(532.18)	2,511,530.27
Total net position (deficit)	\$892,153.69	\$2,175,440.59	\$159,410.43	\$441,333.39	\$15,553.09	\$13,316.44	(\$532.18)	\$3,696,675.45

JACKSON TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND						
	CHILD CARE FUND	FOOD SERVICE FUND	EXTENDED ENRICHMENT KINDERGARTEN FUND	COMMUNITY SCHOOL FUND	PRE-SCHOOL FUND	DIGITAL MEDIA FUND	STEM SUMMER CAMP
							TOTAL
OPERATING REVENUES:							
Charges for services:							
Daily sales - reimbursable programs		\$1,035,166.25					\$1,035,166.25
Daily sales - non-reimbursable programs		616,932.36					616,932.36
Special functions		27,071.75					27,071.75
Fees - individuals	\$1,326,897.01			\$97,554.94	\$286,324.11	\$46,555.00	\$7,350.00
Total operating revenues	1,326,897.01	1,679,170.36		97,554.94	286,324.11	46,555.00	3,466,001.42
OPERATING EXPENSES:							
Cost of sales - reimbursable		874,416.76					874,416.76
Cost of sales - non-reimbursable		232,484.15					232,484.15
Salaries	974,309.71	943,770.78		65,628.63	232,042.56	25,313.50	4,824.00
Employee benefits	148,792.52	421,450.58		12,824.70	20,880.00		603,947.80
Other purchase services	10,793.92			10,240.00		8,559.57	29,593.49
Rentals	466.92						466.92
Supplies and materials	14,541.16	65,360.25		225.12		6,065.86	91,900.39
Repairs		18,214.94					18,214.94
Non-instruction equipment		1,702.23					1,702.23
Miscellaneous	32,815.59	12,490.87		115.00	1,992.00	225.00	47,638.46
Depreciation		78,429.92					78,429.92
Total operating expenses	1,181,719.82	2,648,320.48		89,033.45	254,914.56	40,163.93	4,239,105.52
Operating income (loss)	145,177.19	(969,150.12)		8,521.49	31,409.55	6,391.07	(773,104.10)
NONOPERATING REVENUES (EXPENSES):							
State sources		31,272.05					31,272.05
State school lunch program							
Federal sources:							
National school lunch program		852,473.48					852,473.48
Supplemental Nutrition Assistance Program							
National school breakfast program		97,149.30					97,149.30
Commissions/rebates		19,845.62					19,845.62
Miscellaneous		30,577.95					30,577.95
National food distribution commodities		185,228.06					185,228.06
Total nonoperating revenues (expenses)		1,216,546.46					1,216,546.46
Income (loss) before contributions & transfers	145,177.19	247,396.34		8,521.49	31,409.55	6,391.07	443,442.36
Other financing uses:							
Transfer of funds	(300,000.00)		(440,256.63)				(740,256.63)
Total other financing uses	(300,000.00)		(440,256.63)				(740,256.63)
Change in net position	(154,822.81)	247,396.34	(440,256.63)	8,521.49	31,409.55	6,391.07	(646.85)
Total net position - beginning	1,046,976.50	1,928,044.25	440,256.63	150,888.94	409,923.84	9,162.02	3,993,489.72
Total net position - ending (deficit)	\$892,153.69	\$2,175,440.59		\$159,410.43	\$441,333.39	\$15,553.09	\$3,696,675.45

JACKSON TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	CHILD CARE FUND	FOOD SERVICE FUND	EXTENDED ENRICHMENT KINDERGARTEN FUND	COMMUNITY SCHOOL FUND	PRE-SCHOOL FUND	DIGITAL MEDIA FUND	SUMMER ELECTIVES	STEM SUMMER CAMP	TOTAL
Cash flows from operating activities:									
Receipts from customers	\$1,358,912.22	\$1,684,274.76		\$73,627.94	\$275,296.11	\$43,545.00	\$45,150.00	\$12,450.00	\$3,493,256.03
Payments to employees	(933,888.82)	(943,770.78)		(64,207.63)	(229,639.09)	(25,313.50)	(\$14,421.28)	(4,824.00)	(2,216,065.10)
Payments to employee benefits	(141,501.20)	(448,463.76)		(12,824.70)					(602,789.66)
Payments to suppliers	(101,177.85)	(1,048,579.91)		(11,566.87)	(1,992.00)	(17,175.43)	(2,535.15)	(3,233.57)	(1,186,260.78)
Net cash provided by (used for) operating activities	182,344.35	(756,539.69)		(14,971.26)	43,665.02	1,056.07	28,193.57	4,392.43	(511,859.51)
Cash flows from noncapital financing activities:									
State sources		27,558.42							27,558.42
Federal sources	(300,000.00)	833,558.71							833,558.71
Operating subsidies and transfers to other funds		19,949.43	(440,256.63)						(720,307.20)
Net cash provided by noncapital financing activities	(300,000.00)	881,066.56	(440,256.63)						140,809.93
Cash flows from capital and related financing activities:									
Purchases of capital assets		(63,515.15)							(63,515.15)
Net cash provided by (used for) capital and related financing activities		(63,515.15)							(63,515.15)
Net increase (decrease) in cash and cash equivalents	(117,655.65)	61,011.72	(440,256.63)	(14,971.26)	43,665.02	1,056.07	28,193.57	4,392.43	(434,564.73)
Cash and cash equivalents, July 1, 2017	1,278,507.37	840,993.51	440,256.63	201,275.69	441,934.84	34,322.02	8,122.87	2,100.39	3,247,513.32
Cash and cash equivalents, June 30, 2018	\$1,160,851.72	\$902,005.23		\$186,304.43	\$485,599.86	\$35,378.09	\$36,316.44	\$6,492.82	\$2,812,948.59
Reconciliation of operating income (loss) to net cash provided (used) by operating activities									
Operating income (loss)	\$145,177.19	(\$969,150.12)		\$8,521.49	\$31,409.55	\$6,391.07	\$5,193.57	(\$646.85)	(773,104.10)
Adjustments to reconciling operating income (loss) to net cash provided by (used for) operating activities:									
Depreciation		78,429.92							78,429.92
Federal commodities		185,228.06							185,228.06
Change in assets and liabilities:									
(Increase) decrease in other accounts receivable		1,043.00							1,043.00
Increase (decrease) in unearned revenue	32,153.49	11,819.45		(23,927.00)	(11,028.00)	(3,010.00)	23,000.00	5,100.00	34,107.94
Increase (decrease) in accounts payable	(2,277.65)	(30,596.85)		434.25	2,403.47	(2,325.00)	(60.72)	(60.72)	(32,422.50)
Increase (decrease) in compensated absences	7,291.32	(27,013.18)			20,880.00				1,158.14
(Increase) decrease in inventories		(6,299.97)							(6,299.97)
	37,167.16	212,610.43		(23,492.75)	12,255.47	(5,335.00)	23,000.00	5,039.28	261,244.59
Net cash provided by (used for) operating activities	\$182,344.35	(\$756,539.69)		(\$14,971.26)	\$43,665.02	\$1,056.07	\$28,193.57	\$4,392.43	(\$511,859.51)

FIDUCIARY FUNDS DETAIL STATEMENTS
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Fiduciary Funds are used to account for funds received by the district for a specific purpose:

Unemployment Compensation Insurance Trust Fund:	This expendable trust fund is used to pay unemployment compensation claims as they arise.
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Agency Funds are used to account for assets held by the district as an agent for another party:

Student Activity Fund :	This agency fund is used to account for student funds held at the schools.
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Payroll Fund:	This agency fund is used to account for the payroll transactions of the school district.
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JACKSON TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2018

	AGENCY FUNDS		UNEMPLOYMENT COMPENSATION TRUST FUND	TOTAL TRUST FUNDS	JUNE 30 2018
	STUDENT ACTIVITY	PAYROLL AGENCY	TOTAL AGENCY FUNDS		
ASSETS:					
Cash and cash equivalents	\$620,559.25	\$4,345,417.42	\$4,965,976.67	\$495,115.45	\$5,461,092.12
Intrafunds Receivable				119,914.80	119,914.80
Total assets	\$620,559.25	\$4,345,417.42	\$4,965,976.67	\$615,030.25	\$5,581,006.92
LIABILITIES:					
Interfunds Payable		\$84,272.78	\$84,272.78		\$84,272.78
Intrafund Payable		119,914.80	119,914.80		119,914.80
Payroll deductions and withholdings		830,664.63	830,664.63		830,664.63
Wages payable - Summer Payroll		3,310,565.21	3,310,565.21		3,310,565.21
Due to student groups	\$620,559.25		620,559.25		620,559.25
Total liabilities	\$620,559.25	\$4,345,417.42	\$4,965,976.67		4,965,976.67
NET POSITION:					
Held in trust for unemployment claims and other purposes				\$615,030.25	615,030.25
Total net position	-0-	-0-	-0-	\$615,030.25	\$615,030.25

JACKSON TOWNSHIP SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	STATE UNEMPLOYMENT COMPENSATION <u>TRUST FUND</u>	<u>TOTAL</u>
ADDITIONS:		
Contributions:		
Other	\$142,878.21	\$142,878.21
Total contributions	<u>142,878.21</u>	<u>142,878.21</u>
Investment earnings:		
Interest	2,049.60	2,049.60
Net investment earnings	<u>2,049.60</u>	<u>2,049.60</u>
Total additions	<u>144,927.81</u>	<u>144,927.81</u>
DEDUCTIONS:		
Unemployment claims	56,467.83	56,467.83
Total deductions	<u>56,467.83</u>	<u>56,467.83</u>
Change in net position	88,459.98	88,459.98
Net position beginning of year	526,570.27	526,570.27
Net position end of year	<u><u>\$615,030.25</u></u>	<u><u>\$615,030.25</u></u>

JACKSON TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>BALANCE</u> <u>JUNE 30, 2017</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSE-</u> <u>MENTS</u>	<u>BALANCE</u> <u>JUNE 30, 2018</u>
Elementary Schools:				
Howard C. Johnson	\$8,121.05	\$291.11	\$1,079.25	\$7,332.91
Lucy N. Holman	1,720.26	2,910.45	3,525.25	1,105.46
Switlik	530.39	377.53	275.00	632.92
Sylvia Rosenauer	435.56	1.06	370.97	65.65
Crawford - Rodriguez	<u>2,023.07</u>	<u>272.55</u>	<u>297.54</u>	<u>1,998.08</u>
	12,830.33	3,852.70	5,548.01	11,135.02
Middle Schools:				
Carl W. Goetz	68,696.21	94,952.18	91,755.33	71,893.06
Christa McAuliffe	<u>66,588.58</u>	<u>128,385.99</u>	<u>129,534.95</u>	<u>65,439.62</u>
	135,284.79	223,338.17	221,290.28	137,332.68
High Schools:				
Jackson Memorial High School	212,954.86	576,884.69	564,740.65	225,098.90
JMHS - Athletic Fund	16,611.16	93,694.00	92,841.00	17,464.16
Liberty High School	202,978.37	431,014.51	408,912.06	225,080.82
Liberty High School Athletic Fund	<u>15,339.29</u>	<u>75,076.00</u>	<u>85,967.62</u>	<u>4,447.67</u>
	447,883.68	1,176,669.20	1,152,461.33	472,091.55
Grand Total	<u>\$595,998.80</u>	<u>\$1,403,860.07</u>	<u>\$1,379,299.62</u>	<u>\$620,559.25</u>

JACKSON TOWNSHIP SCHOOL DISTRICT
PAYROLL AGENCY FUNDS
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>BALANCE</u> <u>JUNE 30, 2017</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2017</u>
ASSETS:				
Cash and cash equivalents	\$3,538,268.43	\$98,360,004.57	\$97,552,855.58	\$4,345,417.42
Total assets	<u>\$3,538,268.43</u>	<u>\$98,360,004.57</u>	<u>\$97,552,855.58</u>	<u>\$4,345,417.42</u>
LIABILITIES:				
Interfunds payable	\$74,966.28	\$49,072,976.07	\$49,063,669.57	\$84,272.78
Intrafund Payable	42,959.71	119,914.80	42,959.71	119,914.80
Payroll deductions and withholdings	150,008.74	45,815,222.09	45,134,566.20	830,664.63
Wages payable - summer payroll	3,270,333.70	3,351,891.61	3,311,660.10	3,310,565.21
Total liabilities	<u>\$3,538,268.43</u>	<u>\$98,360,004.57</u>	<u>\$97,552,855.58</u>	<u>\$4,345,417.42</u>

LONG-TERM LIABILITIES SCHEDULES
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The Long-Term schedules are used to reflect the outstanding principal balances of the long-term liabilities of the District. This includes obligations under Serial Bonds and Capital Leases.

JACKSON TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2018

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	MATURITIES		RATE OF INTEREST	BALANCE JULY 1, 2017	RETIRED	BALANCE JUNE 30, 2018
			DATE	AMOUNT				
Refunding Bonds	04/13/06	\$ 87,650,000.00	06/15/19	\$ 5,325,000.00	5.25%	\$		\$
			06/15/20	5,145,000.00	5.25%			
			06/15/21	5,370,000.00	5.25%			
			06/15/22	5,650,000.00	5.25%			
			06/15/23	5,945,000.00	2.50%	32,090,000.00	4,655,000.00	27,435,000.00
Refunding Bonds	09/11/14	7,890,000.00	02/01/19	785,000.00	4.00%			
			02/01/20	815,000.00	2.00%			
			02/01/21	835,000.00	2.00%			
			02/01/22	850,000.00	4.00%			
			02/01/23	880,000.00	4.00%			
			02/01/24	920,000.00	5.00%			
			02/01/25	965,000.00	4.00%			
			02/01/26	1,005,000.00	3.00%	7,800,000.00	745,000.00	7,055,000.00
Refunding Bonds	09/14/16	27,150,000.00	06/15/24	6,255,000.00	5.00%			
			06/15/25	6,505,000.00	4.00%			
			06/15/26	6,830,000.00	3.00%			
			06/15/27	7,560,000.00	3.00%	27,150,000.00		27,150,000.00
		\$			\$	\$ 67,040,000.00	\$ 5,400,000.00	\$ 61,640,000.00

JACKSON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
AS OF JUNE 30, 2018

<u>SERIES</u>	<u>INTEREST RATE PAYABLE</u>	<u>AMOUNT OF ORIGINAL LEASE</u>	<u>AMOUNT OUTSTANDING JUNE 30, 2017</u>	<u>DECREASE</u>	<u>AMOUNT OUTSTANDING JUNE 30, 2018</u>
<u>Governmental Funds</u>					
Buses 14/15	1.417%	\$ 962,000.00	\$ 389,310.16	\$ 193,285.65	\$ 196,024.51
Buses 14/15	1.626%	880,000.00	535,206.11	175,531.83	359,674.28
Buses 15/16	1.470%	934,000.00	752,611.78	184,054.62	568,557.16
Buses 16/17	1.690%	973,000.00	973,000.00	189,782.08	783,217.92
Grand Total		\$	2,650,128.05	\$ 742,654.18	\$ 1,907,473.87

JACKSON TOWNSHIP SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>BUDGET</u>	<u>BUDGET TRANSFERS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES:					
Local sources:					
Local tax levy	\$6,966,039.00		\$6,966,039.00	\$6,966,039.00	
State sources:					
Debt service aid type II	1,218,145.00		1,218,145.00	1,218,145.00	
Total revenues	8,184,184.00		8,184,184.00	8,184,184.00	
EXPENDITURES:					
Regular debt service:					
Interest	3,114,075.00		3,114,075.00	3,114,075.00	
Redemption of principal	5,400,000.00		5,400,000.00	5,400,000.00	
Total regular debt service-expenditures	8,514,075.00		8,514,075.00	8,514,075.00	
Excess (deficiency) of revenues over (under) expenditures	(329,891.00)		(329,891.00)	(329,891.00)	
Other financing sources:					
Operating Transfers in - Capital Projects				394,081.95	\$394,081.95
Interest earned on Arbitrage	(329,891.00)		(329,891.00)	1,106.46	1,106.46
				65,297.41	395,188.41
Fund balance, July 1	335,347.06		335,347.06	335,347.06	
Fund balance, June 30	\$5,456.06		\$5,456.06	\$400,644.47	\$395,188.41

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STATISTICAL SECTION - UNAUDITED

TOWNSHIP OF JACKSON SCHOOL DISTRICT
STATISTICAL SECTION

<u>Contents</u>	<u>Page</u>
Financial Trends:	
These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	J-1 to J-4
Revenue Capacity:	
These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	J-5 to J-9
Debt Capacity:	
These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information:	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 to J-15
Operating Information:	
These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20

Sources

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

TOWNSHIP OF JACKSON SCHOOL DISTRICT
NET POSITION BY COMPONENT
UNAUDITED

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental activities										
Net investment in capital assets	\$66,097,599.31	\$65,055,148.56	\$62,704,698.59	\$51,059,391.38	\$47,814,504.24	\$48,082,597.01	\$46,201,066.71	\$48,866,924.07	\$55,944,397.54	\$54,849,723.06
Restricted	11,285,982.27	12,474,787.27	11,576,907.27	14,169,847.43	12,339,597.41	12,838,192.35	10,675,728.91	6,822,188.30	2,820,294.92	4,522,834.13
Unrestricted (deficit)	(60,427,551.49)	(60,222,898.78)	(54,912,236.19)	(52,594,416.37)	(3,660,492.59)	(5,044,120.30)	(2,028,413.56)	(5,739,508.79)	(2,428,956.92)	(3,965,126.38)
Total governmental activities net position	\$16,956,030.09	\$17,307,037.05	\$19,369,369.67	\$12,634,822.44	\$56,493,609.06	\$55,876,669.06	\$54,846,382.06	\$49,949,603.58	\$56,335,735.54	\$55,407,430.81
Business-type activities										
Invested in capital assets										
Net of related debt	\$1,185,145.18	\$1,200,059.95	\$1,225,359.80	\$1,281,676.24	\$1,372,697.36	\$1,463,854.49	\$1,065,445.16	\$111,575.75	\$140,809.25	\$178,717.70
Unrestricted	2,511,530.27	2,793,429.77	2,728,025.67	2,138,736.31	1,927,162.07	1,580,821.01	1,296,748.73	2,043,431.89	1,662,052.76	1,419,796.05
Total business-type activities net position	\$3,696,675.45	\$3,993,489.72	\$3,953,385.47	\$3,420,414.55	\$3,299,859.43	\$3,044,675.50	\$2,362,193.89	\$2,155,007.64	\$1,802,862.01	\$1,598,513.75
District-wide										
Net investment in capital assets	\$67,282,744.49	\$66,255,208.51	\$63,930,058.39	\$52,341,067.62	\$49,187,201.60	\$49,546,451.50	\$47,266,511.87	\$48,978,499.82	\$56,085,206.79	\$55,028,440.76
Restricted	11,285,982.27	12,474,787.27	11,576,907.27	14,169,847.43	12,339,597.41	12,838,192.35	10,675,728.91	6,822,188.30	2,820,294.92	4,522,834.13
Unrestricted (deficit)	(57,916,021.22)	(57,429,469.01)	(52,184,210.52)	(50,455,678.06) a	(1,733,330.52)	(3,463,299.29)	(731,664.83)	(3,696,076.90)	(766,904.16)	(2,545,330.33)
Total district net position	\$20,662,705.54	\$21,300,526.77	\$23,322,755.14	\$16,055,236.99	\$59,793,468.49	\$58,921,344.56	\$57,210,575.95	\$52,104,611.22	\$58,138,597.55	\$57,005,944.56

Source: CAFR Schedule A-1
a - In FY2015 the District Implemented GASB 68

TOWNSHIP OF JACKSON SCHOOL DISTRICT

CHANGES IN NET POSITION

UNAUDITED

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
EXPENSES										
Governmental activities										
Instruction:										
Regular	\$69,951,421.12	\$65,972,493.92	\$60,811,329.27	\$56,563,472.38	\$51,228,343.35	\$51,355,565.47	\$47,418,293.10	\$49,695,187.95	\$48,766,175.92	\$47,698,728.24
Special	38,174,468.90	37,085,171.04	33,066,079.30	30,585,453.34	25,176,975.77	25,936,760.52	21,976,846.06	21,139,345.86	20,494,499.40	19,792,810.28
Other instruction	5,567,258.24	5,058,371.71	4,468,380.45	4,167,503.39	3,744,844.45	3,851,722.09	3,508,035.75	3,569,888.52	3,689,912.79	3,852,776.57
Support services:										
Tuition										
Student and instruction related services	28,282,891.33	26,132,832.03	24,335,584.92	23,538,411.55	20,425,794.44	19,876,718.88	17,400,796.17	18,526,033.44	19,092,320.50	17,309,068.83
General administrative services	1,252,517.89	1,486,942.59	1,306,602.78	1,133,281.12	1,439,252.04	1,610,611.59	1,925,564.62	1,835,550.15	1,913,192.33	1,914,910.90
School administrative services	11,233,645.91	10,712,411.75	10,079,196.55	9,327,491.02	7,577,919.04	7,442,343.74	6,969,043.79	6,882,113.63	6,918,483.23	7,056,377.78
Business and other support services										
Central Services/Administrative Technology	3,879,165.50	3,501,362.30	2,969,567.40	3,279,625.64	3,468,124.34	3,590,056.55	3,609,258.71	3,587,495.41	3,209,350.56	3,236,185.51
Plant operations and maintenance	15,486,698.49	14,933,638.96	12,501,620.33	12,537,489.87	12,077,242.72	11,536,372.79	12,289,740.37	12,034,474.36	13,885,102.74	13,127,649.55
Pupil transportation	13,974,062.16	12,776,349.32	10,831,894.81	10,789,146.67	11,094,694.25	10,481,457.01	10,836,039.01	10,629,131.41	10,413,351.37	11,049,928.87
Special Schools	520,451.66	502,564.76	540,983.41	527,003.78	515,477.44	249,524.28	467,036.59	450,955.85	609,114.80	1,285,616.40
Interest on Long-Term Debt	3,186,376.85	3,949,029.35	4,150,757.28	4,512,099.82	4,857,336.82	4,639,250.05	4,794,914.55	5,179,101.17	5,014,454.11	5,218,464.03
Unallocated depreciation	4,378,362.04	3,983,234.48	4,049,346.11	4,041,355.62	4,032,879.16	4,025,742.48	3,765,313.96	241,519.60	284,431.60	275,643.49
Unallocated amortization						201,190.48	201,190.48	201,190.48	201,190.48	201,190.48
Total governmental activities expenses	195,887,320.09	186,094,392.21	169,111,342.61	161,002,334.20	145,638,883.82	144,797,315.93	139,059,056.10	137,722,057.44	139,451,535.03	137,177,038.76
Business-type activities:										
Food Service	2,648,320.48	2,660,599.52	2,618,054.19	2,856,911.52	2,812,087.52	2,771,155.15	2,833,183.75	2,684,286.74	2,715,689.54	2,688,032.65
Child Care	1,181,719.82	1,167,302.05	1,147,144.43	1,038,946.12	954,810.40	917,967.41	842,554.10	969,473.10	1,371,802.64	1,318,839.12
Extended Enrichment Kindergarten				408,605.61	310,207.42	330,427.53	287,985.07			
Community School	89,033.45	84,835.60	84,888.43	83,506.16	88,045.95	82,211.12	120,420.14	484,219.19	117,855.10	190,851.76
Preschool	254,914.56	70,208.00	47,180.62	57,411.09	86,487.97	76,457.11	128,625.09	176,716.48	240,717.16	229,230.47
Digital Media	40,163.93	50,124.64	46,656.82	39,911.39	30,643.49	32,447.94	30,421.18	14,187.52	3,725.00	
Summer Electives	16,956.43	18,772.02	15,063.28	12,218.30	9,998.53					
Slem Summer Camp	7,996.85	13,119.12	13,541.21							
Total business-type activities expense	4,239,105.52	4,064,960.95	3,972,528.98	4,497,510.19	4,292,281.28	4,210,666.26	4,243,389.33	4,328,883.03	4,449,789.44	4,426,954.00
Total district expenses	\$200,126,425.61	\$190,159,353.16	\$173,083,871.59	\$165,499,844.39	\$149,931,165.10	\$149,007,982.19	\$143,302,445.43	\$142,050,940.47	\$143,901,324.47	\$141,603,992.76
PROGRAM REVENUES										
Governmental activities:										
Operating grants and contributions	\$54,163,330.10	\$44,931,582.97	\$34,836,898.14	\$28,500,404.79	\$14,404,622.31	\$16,501,489.61	\$13,098,413.53	\$13,123,340.00	\$15,241,018.06	\$15,124,062.33
Total governmental activities program revenues	54,163,330.10	44,931,582.97	34,836,898.14	28,500,404.79	14,404,622.31	16,501,489.61	13,098,413.53	13,123,340.00	15,241,018.06	15,124,062.33

TOWNSHIP OF JACKSON SCHOOL DISTRICT
CHANGES IN NET POSITION
UNAUDITED

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
PROGRAM REVENUES										
Business-type activities:										
Charges for services										
Food Service	\$1,679,170.36	\$1,757,285.38	\$1,812,357.65	\$1,747,806.06	\$1,720,986.37	\$1,770,566.04	\$1,960,706.05	\$1,996,788.65	\$2,006,459.55	\$2,067,055.16
Extended Enrichment Kindergarten				592,379.55	480,132.99	492,433.85	556,329.64			
Child Care	1,326,897.01	1,318,939.36	1,278,197.19	1,114,437.08	1,093,488.62	1,145,629.72	1,107,740.98	1,116,260.73	1,475,555.36	1,375,656.76
Community School	97,554.94	96,987.87	97,959.96	92,518.59	105,609.93	95,588.30	89,778.61	544,016.78	120,875.08	177,212.00
Preschool	286,324.11	121,156.24	150,229.48	145,577.51	133,275.82	142,055.46	124,752.81	169,881.50	243,804.12	240,349.30
Digital Media Program	46,555.00	51,640.00	42,980.00	38,805.00	38,513.00	31,597.00	30,140.00	19,880.00	9,245.00	
Summer Electives	22,150.00	26,200.00	12,560.00	27,765.00	10,000.00					
Stem Summer Camp	7,350.00	13,125.00	13,650.00							
Operating grants and contributions	1,216,546.46	1,147,911.44	1,087,364.31	1,046,104.75	994,268.20	926,684.34	921,721.89	828,449.84	787,425.93	639,740.39
Total business-type activities program revenues	4,682,547.88	4,533,245.29	4,495,298.59	4,795,393.54	4,576,244.93	4,604,554.71	4,791,169.98	4,675,277.50	4,643,365.04	4,500,013.61
Total district program revenues	\$58,845,877.98	\$49,464,828.26	\$39,332,196.73	\$33,295,798.33	\$18,980,867.24	\$21,106,044.32	\$17,889,583.51	\$17,798,617.50	\$19,884,383.10	\$19,624,075.94
NET (EXPENSE)/REVENUE										
Governmental activities	(\$141,723,989.99)	(\$141,162,809.24)	(\$134,274,444.47)	(\$132,501,929.41)	(\$131,234,261.51)	(\$128,295,826.32)	(\$125,960,642.57)	(\$124,598,717.44)	(\$124,210,516.97)	(\$122,052,976.43)
Business-type activities	443,442.36	468,284.34	522,769.61	297,883.35	283,963.65	393,888.45	547,780.65	346,394.47	193,575.60	73,059.61
Total district-wide net expense	(\$141,280,547.63)	(\$140,694,524.90)	(\$133,751,674.86)	(\$132,204,046.06)	(\$130,950,297.86)	(\$127,901,937.87)	(\$125,412,861.92)	(\$124,252,322.97)	(\$124,016,941.37)	(\$121,979,916.82)
GENERAL REVENUES AND OTHER CHANGES										
IN NET POSITION										
Governmental activities:										
Property taxes levied for general purposes, net	\$81,522,303.00	\$79,273,729.00	\$77,701,924.00	\$76,178,357.00	\$74,095,557.00	\$72,054,468.00	\$70,641,635.00	\$70,641,635.00	\$64,892,178.00	\$62,757,140.00
Taxes levied for debt service	6,966,039.00	7,518,642.00	8,220,933.00	7,244,288.00	6,398,341.00	6,355,540.00	7,131,668.00	7,218,334.00	6,075,860.00	6,126,678.00
Federal and state aid not restricted	50,185,200.16	49,987,467.43	50,032,328.28	49,860,613.59	49,581,508.91	49,055,628.93	51,335,296.65	44,990,516.12	51,951,063.36	45,810,096.96
Federal and state aid restricted	901,802.60	1,015,228.47	4,111,814.18	2,589,488.97	699,142.62	596,617.04	922,873.50	889,350.31	983,951.32	1,013,537.95
Miscellaneous income	1,060,742.72	846,151.78	968,925.44	773,333.43	1,218,782.89	1,211,859.34	1,125,753.17	760,147.48	1,227,353.07	2,863,225.08
Capital Asset Adjustments		13,772.95							8,415.95	
Disposal of capital asset (net)	(2,470.00)	(4,515.00)	(26,933.20)	(3,661.20)	(204,330.97)	50,000.00	(297,805.27)	(472,988.00)		(5,933.75)
Transfers	740,256.63	450,000.00		200,000.00	62,200.00					
Total governmental activities	141,373,874.11	139,100,476.63	141,008,991.70	136,842,419.79	131,851,201.25	129,324,113.31	130,859,421.05	124,026,994.91	125,138,821.70	118,564,744.24
Business-type activities:										
Miscellaneous income		21,819.91	22,551.31	22,671.77	33,420.28	31,220.35	16,622.29	11,271.16	11,772.66	21,386.43
Transfers	(740,256.63)	(450,000.00)		(200,000.00)	(62,200.00)	(50,000.00)				
Total business-type activities	(740,256.63)	(428,180.09)	22,551.31	(177,328.23)	(28,779.72)	(18,779.65)	16,622.29	11,271.16	11,772.66	21,386.43
Total district-wide	\$140,633,617.48	\$138,672,296.54	\$141,031,543.01	\$136,665,091.56	\$131,822,421.53	\$129,305,333.66	\$130,876,043.34	\$124,038,266.07	\$125,150,594.36	\$118,586,130.67
CHANGE IN NET POSITION										
Governmental activities	(\$350,115.88)	(\$2,062,332.61)	\$6,734,547.23	\$4,340,490.38	\$616,939.74	\$1,028,286.99	\$4,898,778.48	(\$571,722.53)	\$928,304.73	(\$3,488,232.19)
Business-type activities	(296,814.27)	40,104.25	545,320.92	120,555.12	255,183.93	375,108.80	564,402.94	357,665.63	205,348.26	94,446.04
Total district	(\$646,930.15)	(\$2,022,228.36)	\$7,279,868.15	\$4,461,045.50	\$872,123.67	\$1,403,395.79	\$5,463,181.42	(\$214,056.90)	\$1,133,652.99	(\$3,393,786.15)

Source: CAFR Schedule A-2

TOWNSHIP OF JACKSON SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
UNAUDITED

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Fund										
Restricted	\$10,748,039.55	\$12,149,017.78	\$11,241,915.37	\$8,167,418.65	\$12,663,645.02	\$12,316,898.45	\$10,667,396.93	\$5,513,429.71		
Committed	1,601,340.82	194,829.16	666,636.49	1,268,082.48	2,408,701.67	1,565,750.57	2,623,176.34	2,715,596.45		
Assigned	191,989.04	557,720.20	555,768.44	524,391.20						
Reserved										
Unreserved									\$3,445,238.15	\$3,481,324.87
Total general fund	<u>\$12,541,369.41</u>	<u>\$12,901,567.14</u>	<u>\$12,464,320.30</u>	<u>\$9,959,892.33</u>	<u>\$15,072,346.69</u>	<u>\$13,882,649.02</u>	<u>\$13,290,573.27</u>	<u>\$8,229,026.16</u>	<u>\$4,390,578.67</u>	<u>\$6,298,724.31</u>
All Other Governmental Funds										
Restricted										
Assigned	\$581,745.27	\$764,171.54	\$586,702.94	\$47,402.95	\$1,375,749.29	\$1,377,583.54	\$2,340,158.32	\$2,432,149.83		
Committed					25,388.06	679,635.24	126,745.55	445,069.55		
Reserved	743,636.20	529,896.60	731,993.43	6,385,047.19	12,653.00					
Unreserved, reported in:									\$1,095,610.72	\$1,208,304.16
Capital projects fund									2,538,023.22	2,894,527.96
Debt service fund									244,956.70	759,664.27
Total all other governmental funds	<u>\$1,325,381.47</u>	<u>\$1,294,068.14</u>	<u>\$1,318,696.37</u>	<u>\$6,432,450.14</u>	<u>\$1,413,790.35</u>	<u>\$2,057,218.78</u>	<u>\$2,466,903.87</u>	<u>\$2,877,219.38</u>	<u>\$3,878,590.64</u>	<u>\$4,862,496.39</u>

Source: CAFR Schedule B-1

TOWNSHIP OF JACKSON SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
UNAUDITED

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues										
Tax levy	\$88,488,342.00	\$86,792,371.00	\$85,922,857.00	\$83,422,645.00	\$80,493,898.00	\$78,410,008.00	\$77,773,303.00	\$77,859,968.00	\$70,968,038.00	\$68,883,818.00
Interest on capital reserve	22,135.14	4,578.75	2,168.74	9,699.94	7,946.52	7,337.25	3,892.27			
Tuition charges										
Miscellaneous	1,081,968.75	928,475.35	1,049,591.59	883,888.72	1,225,562.00	1,242,223.66	1,168,676.78	797,933.02	1,241,725.22	2,928,451.16
State sources	70,167,697.57	67,207,874.90	68,955,662.64	65,462,344.78	61,788,957.76	62,856,309.32	60,427,464.99	54,421,853.55	56,385,446.29	58,530,537.48
Federal sources	3,307,574.66	3,286,143.65	3,186,661.27	3,076,707.59	2,881,202.88	3,258,885.62	4,881,119.92	4,541,439.64	11,772,489.55	3,347,602.18
Total revenue	163,067,718.12	158,219,448.65	159,116,941.24	152,855,286.03	146,397,567.16	145,774,763.85	144,254,456.96	137,621,195.21	140,367,699.06	133,690,408.82
Expenditures										
Instruction										
Regular instruction	36,829,441.64	36,286,051.75	35,738,782.19	34,854,855.81	35,606,212.83	34,374,391.92	34,108,896.75	34,009,575.04	34,007,421.38	36,351,634.14
Special education instruction	18,625,983.12	19,002,323.86	18,170,646.66	17,434,805.90	15,617,593.21	16,170,443.17	15,973,237.78	15,252,120.36	14,944,323.71	11,514,557.15
Other instruction	3,115,194.96	3,003,089.32	2,821,715.53	2,726,236.77	2,736,039.08	2,723,254.73	2,525,760.01	2,589,452.64	2,828,245.09	2,921,594.98
Support Services:										
Tuition	4,286,311.49	3,969,069.21	3,545,262.97	3,322,398.05	3,712,590.54	4,064,485.34	3,876,982.94	3,750,069.61	4,959,955.20	5,157,689.83
Student and instruction related services	16,189,573.83	15,277,167.99	15,416,589.34	14,746,722.09	14,333,987.14	13,704,630.31	12,758,568.45	13,911,120.16	14,772,563.22	13,322,660.59
General administrative services	1,656,085.70	1,743,325.97	1,226,105.56	1,248,934.95	1,385,754.42	1,462,810.93	1,349,469.43	1,320,502.68	1,250,860.22	1,420,700.54
School administrative services	5,489,311.67	5,409,892.93	5,321,915.17	5,340,817.67	5,106,242.22	4,991,978.20	4,950,907.06	5,059,641.86	5,111,517.08	5,352,765.50
Central Services and Adm Technology	2,549,403.43	2,379,806.06	2,372,093.21	2,327,830.13	2,511,879.44	2,513,005.13	2,330,157.98	2,341,281.76	2,366,111.75	2,506,514.77
Plant operations and maintenance	11,023,853.08	10,869,080.17	10,035,675.93	10,291,659.94	10,587,678.49	10,102,949.68	9,730,261.31	9,795,098.62	10,994,330.66	11,251,874.13
Pupil transportation	10,326,102.62	9,535,861.80	8,699,370.04	8,770,999.19	8,707,904.20	8,653,346.48	8,275,435.62	8,058,054.47	8,344,221.53	8,455,249.90
Unallocated benefits	43,846,054.86	39,996,418.46	38,111,329.31	37,460,772.80	35,278,120.26	36,221,083.85	33,111,546.03	31,155,129.63	29,804,925.13	28,431,552.66
Special schools	302,366.25	297,391.28	381,464.50	382,327.75	385,261.75	187,298.87	213,943.49	209,283.67	275,894.20	969,709.23
Debt service:										
Principal	5,400,000.00	5,435,000.00	5,830,000.00	5,245,000.00	4,155,000.00	3,440,000.00	4,559,000.00	4,355,000.00	3,895,000.00	3,930,000.00
Interest and other charges	3,114,075.00	3,066,185.42	3,668,777.75	3,915,077.75	4,203,064.50	4,350,094.50	4,588,372.00	4,816,106.50	5,020,487.25	5,224,337.25
Capital Outlay	2,124,452.26	3,152,583.44	11,269,235.67	6,041,660.55	2,580,999.21	3,609,198.09	1,300,651.58	3,735,436.65	2,102,162.03	2,432,023.73
Total expenditures	164,878,209.91	159,423,247.66	162,608,963.83	154,110,099.35	146,908,327.29	146,568,971.20	139,653,190.43	140,357,873.65	140,678,018.45	139,242,864.40
Excess (Deficiency) of revenues over (under) expenditures	(1,810,491.79)	(1,203,799.01)	(3,492,022.59)	(1,254,813.32)	(510,760.13)	(794,207.35)	4,601,266.53	(2,736,678.44)	(310,319.39)	(5,552,455.58)
Other Financing sources (uses)										
Interest earned on Arbitrage reserve	1,106.46	553.00	5,705.79	347.75	387.37	839.07	1,182.89	2,127.70	3,724.75	4,331.50
Capital leases (non-budgeted)	740,244.30	1,165,864.62	876,991.00	960,671.00	994,442.00	925,758.94	48,782.18	2,126,388.82	859,781.40	221,197.00
Transfers	740,256.63	450,000.00		200,000.00	62,200.00	50,000.00				
Long-Term debt issued										
Total other financing sources (uses)	1,481,607.39	1,616,417.62	882,696.79	1,161,018.75	1,057,029.37	976,598.01	49,965.07	2,128,516.52	863,506.15	225,528.50
Net change in fund balances	(\$328,884.40)	\$412,618.61	(\$2,609,325.80)	(\$93,794.57)	\$546,269.24	\$182,390.66	\$4,651,231.60	(\$608,161.92)	\$553,186.76	(\$5,326,927.08)
Debt service as a percentage of noncapital expenditures	5.23%	5.44%	6.28%	6.19%	5.79%	5.45%	6.61%	6.71%	6.43%	6.69%

Source: CAFR Schedule B-2

TOWNSHIP OF JACKSON SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
UNAUDITED

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>INTEREST</u> <u>EARNED</u>	<u>PRIOR YEAR</u> <u>VOIDED CHECKS</u>	<u>TUITION</u>	<u>REIMBURSEMENT</u>			<u>TOTAL</u>
				<u>OF PRIOR</u> <u>YEAR COSTS</u>	<u>INSURANCE</u> <u>REIMBURSEMENTS</u>	<u>MISCELLANEOUS</u>	
2018	\$ 94,247.81	\$	258,771.39	\$	\$	668,905.27	\$ 1,021,924.47
2017	29,119.63		98,546.53			708,452.00	836,118.16
2016	24,526.68		88,769.02		179,984.33	662,862.26	956,142.29
2015	28,000.85		208,588.49			520,990.61	757,579.95
2014	28,242.05	1,968.00	297,145.32	363,116.89		513,755.25	1,204,227.51
2013	76,626.67	442.00	461,908.84	144,506.80		508,385.89	1,191,870.20
2012	97,451.54	2,844.35	199,329.55	172,564.29		631,826.16	1,104,015.89
2011	92,927.12	6,125.08	86,102.86	134,175.10		343,467.60	662,797.76
2010	89,798.46		213,566.16	267,322.89		471,768.88	1,042,456.39
2009	143,502.13	859.00	2,161.80	291,076.54	1,855,394.00	349,184.55	2,642,178.02

Source: District Records

TOWNSHIP OF JACKSON SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
UNAUDITED

Calendar Year Ended December 31,	Vacant Land	Residential	Farm Reg.	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (a)	Net Valuation Taxable	Est. Actual (County Equalized Value)	Total Direct School Tax Rate (b)
2017	\$ 155,729,300.00	\$ 5,835,677,920.00	\$ 26,478,600.00	\$ 568,468,735.00	\$ 43,953,400.00	\$ 91,321,500.00	\$ 6,721,629,455.00	\$ 7,372,103.00	\$6,729,001,558.00	\$ 7,432,945,960.00	1.303
2016	160,251,900.00	5,796,690,420.00	26,795,900.00	567,759,535.00	44,200,900.00	83,655,000.00	6,679,353,655.00	7,769,090.00	6,687,122,745.00	6,948,799,597.00	1.291
2015	167,254,100.00	5,768,918,720.00	24,710,800.00	570,689,000.00	44,202,500.00	85,155,000.00	6,660,930,120.00	8,244,360.00	6,669,174,480.00	6,691,228,327.00	1.269
2014	172,257,600.00	5,759,476,120.00	25,598,200.00	552,672,700.00	44,536,900.00	84,670,800.00	6,639,212,320.00	8,759,488.00	6,647,971,808.00	6,543,417,283.00	1.233
2013	177,539,100.00	5,758,469,920.00	25,466,100.00	561,902,600.00	45,329,600.00	84,381,800.00	6,653,089,120.00	9,274,100.00	6,662,363,220.00	6,492,632,689.00	1.192
2012	195,594,400.00	5,789,559,620.00	26,609,600.00	559,779,044.00	45,508,400.00	82,853,600.00	6,699,904,664.00	10,721,673.00	6,710,626,337.00	6,687,258,458.00	1.163
2011	212,538,700.00	5,804,842,020.00	24,196,300.00	557,092,044.00	46,031,800.00	91,186,000.00	6,735,886,864.00	10,937,630.00	6,746,824,494.00	6,811,429,164.00	1.166
2010	241,510,500.00	5,770,609,820.00	24,137,200.00	573,497,800.00	46,269,500.00	91,186,000.00	6,747,210,820.00	12,584,359.00	6,759,795,179.00	6,926,418,584.00	1.089
2009	252,278,800.00	5,755,588,400.00	24,917,400.00	576,757,400.00	46,277,000.00	95,228,200.00	6,751,047,200.00	13,105,657.00	6,764,152,857.00	7,124,711,261.00	1.034
2008	81,777,650.00	2,575,062,100.00	11,872,400.00	260,972,200.00	17,831,100.00	30,428,100.00	2,977,943,550.00	4,858,081.00	2,982,801,631.00	7,459,572,861.00	2.310

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

TOWNSHIP OF JACKSON SCHOOL DISTRICT
 PRINCIPAL PROPERTY TAX PAYERS - CURRENT YEAR AND NINE YEARS AGO
 UNAUDITED

Taxpayer	2018			2009		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Six Flags Theme Park, Inc.	\$112,302,500.00	1	1.669%	\$98,718,700.00	1	1.476%
CPG Partners LP	77,016,800.00	2	1.145%	21,865,500.00	2	0.327%
GM Prospect Pointe LLC	31,500,000.00	3	0.468%			
Healthcare Reit Inc.	27,431,000.00	4	0.408%			
Gardens at Jackson 21 LLC	21,914,000.00	5	0.326%			
Jackson Plaza Associates	20,220,800.00	6	0.301%			
Centro NP LLC	16,250,000.00	7	0.241%			
Meridian Health Realty Corp	15,605,100.00	8	0.232%			
Cardinale & Jackson Crossing	12,576,200.00	9	0.187%			
Bartley Associates, LLC	12,475,500.00	10	0.185%			
K. Hovnanian at Jackson, LLC				8,037,800.00	9	0.120%
Bella Terra Community, LLC				11,012,900.00	6	0.165%
Home Properties Regency Club, LLC				13,047,300.00	4	0.195%
Metedeconk National Golf Club Inc.				11,250,000.00	5	0.168%
New Plan Realty				9,535,000.00	7	0.143%
Paramont Homes				8,838,200.00	8	0.132%
Verizon				6,965,100.00	10	0.104%
				13,105,657.00	3	0.196%
Total	\$347,291,900.00		5.161%	\$202,376,157.00		3.026%

Source: Municipal Tax Assessor

TOWNSHIP OF JACKSON SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
UNAUDITED

Fiscal Year Ended June 30,	Township of Jackson Board of Education			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	Total Direct School Tax Rate	Township of Jackson	Ocean County	
2017	1.200	0.103	1.303	0.493	0.431	2.227
2016	1.179	0.112	1.291	0.482	0.418	2.191
2015	1.148	0.121	1.269	0.474	0.411	2.154
2014	1.126	0.107	1.233	0.468	0.396	2.097
2013	1.097	0.095	1.192	0.458	0.390	2.040
2012	1.069	0.094	1.163	0.441	0.364	1.968
2011	1.059	0.107	1.166	0.432	0.349	1.947
2010	0.987	0.101	1.088	0.398	0.343	1.829
2009*	0.945	0.089	1.034	0.392	0.344	1.770
2008	2.104	0.206	2.310	0.824	0.770	3.904

* - Revaluation

Source: District Records and Municipal Tax Collector
(Rates are per \$100 of assessed value)

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

(a) The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the net valuation taxable

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

TOWNSHIP OF JACKSON SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
UNAUDITED

<u>Fiscal Year</u> <u>Ended</u> <u>June 30,</u>	<u>Taxes Levied</u> <u>for the</u> <u>Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (a)</u>		<u>Collections in</u> <u>Subsequent Years</u>
		<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>	
2018	\$88,488,342.00	\$88,488,342.00	100.00%	0.00
2017	86,792,371.00	86,792,371.00	100.00%	0.00
2016	85,922,857.00	85,922,857.00	100.00%	0.00
2015	83,422,645.00	83,422,645.00	100.00%	0.00
2014	80,493,898.00	80,493,898.00	100.00%	0.00
2013	78,410,008.00	78,410,008.00	100.00%	0.00
2012	78,410,008.00	78,410,008.00	100.00%	0.00
2011	77,859,969.00	77,859,969.00	100.00%	0.00
2010	70,968,038.00	70,968,038.00	100.00%	0.00
2009	68,883,818.00	68,883,818.00	100.00%	0.00

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

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

TOWNSHIP OF JACKSON SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
UNAUDITED

Fiscal Year Ended <u>June 30,</u>	<u>Governmental Activities</u>		<u>Total District</u>	<u>Percentage of Personal Income (a)</u>	<u>Per Capita (a)</u>
	<u>General Obligation Bonds (b)</u>	<u>Capital Leases</u>			
2018	\$61,640,000.00	\$1,907,473.87	\$63,547,473.87	N/A	N/A
2017	67,040,000.00	2,650,128.05	69,690,128.05	N/A	\$1,221.07
2016	76,235,000.00	2,623,039.58	78,858,039.58	0.600%	1,389.99
2015	82,065,000.00	3,628,345.12	85,693,345.12	0.054%	1,640.03
2014	87,236,000.00	3,211,198.37	90,447,198.37	0.046%	1,602.28
2013	91,391,000.00	3,248,796.40	94,639,796.40	0.044%	1,838.67
2012	94,831,000.00	2,822,422.05	97,653,422.05	0.037%	1,755.85
2011	99,390,000.00	2,485,996.37	101,875,996.37	0.038%	1,847.96
2010	103,745,000.00	1,359,466.18	105,104,466.18	0.029%	1,912.24
2009	107,640,000.00	1,351,992.94	108,991,992.94	0.029%	2,049.07

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

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

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

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

N/A - Not available

TOWNSHIP OF JACKSON SCHOOL DISTRICT
RATIOS OF NET BONDED DEBT OUTSTANDING
UNAUDITED

Fiscal Year Ended <u>June 30,</u>	<u>General Bonded Debt Outstanding</u>		<u>Net General Bonded Debt Outstanding</u>	Percentage of Actual Taxable Value (a) of <u>Property</u>	<u>Per Capita (b)</u>
	<u>General Obligation Bonds</u>	<u>Deductions</u>			
2018	\$61,640,000.00	-	\$61,640,000.00	N/A	N/A
2017	67,040,000.00	-	67,040,000.00	0.996%	\$1,174.64
2016	76,235,000.00	-	76,235,000.00	1.140%	1,343.75
2015	82,065,000.00	\$655,000.00	81,410,000.00	1.221%	1,558.06
2014	87,236,000.00	1,275,000.00	85,961,000.00	1.293%	1,522.81
2013	91,391,000.00	1,865,000.00	89,526,000.00	1.344%	1,739.31
2012	94,831,000.00	2,425,000.00	92,406,000.00	1.377%	1,661.50
2011	99,390,000.00	2,955,000.00	96,435,000.00	1.429%	1,749.26
2010	103,745,000.00	3,465,000.00	100,280,000.00	1.483%	1,824.47
2009	107,640,000.00	3,950,000.00	103,690,000.00	1.533%	1,949.39

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

(a) See Exhibit J-6 for property tax data.

(b) Population data can be found in Exhibit J-14.

TOWNSHIP OF JACKSON SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2017
UNAUDITED

<u>Governmental Unit</u>	<u>Gross Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Jackson Township	\$23,960,906.50	100.00%	\$23,960,906.50
Other debt			
Ocean County	477,133,277.06	7.19%	34,282,228.53
Ocean County Utilities Authority	139,349,304.00	4.06%	5,654,409.55
			<hr/>
Subtotal, overlapping debt			63,897,544.58
Jackson School District Direct Debt			<hr/>
			67,040,000.00
Total direct and overlapping debt			<hr/> <hr/>
			\$130,937,544.58

Source: Township of Jackson Chief Financial Officer, Ocean County Treasurer's Office and Ocean County Utilities Authority.

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

TOWNSHIP OF JACKSON SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
UNAUDITED

Legal Debt Margin Calculation for Fiscal 2018:

Equalized Valuation Basis

Calendar Year

2017	\$7,425,573,857.00
2016	6,941,030,505.00
2015	6,682,983,967.00
	<u>\$21,049,588,329.00</u>

Average Equalized Valuation of Taxable Property

\$7,016,529,443.00

Debt Limit (4% (a) of average equalization value)

280,661,177.72

Total Net Debt Applicable to Limit

67,040,973.00

Legal Debt Margin

\$213,620,204.72

	Fiscal Year Ending June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Debt Limit	\$280,661,177.72	\$288,782,296.69	\$262,680,004.68	\$262,594,042.25	\$266,138,492.11	\$271,878,167.25	\$277,679,084.84	\$286,494,498.81	\$292,954,945.37	\$287,834,222.09
Total Net Debt Applicable To Limit	67,040,973.00	67,040,000.00	76,235,973.00	82,065,973.00	87,236,973.00	91,391,000.00	94,831,000.00	99,390,000.00	103,745,000.00	107,640,000.00
Legal Debt Margin	\$213,620,204.72	\$201,742,296.69	\$186,444,031.68	\$180,528,069.25	\$178,901,519.11	\$180,487,167.25	\$182,848,084.84	\$187,104,498.81	\$189,209,945.37	\$180,194,222.09
Total Net Debt Applicable to the Limit as a % of Debt Limit	23.89%	24.94%	29.02%	31.25%	32.78%	33.61%	34.15%	34.69%	35.41%	37.40%

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation
(a) Limit set by N.J.S.A. 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

TOWNSHIP OF JACKSON SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
UNAUDITED

<u>Year</u>	<u>Population (a)</u>	<u>Personal Income (b)</u>	<u>Per Capita Personal Income (c)</u>	<u>Unemployment Rate (d)</u>
2017	57,073	N/A	N/A	4.30%
2016	56,733	\$2,689,881,729.00	\$47,413.00	4.80%
2015	52,251	2,409,241,359.00	46,109.00	5.50%
2014	56,449	2,505,263,069.00	44,381.00	6.70%
2013	51,472	2,224,311,008.00	43,214.00	7.80%
2012	55,616	2,402,611,200.00	43,200.00	9.20%
2011	55,129	2,245,073,396.00	40,724.00	9.00%
2010	54,964	2,214,554,524.00	40,291.00	9.30%
2009	53,191	1,707,377,909.00	32,099.00	9.20%
2008	52,587	1,711,549,089.00	32,547.00	5.40%

Source:

- (a) Population information provided by the NJ Dept. of Labor and Workforce Development.
- (b) Personal income has been estimated based upon the municipal population and per capita personal income presented.
- (c) Per capita personal income by municipality provided by NJ Dept. of Labor and Workforce Development.
- (d) Unemployment data provided by the NJ Dept. of Labor and Workforce Development.

TOWNSHIP OF JACKSON SCHOOL DISTRICT
PRINCIPAL EMPLOYERS - CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

<u>Employer</u>	2018			2009		
	<u># of</u> <u>Employees</u>	<u>Rank</u> <u>(Optional)</u>	<u>Percentage of Total</u> <u>Employment</u>	<u># of</u> <u>Employees</u>	<u>Rank</u> <u>(Optional)</u>	<u>Percentage of Total</u> <u>Employment</u>
Six Flags Great Adventure Theme Park	4,100	1	14.38%	3,800	1	13.97%
Jackson Township Board of Education	1,486	2	5.21%	1,546	2	5.68%
	<u>5,586</u>		<u>19.59%</u>	<u>5,346</u>		<u>19.65%</u>

Source: District Records

TOWNSHIP OF JACKSON SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
UNAUDITED

Function/Program	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Instruction:								
Regular	487	495	490	491	499	499	498	499
Special education	313	315	302	294	282	284	293	252
Support Services:								
Student and instruction related services	190	181	181	185	185	184	177	208
General administrative services	4	4	4	3	3	4	4	4
School administrative services	64	63	63	63	63	63	65	64
Plant operations and maintenance	177	177	176	169	169	169	168	167
Pupil transportation	153	154	157	162	158	158	161	161
Central services	18	18	18	18	18	18	18	17
Administration information technology	8	8	8	8	8	8	8	8
Special Schools								
Food Service	60	62	62	62	61	58	60	59
Child Care	4	4	4	4	4	4	3	3
Total	<u>1,478</u>	<u>1,481</u>	<u>1,465</u>	<u>1,459</u>	<u>1,450</u>	<u>1,449</u>	<u>1,455</u>	<u>1,442</u>

Source: District Personnel Records

TOWNSHIP OF JACKSON SCHOOL DISTRICT
OPERATING STATISTICS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	% Change	Teaching Staff (b)	Teacher/Pupil Ratio			Average Daily Enrollment (c)	Average Daily Attendance (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2018	8,190	\$154,239,682.65	\$18,832.68	7.56%	808	1:9	1:10	1:10	8,205	7,686	-2.72%	93.67%
2017	8,440	147,769,478.80	17,508.23	6.90%	816	1:9	1:11	1:12	8,434	7,902	-1.94%	93.69%
2016	8,660	141,840,950.41	16,378.86	3.53%	814	1:9	1:11	1:12	8,601	8,123	-1.22%	94.44%
2015	8,780	138,908,361.05	15,821.00	4.90%	806	1:10	1:11	1:12	8,707	8,201	-2.62%	94.19%
2014	9,015	135,969,263.58	15,082.56	2.47%	808	1:11	1:11	1:12	8,941	8,471	-2.27%	94.74%
2013	9,183	135,169,678.61	14,719.56	7.98%	816	1:11	1:11	1:12	9,149	8,653	-2.65%	94.58%
2012	9,478	129,205,166.85	13,632.11	2.57%	814	1:11	1:12	1:12	9,398	8,927	-1.07%	94.99%
2011	9,590	127,451,330.50	13,290.02	-0.47%	821	1:11	1:12	1:13	9,500	9,004	-0.99%	94.78%
2010	9,710	129,660,369.17	13,353.28	1.97%	842	1:12	1:12	1:13	9,595	9,087	-0.55%	94.71%
2009	9,748	127,656,503.42	13,095.66	1.19%	830	1:12	1:12	1:13	9,648	9,142	-1.08%	94.76%

Sources: District records

Note: Enrollment based on annual October district count.

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

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

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

N/A - Not Available

TOWNSHIP OF JACKSON SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
UNAUDITED

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<u>District Buildings</u>								
Elementary School(s):								
Elms Elementary School (2003)								
Square Feet	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000
Capacity (students)	808	808	808	808	808	808	808	808
Enrollment	609	622	645	680	673	697	758	792
Crawford Rodriguez Elementary School (2001)								
Square Feet	107,400	107,400	107,400	107,400	107,400	107,400	107,400	107,400
Capacity (students)	742	742	742	742	742	742	742	742
Enrollment	658	674	733	783	830	800	785	804
Switlik Elementary School (1948)								
Square Feet	62,750	62,750	62,750	62,750	62,750	62,750	62,750	62,750
Capacity (students)	475	475	475	475	475	475	475	475
Enrollment	777	819	828	806	802	851	871	867
Holman Elementary School (1970)								
Square Feet	62,280	62,280	62,280	62,280	62,280	62,280	62,280	62,280
Capacity (students)	462	462	462	462	462	462	462	462
Enrollment	566	624	630	653	635	656	691	661
Johnson Elementary School (1970)								
Square Feet	47,490	47,490	47,490	47,490	47,490	47,490	47,490	47,490
Capacity (students)	352	352	352	352	352	352	352	352
Enrollment	468	466	461	479	547	587	608	601
Middle School(s):								
Rosenauer Middle School (1962)								
Square Feet	34,128	34,128	34,128	34,128	34,128	34,128	34,128	34,128
Capacity (students)	252	252	252	252	252	252	252	252
Enrollment	289	310	315	303	315	308	335	355
McAuliffe Middle School (1993)								
Square Feet	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000
Capacity (students)	886	886	886	886	886	886	886	886
Enrollment	908	878	906	902	957	993	1,027	1,036
Goetz Middle School (1973)								
Square Feet	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000
Capacity (students)	886	886	886	886	886	886	886	886
Enrollment	1,139	1,174	1,193	1,212	1,209	1,207	1,280	1,339
High School(s):								
Jackson Memorial High School								
Square Feet	375,000	375,000	375,000	375,000	375,000	375,000	375,000	375,000
Capacity (students)	1,980	1,980	1,980	1,980	1,980	1,980	1,980	1,980
Enrollment	1,560	1,554	1,560	1,592	1,635	1,690	1,715	1,700
Jackson Liberty High School								
Square Feet	295,000	295,000	295,000	295,000	295,000	295,000	295,000	295,000
Capacity (students)	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900
Enrollment	1,151	1,248	1,320	1,298	1,342	1,306	1,324	1,344

Number of Schools at June 30, 2018

Elementary = 6

Middle School = 2

High School = 2

Source: District records

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

TOWNSHIP OF JACKSON SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
UNAUDITED

Undistributed expenditures - Required maintenance for school facilities - 11-000-261-XXX

School Facilities * Project #(s)	Total	Liberty High School	Jackson Memorial High School	Rosenauer	Johnson	Holman	McAuliffe	Switlik	Elms	Goetz	Crawford/Rodriguez	Other Facilities
2018	\$1,502,967.00	\$308,493.00	\$302,359.00	\$47,812.00	\$50,552.00	\$55,296.00	\$179,985.00	\$63,176.00	\$136,947.00	\$181,235.00	\$164,232.00	\$12,880.00
2017	1,390,697.00	263,297.00	249,230.00	61,446.00	40,009.00	55,884.00	156,680.00	57,973.00	120,553.00	204,476.00	170,347.00	10,802.00
2016	1,297,893.00	247,385.00	222,146.00	30,322.00	44,168.00	51,205.00	161,554.00	69,775.00	137,828.00	168,424.00	154,839.00	10,247.00
2015	1,482,204.00	208,946.00	219,262.00	362,862.00	34,893.00	44,159.00	148,862.00	54,573.00	125,487.00	119,934.00	155,106.00	8,120.00
2014	1,607,792.00	223,155.00	630,008.00	58,646.00	41,823.00	63,186.00	130,204.00	61,588.00	138,397.00	121,345.00	130,035.00	9,405.00
2013	1,750,158.00	238,802.00	236,387.00	29,613.00	34,057.00	630,853.00	135,328.00	48,217.00	126,533.00	130,572.00	130,200.00	9,596.00
2012	1,349,484.00	255,361.00	236,081.00	27,452.00	297,548.00	47,789.00	117,153.00	48,060.00	116,626.00	124,940.00	69,148.00	9,328.00
2011	1,150,829.00	229,639.00	252,650.00	29,560.00	74,791.00	50,236.00	134,055.00	39,501.00	123,794.00	121,829.00	85,435.00	9,339.00
2010	1,209,567.57	149,523.09	125,741.91	128,569.23	40,868.42	43,121.44	28,543.81	43,286.65	76,084.22	61,685.90	86,799.36	425,343.54
2009	1,179,140.39	129,307.35	126,959.78	48,078.73	58,197.84	60,519.79	60,282.45	63,417.67	74,890.62	63,072.40	65,140.45	429,273.31
Total School Facilities	\$13,920,731.96	\$2,253,908.44	\$2,600,824.69	\$824,360.96	\$716,907.26	\$1,102,249.23	\$1,252,647.26	\$549,567.32	\$1,177,139.84	\$1,297,513.30	\$1,211,279.81	\$934,333.85

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

Source: District records

JACKSON TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
6/30/2018
UNAUDITED

	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
Property:		
Special Multi Peril Package: Selective Insurance Co.		
Blanket Buildings & Contents, EDP Equipment, Data, Media & Extra Expense Musical Instruments & Contractor Equip.	\$150,000,000	\$500
Blanket Business Income & Extra Expense	Within Blanket Limit	500
Blanket Valuable Papers	Within Blanket Limit	500
Demolition Costs	Within Blanket Limit	500
Increased Cost of Construction	Within Blanket Limit	500
Class Coverage	Within Blanket Limit	500
Earthquake	75,000,000	125,000
Flood:		
Outside the Flood Zone	50,000,000	25,000
Inside the Flood Zone	5,000,000	500,000
General Liability - Selective Insurance Co./ACCASBOJIF		
General Aggregate Limit	10,000,000	
Products & Completed Operations Aggregate Limit	10,000,000	
Per Occurrence Limit	10,000,000	
Personal & Advertising Injury Limit	10,000,000	
Fire Legal Liability Limit	2,500,000	
Medical Payments Limit	500,000	
Employee Benefit Liability	10,000,000	
Boiler & Machinery - Travelers Insurance		
Property Damage up to Limits of Blanket Buildings/Contents	100,000,000	1,000
Expediting Expenses	250,000	
	12 Consecutive months	1,000
Ammonia Contamination	500,000	1,000
Water Damage	Within Blanket Limit	1,000
Hazardous Substance / Pollution Cleanup	250,000	1,000
Crime Insurance - Selective Insurance Co.		
Employee Dishonesty	500,000 Per Occurrence	500
Faithful Performance	500,000	500
Forgery or alteration	500,000	500
Money & Securities:		
Loss Inside	500,000	500
Loss Outside	500,000	500
Counterfeit Papers	500,000	500
Commercial Automobile Insurance -		
Carrier: Selective Insurance Co./ACCASBOJIF		
Comprehensive Liability	10,000,000	
School Board Legal Liability - Carrier ACE USA/ACCASBOJIF		
Limit of Liability	10,000,000 (Each Claim)	
Aggregate Limit	10,000,000 (Each Policy Year)	
Self Insured Retention Limit		none
Student Accident: 2 policies (Basic & Catastrophe Plan)		

JACKSON TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
6/30/2018
UNAUDITED

	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
Carrier: XL Catlin Insurance Co. through Bob McCloskey Agency		
Basic Disability Plan for all students including interscholastic athletes:	\$25,000	
Accidental Death Benefit limit	10,000	
80% coinsurance, \$1000 deductible		
Full Excess plan, 2 year benefit period		
Catastrophe Plan for all students including interscholastic athletes:		
Excess Disability limit over basic plan- Max Medical Expense Benefit	5,000,000	
Accidental Death Benefit limit	10,000	
10 year benefit period		
Board Secretary / Business Administrator		
Carrier: Travelers Insurance Co	250,000	
Treasurer of School Funds		
Carrier: Travelers Insurance Co.	750,000	
Workers Compensation		
Limit of Liability	Statutory	
Employers Liability/Occupational Injury	10,000,000 per occurrence	
Deductible		none
Pollution & Microbial Matter Legal Liability-Carrier ACE USA		
Pollution Legal Liability Limit of Liability	3,000,000 per pollution condition	
Microbial Matter Legal Liability Limit of Liability	1,000,000 per pollution condition	
Policy annual aggregate	2,000,000	
Pollution Legal Liability Deductible		\$25,000
Microbial Legal Liability Deductible		50,000

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SINGLE AUDIT SECTION

**SUPLEE, CLOONEY & COMPANY**

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

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

Honorable President and Members
of the Board of Education
Jackson School District
County of Ocean
Jackson, New Jersey 08527

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Jackson School District (the "District") as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 4, 2019.

Internal Control Over Financial Reporting

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

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

SUPLEE, CLOONEY & COMPANY

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. We noted an instance of noncompliance that we have reported to the Board of Education of the Jackson School District in a separate Auditor's Management Report on Administrative Finding – Finance and Compliance dated February 4, 2019.

Purpose of This Report

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


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 948

February 4, 2019



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL
AND STATE FINANCIAL ASSISTANCE PROGRAMS AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH THE UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08**

Honorable President and Members
of the Board of Education
Jackson School District
County of Ocean
Jackson, New Jersey 08527

Report on Compliance for Each Major Federal and State Program

We have audited the Jackson School District's, County of Ocean, State of New Jersey compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the New Jersey *OMB State Grant Compliance Supplement* that could have a direct and material effect on each of the Jackson School District's major federal and state programs for the year ended June 30, 2018. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Jackson School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey *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 or state program occurred. An audit includes examining, on a test basis, evidence about the Jackson School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the Jackson School District, County of Ocean, 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 year ended June 30, 2018.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2018-001. Our opinion on each major federal program is not modified with respect to this matter.

The Jackson School District's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Jackson School District response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the Jackson School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Jackson School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with *the Uniform Guidance* and New Jersey OMB 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 Jackson School District's internal control over compliance.

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

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

SUPLEE, CLOONEY & COMPANY

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


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 948

February 4, 2019

JACKSON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEARS ENDED JUNE 30, 2018

FEDERAL CFDA NUMBER	FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL AWARD IDENTIFICATION NUMBER	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD		AWARD AMOUNT	BALANCE AT JUNE 30, 2017	CASH RECEIVED	BUDGETARY EXPENDITURES	(ACCOUNTS RECEIVABLE)	BALANCE JUNE 30, 2018	
				FROM	TO						UNEARNED REVENUE	DUE GRANTOR
93.778	General Fund: U.S. Department of Education Passed-through State Department of Education: Medical Assistance Program (SEMI)	1705NUSMAP	N/A	7/1/2017	6/30/2018	\$ 160,494.26	\$ (2,360.72)	\$ 160,494.16	\$ (160,494.16)	\$	\$	
93.778	Medical Assistance Program (SEMI) ARRA Total General Fund	1705NUSMAP	N/A	7/1/2016	6/30/2017	203,755.48	(2,360.72)	2,360.72	(160,494.16)			
84.010	Special Revenue Fund: U.S. Department of Education Passed-through State Department of Education: Title I	S010A170030	NCLB236017	7/1/17	6/30/18	821,537.00		764,240.00	(796,937.75)	(32,697.75)		
84.010	Title I	S010A170030	NCLB236017	7/1/16	6/30/17	803,538.00	(111,427.00)	111,427.00				
84.367	Title II Part A	S367A170029	NCLB236017	7/1/17	6/30/18	183,958.00		134,094.00	(178,102.00)	(44,008.00)		
84.367	Title II Part A	S367A170029	NCLB236017	7/1/16	6/30/17	151,802.00	(8,178.00)	8,178.00				
84.365	Title III Elementary	S365A170030	NCLB236017	7/1/17	6/30/18	25,170.00	(4,504.00)	22,009.00	(25,170.00)	(3,161.00)		
84.365	Title III Elementary	S365A170030	NCLB236017	7/1/16	6/30/17	22,241.00		4,504.00				
84.365a	Title III Immigrant	S365A170030	NCLB236017	7/1/17	6/30/18	4,850.00		4,850.00	(4,850.00)	(4,265.00)		
84.424a	Title IV Part A	S424A170026	NCLB236017	7/1/17	6/30/18	28,427.00		24,162.00	(28,427.00)	(2,223.00)		
84.048	Carl D. Perkins - Secondary	V048A170030	N/A	7/1/17	6/30/18	51,748.00		49,525.00	(51,748.00)			
84.048	Carl D. Perkins - Secondary	V048A170030	N/A	7/1/16	6/30/17	48,132.00	(6,324.00)	6,324.00				
84.938c	Temporary Emergency Impact Aid for Displaced Students	N/A	N/A	7/1/17	6/30/18	53,875.00			(53,875.00)			
84.027	I.D.E.A. Part B Special Education Cluster: I.D.E.A. Part B	S027A151100	IDEA236016	7/1/17	6/30/18	1,944,171.00		1,636,146.00	(1,942,127.75)	(305,981.75)		
84.027	I.D.E.A. Part B	S027A151100	IDEA236016	7/1/16	6/30/17	1,983,412.00	(362,405.22)	362,405.00		(0.22)		
84.173	I.D.E.A. Preschool	S173A150114	IDEA236016	7/1/17	6/30/18	65,843.00		63,638.00	(65,843.00)	(2,205.00)		
84.173	I.D.E.A. Preschool	S173A150114	IDEA236016	7/1/16	6/30/17	66,845.00	(10,460.00)	10,460.00				
84.173	I.D.E.A. Preschool	S173A150114	IDEA236016	9/1/13	8/31/14	64,602.00	(0.38)			(0.38)		
	Total I.D.E.A. Part B Special Education Cluster							2,072,649.00	(2,007,970.75)	(308,187.35)		
	Total U.S. Department of Education							3,201,962.00	(3,147,080.50)	(448,417.10)		
	Total Special Revenue Fund							3,201,962.00	(3,147,080.50)	(448,417.10)		
10.551	Enterprise Fund: U.S. Department of Agriculture Passed-through State Department of Education: Supplemental Nutrition Assistance Program	16161NJ304N1099	N/A	7/1/17	6/30/18	33,091.92		26,200.56	(33,091.92)	(6,891.36)		
10.551	Supplemental Nutrition Assistance Program	16161NJ304N1099	N/A	7/1/16	6/30/17	33,857.52	(2,940.78)	2,940.78				
10.550	Child Nutrition Cluster: U.S.D.A. Commodities Program	16161NJ304N1099	N/A	7/1/17	6/30/18	192,896.11		192,986.11	(167,233.80)	25,752.31		
10.550	U.S.D.A. Commodities Program	16161NJ304N1099	N/A	7/1/16	6/30/17	190,217.87	17,994.26		(17,994.26)			
10.553	National School Breakfast Program	16161NJ304N1099	N/A	7/1/17	6/30/18	97,149.30		75,396.23	(97,149.30)	(21,753.07)		
10.553	National School Breakfast Program	16161NJ304N1099	N/A	7/1/16	6/30/17	91,519.55	(9,204.10)	9,204.10				
10.555	National School Lunch Program	16161NJ304N1099	N/A	7/1/17	6/30/18	804,643.40	(71,775.96)	648,041.08	(819,381.56)	(171,340.48)		
10.555	National School Lunch Program	16161NJ304N1099	N/A	7/1/16	6/30/17	71,775.96	(62,985.80)	71,775.96	(1,101,758.92)	(193,093.55)	25,752.31	
	Total Child Nutrition Cluster							997,403.48	(1,134,850.84)	(193,984.91)	25,752.31	
	Total Enterprise Fund							1,026,544.82	(1,134,850.84)	(193,984.91)	25,752.31	
	Total Federal Financial Assistance					\$ (571,585.90)	\$ (4,391,361.70)	\$ 4,391,361.70	\$ (4,442,425.50)	\$ (648,402.01)	\$ 25,752.31	\$

See accompanying notes to schedules of financial assistance.

JACKSON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	BALANCE JUNE 30, 2017			CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS/ REPAYMENT OF PRIOR YEARS			BALANCE JUNE 30, 2018			MEMO	
			AWARD AMOUNT	UNEARNED REVENUE (ACCTS REC)	DUE TO GRANTOR			BALANCES	(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE	DUE GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES		
General Funds:															
Equalization Aid	18-495-034-5120-078	7/1/17-6/30/18	\$42,102,240.00	\$	\$	\$ 37,939,225.00	(42,102,240.00)	\$ 4,163,015.00	\$	\$	\$	\$ 4,163,015.00	\$ 42,102,240.00		
Categorical Special Education Aid	18-495-034-5120-089	7/1/17-6/30/18	5,211,500.00			4,696,192.00	(5,211,500.00)	515,308.00				515,308.00	5,211,500.00		
Security Aid	18-495-034-5120-084	7/1/17-6/30/18	854,977.00			770,438.00	(854,977.00)	84,539.00				84,539.00	854,977.00		
Adjustment Aid	18-495-034-5120-085	7/1/17-6/30/18	195,598.00			176,256.00	(195,598.00)	19,342.00				19,342.00	195,598.00		
PARCC Readiness Aid	18-495-034-5120-098	7/1/17-6/30/18	86,430.00			77,885.00	(86,430.00)	8,545.00				8,545.00	86,430.00		
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17-6/30/18	86,430.00			77,885.00	(86,430.00)	8,545.00				8,545.00	86,430.00		
Professional Learning Community	18-495-034-5120-101	7/1/17-6/30/18	84,750.00			76,373.00	(84,750.00)	8,377.00				8,377.00	84,750.00		
Equalization Aid	17-495-034-5120-078	7/1/16-6/30/17	42,102,240.00			4,166,251.00		(4,166,251.00)					42,102,240.00		
Categorical Special Education Aid	17-495-034-5120-089	7/1/16-6/30/17	5,211,500.00			515,709.00		(515,709.00)					5,211,500.00		
Security Aid	17-495-034-5120-084	7/1/16-6/30/17	854,977.00			84,605.00		(84,605.00)					854,977.00		
Adjustment Aid	17-495-034-5120-085	7/1/16-6/30/17	195,598.00			19,357.00		(19,357.00)					195,598.00		
PARCC Readiness Aid	17-495-034-5120-098	7/1/16-6/30/17	86,430.00			8,551.00		(8,551.00)					86,430.00		
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16-6/30/17	86,430.00			8,551.00		(8,551.00)					86,430.00		
Professional Learning Community	17-495-034-5120-101	7/1/16-6/30/17	84,750.00			8,384.00		(8,384.00)					84,750.00		
Subtotal State Aid - Public Cluster						48,625,682.00	(48,621,925.00)	(3,757.00)				4,807,671.00	97,243,860.00		
Categorical Transportation Aid	18-495-034-5120-014	7/1/17-6/30/18	1,013,961.00			913,702.00	(1,013,961.00)	100,259.00				100,259.00	1,013,961.00		
Categorical Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	1,013,961.00			100,337.00		(100,337.00)					1,013,961.00		
Extraordinary Aid	18-495-034-5120-044	7/1/16-6/30/18	1,292,873.00				(1,292,873.00)		(1,292,873.00)			1,292,873.00	1,292,873.00		
Non-Public Transportation Aid	17-495-034-5120-044	7/1/16-6/30/17	1,150,503.00	(1,150,503.00)		1,150,503.00							1,150,503.00		
Non-Public Transportation Aid	18-495-034-5120-014	7/1/16-6/30/18	156,625.00				(156,625.00)		(156,625.00)			156,625.00	156,625.00		
Reimbursed TPAF Social Security Contributions	18-495-034-5120-050	7/1/16-6/30/18	77,682.00	(77,682.00)		77,682.00			(187,274.02)			187,274.02	77,682.00		
Reimbursed TPAF Social Security Contributions	17-495-034-5120-050	7/1/16-6/30/17	4,147,906.92			3,960,632.90	(4,147,906.92)						4,147,906.92		
On-behalf TPAF non-contributory insurance	18-495-034-5120-066	7/1/16-6/30/17	4,055,071.75	(186,681.97)		186,681.97							4,055,071.75		
On-behalf TPAF Pension	18-495-034-5094-004	7/1/17-6/30/18	193,831.00			7,987,279.00	(193,831.00)						193,831.00		
On-behalf TPAF Long Term Disability	18-495-034-5094-002	7/1/17-6/30/18	7,987,279.00			8,996.00	(7,987,279.00)						7,987,279.00		
On-behalf TPAF post retirement medical	18-495-034-5094-004	7/1/17-6/30/18	8,996.00				(8,996.00)						8,996.00		
Total General Funds	18-495-034-5094-001	7/1/17-6/30/18	5,284,006.00			5,284,006.00	(5,284,006.00)						5,284,006.00		
Special Revenue Fund:				(1,414,866.97)		68,489,312.87	(68,707,402.92)	(3,815.00)	(1,636,772.02)			6,544,702.02	123,626,945.67		
Non-Public Textbooks	18-100-034-5120-064	7/1/17-6/30/18	15,229.00			15,229.00	(15,204.85)				24.15		15,229.00		
Non-Public Textbooks	17-100-034-5120-064	7/1/16-6/30/17	17,704.00		222.00			(222.00)					17,704.00		
Non-Public Comp Ed	18-100-034-5120-067	7/1/17-6/30/18	43,406.00		897.00	43,406.00	(29,233.00)				14,173.00		43,406.00		
Non-Public Comp Ed	17-100-034-5120-067	7/1/16-6/30/17	35,831.00					(897.00)					35,831.00		
Non-Public ESL	18-100-034-5120-067	7/1/17-6/30/18	813.00			813.00	(813.00)						813.00		
Non-Public Home Instruction	18-100-034-5120-067	7/1/17-6/30/18	1,905.25				(1,905.25)		(1,905.25)				1,905.25		
Non-Public Home Instruction	17-100-034-5120-067	7/1/16-6/30/17	1,031.00				(1,031.00)		(1,031.00)				1,031.00		
Non-Public Examination & Classification	18-100-034-5120-066	7/1/16-6/30/17	22,745.00			22,745.00	(11,287.00)				11,458.00		22,745.00		
Non-Public Examination & Classification	17-100-034-5120-066	7/1/16-6/30/17	14,411.00		5,222.00			(5,222.00)					14,411.00		
Non-Public Corrective Speech	18-100-034-5120-066	7/1/17-6/30/18	18,749.00			18,749.00	(16,070.00)				2,679.00		18,749.00		
Non-Public Corrective Speech	17-100-034-5120-066	7/1/16-6/30/17	13,253.00		6,184.00			(6,184.00)					13,253.00		
Non-Public Supplemental Instruction	18-100-034-5120-066	7/1/17-6/30/18	11,894.00			11,894.00	(11,101.00)				793.00		11,894.00		
Non-Public Supplemental Instruction	17-100-034-5120-066	7/1/16-6/30/17	10,986.00		785.00			(785.00)					10,986.00		
Non-Public Nursing	18-100-034-5120-070	7/1/17-6/30/18	26,966.00			26,966.00	(26,953.88)				12.12		26,966.00		
Non-Public Nursing	17-100-034-5120-070	7/1/16-6/30/17	27,990.00										27,990.00		
Non-Public Transportation	18-100-034-5120-068	7/1/17-6/30/18	6,487.00			6,487.00	(6,487.00)				6.50		6,487.00		
Non-Public Technology Initiative	18-100-034-5120-373	7/1/17-6/30/18	10,286.00		4.00	10,286.00	(10,279.50)						10,286.00		
Non-Public Technology Initiative	17-100-034-5120-373	7/1/16-6/30/17	8,082.00					(4.00)					8,082.00		
Non-Public Security	18-100-034-5120-084	7/1/17-6/30/18	20,850.00			20,850.00	(20,786.96)				61.04		20,850.00		
Non-Public Security	17-100-034-5120-084	7/1/16-6/30/17	14,400.00		1,150.00			(1,150.00)					14,400.00		
State Department of Agriculture:															
2018 Farm to School Mini Grant	00-010-3350-085-CCCC-613	1/31/18-12/31/18	994.00		14,464.00	177,425.00	(994.00)	(14,464.00)	(984.00)		29,206.81		994.00		
Total Special Revenue Fund							(152,148.44)		(3,930.25)				324,012.25		

JACKSON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	BALANCE JUNE 30, 2017		CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS/ REPAYMENT OF PRIOR YEARS BALANCES	BALANCE JUNE 30, 2018		MEMO	
			AWARD AMOUNT	UNEARNED REVENUE (ACCTS REC)				(ACCOUNTS RECEIVABLE)	UNEARNED REVENUE	BUDGETARY RECEIVABLE	TOTAL EXPENDITURES
Capital Projects Fund											
Security Upgrades:											
McAuffie Middle School	2360-055-11-G2XP	To Completion	57,189.00	(18,539.21)	21,669.39	(3,130.18)					44,753.95
Goetz Middle School	2360-055-11-G2KA	To Completion	74,113.00	(33,648.79)	35,530.24	(1,880.45)					70,579.06
Jackson Memorial High School	2360-055-11-G2JW	To Completion	89,684.00	(41,608.19)	43,871.36	(2,263.17)					88,049.34
Crawford Elementary School	2360-055-11-G2XM	To Completion	38,361.00	(17,061.53)	18,046.83	(985.30)					35,440.36
Elms Elementary School	2360-055-11-G2XN	To Completion	40,644.00	(16,397.91)	19,436.17	(1,038.26)					38,487.00
Jackson Liberty High School	2360-025-14-G2XL	To Completion	45,712.00	(22,627.44)	22,627.44						43,749.27
Johnson Elementary School	2360-055-11-G2XO	To Completion	35,460.00	(16,006.30)	16,912.85	(906.55)					33,462.01
Holman Elementary School	2360-055-11-G2JY	To Completion	38,177.00	(17,815.65)	18,813.38	(897.73)					37,363.38
Rosenauer Middle School	2360-055-11-G2JX	To Completion	23,764.00	(10,751.07)	11,358.92	(607.85)					22,476.25
Swilk Elementary School	2360-055-11-G2JZ	To Completion	41,818.00	(19,194.31)	20,254.24	(1,059.93)					40,441.12
Plumbing and HVAC Upgrades											
Jackson Memorial High School	2360-055-11-G3IY		4,875,233.00	(901,729.81)	975,046.60	(73,316.79)					4,875,233.00
				(1,117,381.21)	1,203,567.42	(86,186.21)					5,330,026.74
Debt Service Fund:											
Debt Service Aid Type II	18-100-034-5120-125	7/1/17-6/30/18	1,218,145.00	\$	1,218,145.00	(1,218,145.00)	\$	\$	\$	\$	\$
Total Debt Service Fund					1,218,145.00	(1,218,145.00)					1,218,145.00
Enterprise Fund:											
National School Lunch Program (State Share)	18-100-034-5120-122	7/1/17-6/30/18	26,227.45		27,848.56	(31,272.05)		(3,423.49)		3,423.49	26,227.45
National School Lunch Program (State Share)	17-100-034-5120-122	7/1/16-6/30/17	27,828.02	(2,267.10)	2,267.10			(3,423.49)		3,423.49	27,828.02
Total Enterprise Fund				(2,267.10)	30,115.66	(31,272.05)					54,055.47
Total State Financial Assistance				<u>(\$ 2,534,515.28)</u>	<u>14,464.00</u>	<u>\$ 71,118,585.95</u>	<u>\$ (70,195,154.62)</u>	<u>\$ (1,644,125.76)</u>	<u>\$ 29,206.81</u>	<u>\$ 6,548,125.51</u>	<u>\$ 430,552,785.13</u>
Less: On-Behalf amounts not utilized for determination of Major Programs:											
On-behalf TPAF non-contributory insurance											
On-behalf TPAF Pension											
On-behalf TPAF Long Term Disability											
On-behalf TPAF post retirement medical											
Total State Financial Assistance Subject to Single Audit					\$57,644,608.95						
						(\$56,721,197.62)					

See accompanying notes to schedules of financial assistance.

Jackson Township School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2018

NOTE 1: GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state activity of the Jackson Township School District ("the District"). The District is defined in Note 1 to the basic financial statements. All federal and state awards received directly from the federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exceptions 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 1 of the District'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* ("Uniform Guidance"), Audits of States, Local Governments, and Non-Profit Organizations. 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 as allowed under the 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 schedule (RSI) are presented for the general fund and special revenue fund to demonstrate finance-regulated 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 deferred state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP accounting purposes, those payments are not recognized until the subsequent budget year due to the state deferral and recording of the state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenue, whereas GAAP basis does not. The special revenue fund also recognizes the deferred state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

Jackson Township School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2018

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$3,815.00) for the general fund. See the notes to the required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Federal awards and state financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$160,494.16	\$68,711,217.92	\$68,871,712.08
Special Revenue Fund	3,147,080.50	152,148.44	3,299,228.94
Capital Projects Fund		86,186.21	86,186.21
Debt Service Fund		1,218,145.00	1,218,145.00
Food Service Fund	1,134,850.84	31,272.05	1,166,122.89
	<u>\$4,442,425.50</u>	<u>\$70,198,969.62</u>	<u>\$74,641,395.12</u>
GAAP Adjustment		<u>(3,815.00)</u>	
Total Awards & Financial Assistance	<u>\$4,442,425.50</u>	<u>\$70,195,154.62</u>	<u>\$74,641,395.12</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: OTHER

Revenues and expenditures reported in the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF pension contributions, post-retirement medical benefits and long-term disability insurance represents the amount paid by the state on behalf of the district for the year ended June 30, 2018. TPAF Social Security contributions represent the amount reimbursed by the state for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2018.

Jackson Township School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2018

Section I – Summary of Auditor’s Results

Financial Statements

- | | | |
|-----|--|------------|
| (1) | Type of Auditor’s Report Issued: | Unmodified |
| (2) | Internal Control Over Financial Reporting: | |
| (a) | Material weakness(es) identified? | No |
| (b) | Significant deficiencies identified that are not considered to be material weaknesses? | No |
| (3) | Noncompliance material to the basic financial statements noted during the audit? | No |

Federal Program(s)

- | | | |
|-----|--|------------|
| (1) | Internal Control Over Major Federal Programs: | |
| (a) | Material weaknesses identified? | No |
| (b) | Significant deficiencies identified that are not considered to be material weaknesses? | No |
| (2) | Type of Auditor’s Report issued on compliance for major federal program(s)? | Unmodified |
| (3) | Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular OMB Uniform Guidance? | Yes |
| (4) | Identification of Major Federal Program(s): | |

<u>Program</u>	<u>CFDA</u>
Child Nutrition Cluster:	
U.S.D.A. Commodities Program	10.550
National School Breakfast Program	10.553
National School Lunch Program	10.555

- | | | |
|-----|---|-----|
| (5) | Program Threshold Determination:
Type A Federal Program Threshold > \$750,000.00
Type B Federal Program Threshold <= \$750,000.00 | |
| (6) | Auditee qualified as a low-risk auditee under OMB Circular Uniform Guidance? | Yes |

Jackson Township School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2018

Section I – Summary of Auditor’s Results (Continued)

State Program(s)

- (1) Internal Control Over Major State Programs:
- (a) Material weakness(es) identified? No
- (b) Significant deficiencies identified that are not considered to be material weaknesses? No
- (2) Type of Auditor’s Report issued on compliance for major state program(s)? Unmodified
- (3) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08? No
- (4) Identification of Major State Program(s):
- | <u>Program Title</u> | <u>Project Number</u> |
|-----------------------------------|-----------------------|
| Equalization Aid | 18-495-034-5120-078 |
| Categorical Special Education Aid | 18-495-034-5120-089 |
| Categorical Security Aid | 18-495-034-5120-084 |
| Adjustment Aid | 18-495-034-5120-085 |
| Per Pupil Growth Aid | 18-495-034-5120-097 |
| PARCC Readiness | 18-495-034-5120-098 |
| Professional Learning Comm. Aid | 18-495-034-5120-101 |
| Extraordinary Aid | 18-495-034-5120-044 |
- (5) Program Threshold Determination:
 Type A State Program Threshold > \$1,701,555.00
 Type B State Program Threshold <= \$1,701,555.00
- (6) Auditee qualified as a low-risk auditee under OMB Circular 15-08? Yes

Jackson Township School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2018

Section II – Financial Statement Audit – Reported Findings Under Government Auditing Standards

Internal Control Findings – None Reported

Compliance Findings – None Reported

Section III – Findings and Questioned Costs Relative to Major Federal and State Programs

Federal Programs:

Department of Agriculture

2018-001 Child Nutrition Cluster – CFDA No. 10.550, 10.553, 10.555; Grant period – 07/01/17 – 06/30/18.

Statement of Condition: The District's net cash resources exceeded three months average expenditures at June 30, 2018..

Criteria: To maintain the nonprofit status required for the School Nutrition Program (SNP), the fund balance (net cash resources) of the SNP account must not exceed three month's average expenditures at any time.

Cause: Revenues exceeded three months average expenditures.

Effect: The District must submit a corrective action plan to the New Jersey Department of Agriculture detailing the manner in which the District will spend down the excess cash.

Recommendation: That the District submit a corrective action plan to the New Jersey Department of Agriculture detailing the manner in which the District will spend down the excess cash.

Views of Responsible Officials and Planned Corrective Actions: The District agrees with the finding and will submit a corrective action plan to the New Jersey Department of Agriculture detailing the manner in which the District will spend down the excess cash.

State Programs – None Reported

Jackson Township School District
Schedule of Prior Year Audit Findings

Not Applicable

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100 101 102 103 104 105 106 107 108 109 110 111 112 113 114 115 116 117 118 119 120 121 122 123 124 125 126 127 128 129 130 131 132 133 134 135 136 137 138 139 140 141 142 143 144 145 146 147 148 149 150 151 152 153 154 155 156 157 158 159 160 161 162 163 164 165 166 167 168 169 170 171 172 173 174 175 176 177 178 179 180 181 182 183 184 185 186 187 188 189 190 191 192 193 194 195 196 197 198 199 200 201 202 203 204 205 206 207 208 209 210 211 212 213 214 215 216 217 218 219 220 221 222 223 224 225 226 227 228 229 230 231 232 233 234 235 236 237 238 239 240 241 242 243 244 245 246 247 248 249 250 251 252 253 254 255 256 257 258 259 260 261 262 263 264 265 266 267 268 269 270 271 272 273 274 275 276 277 278 279 280 281 282 283 284 285 286 287 288 289 290 291 292 293 294 295 296 297 298 299 300 301 302 303 304 305 306 307 308 309 310 311 312 313 314 315 316 317 318 319 320 321 322 323 324 325 326 327 328 329 330 331 332 333 334 335 336 337 338 339 340 341 342 343 344 345 346 347 348 349 350 351 352 353 354 355 356 357 358 359 360 361 362 363 364 365 366 367 368 369 370 371 372 373 374 375 376 377 378 379 380 381 382 383 384 385 386 387 388 389 390 391 392 393 394 395 396 397 398 399 400 401 402 403 404 405 406 407 408 409 410 411 412 413 414 415 416 417 418 419 420 421 422 423 424 425 426 427 428 429 430 431 432 433 434 435 436 437 438 439 440 441 442 443 444 445 446 447 448 449 450 451 452 453 454 455 456 457 458 459 460 461 462 463 464 465 466 467 468 469 470 471 472 473 474 475 476 477 478 479 480 481 482 483 484 485 486 487 488 489 490 491 492 493 494 495 496 497 498 499 500 501 502 503 504 505 506 507 508 509 510 511 512 513 514 515 516 517 518 519 520 521 522 523 524 525 526 527 528 529 530 531 532 533 534 535 536 537 538 539 540 541 542 543 544 545 546 547 548 549 550 551 552 553 554 555 556 557 558 559 560 561 562 563 564 565 566 567 568 569 570 571 572 573 574 575 576 577 578 579 580 581 582 583 584 585 586 587 588 589 590 591 592 593 594 595 596 597 598 599 600 601 602 603 604 605 606 607 608 609 610 611 612 613 614 615 616 617 618 619 620 621 622 623 624 625 626 627 628 629 630 631 632 633 634 635 636 637 638 639 640 641 642 643 644 645 646 647 648 649 650 651 652 653 654 655 656 657 658 659 660 661 662 663 664 665 666 667 668 669 670 671 672 673 674 675 676 677 678 679 680 681 682 683 684 685 686 687 688 689 690 691 692 693 694 695 696 697 698 699 700 701 702 703 704 705 706 707 708 709 710 711 712 713 714 715 716 717 718 719 720 721 722 723 724 725 726 727 728 729 730 731 732 733 734 735 736 737 738 739 740 741 742 743 744 745 746 747 748 749 750 751 752 753 754 755 756 757 758 759 760 761 762 763 764 765 766 767 768 769 770 771 772 773 774 775 776 777 778 779 780 781 782 783 784 785 786 787 788 789 790 791 792 793 794 795 796 797 798 799 800 801 802 803 804 805 806 807 808 809 810 811 812 813 814 815 816 817 818 819 820 821 822 823 824 825 826 827 828 829 830 831 832 833 834 835 836 837 838 839 840 841 842 843 844 845 846 847 848 849 850 851 852 853 854 855 856 857 858 859 860 861 862 863 864 865 866 867 868 869 870 871 872 873 874 875 876 877 878 879 880 881 882 883 884 885 886 887 888 889 890 891 892 893 894 895 896 897 898 899 900 901 902 903 904 905 906 907 908 909 910 911 912 913 914 915 916 917 918 919 920 921 922 923 924 925 926 927 928 929 930 931 932 933 934 935 936 937 938 939 940 941 942 943 944 945 946 947 948 949 950 951 952 953 954 955 956 957 958 959 960 961 962 963 964 965 966 967 968 969 970 971 972 973 974 975 976 977 978 979 980 981 982 983 984 985 986 987 988 989 990 991 992 993 994 995 996 997 998 999 1000

