

**IRVINGTON TOWNSHIP SCHOOL DISTRICT
IRVINGTON, NEW JERSEY**

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

Comprehensive Annual Financial Report

of the

Irvington Township School District

Irvington, New Jersey

For the Fiscal Year Ended June 30, 2018

Prepared by

**Irvington Township School District
Board of Education**

OUTLINE OF CAFR

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INTRODUCTORY SECTION



IRVINGTON PUBLIC SCHOOLS

Office of the Superintendent

Dr. Neely Hackett
Superintendent of Schools

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February 25, 2019

1. Reporting Entity and Its Services

The Mission of the Irvington Public Schools is to create *a community of learners dedicated to academic excellence through a combination of critical thinking and life skills, which define the education of the whole child, wherein the major focus of the school system is to improve academic achievement for all students.* Our mission is enhanced through a multifaceted approach and a solid commitment to student growth and development by all District stakeholders, including, but not limited to, students, parents, administrators, teachers, custodians, secretaries, security, support staff, and the community-at-large.

The primary purpose of the Irvington Public Schools is to improve student academic achievement by (a) implementing the District's aligned Standards curricula; (b) providing staff development that promotes student engagement and academic rigor; (c) conducting data analysis to inform instruction; and (d) monitoring teaching and learning to ensure the alignment of curriculum, instruction, and assessment.

The following Core Beliefs guide our path to improving student achievement:

1. Each student is entitled to a quality education that the entire community of invested stakeholders value, support, and enlarge by collaborating with one another.
2. Teacher quality is vital to engaging students in relevant, authentic tasks and improving student achievement.
3. Each student possesses the ability to achieve his or her potential in any learning environment when the adults provide the most appropriate supports for success.
4. The educational environment must be safe, respectful, and guided by skilled administrators who focus on advancing teacher effectiveness and student achievement.

The District is dedicated to academic success through a rigorous and relevant curriculum that empowers students to become productive, responsible, and self-directed learners and citizens. The curriculum is designed to meet the individual needs of all students through authentic assessment, researched-based instruction, and responsive differentiation that encourage students to think critically and to connect all learning to life beyond the classroom.



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Further, the curriculum is designed to explore big ideas, essential questions, and promote enduring understandings. Technology is also integrated throughout the curriculum to promote 21st Century thinking and learning. The curriculum is grounded in critical thinking skills to help students solve real-life complex, problems.

The English Language Arts program is designed to foster a love of reading and to develop skills that are essential for students to become effective, lifelong readers and writers. The District's balanced-literacy program provides opportunities for learning experiences in listening and speaking, phonemic awareness, phonics, word identification, word analysis, vocabulary development, fluency, and comprehension strategies. As students read a variety of selections, they learn appropriate strategies to optimize their comprehension. These strategies include previewing and predicting, confirming predictions, using prior or background knowledge, self-questioning, adjusting reading rate, using typographic clues, visualizing, rereading, and using text features and illustrations to facilitate comprehension. As a result of students' focus on comprehension, students develop into readers who learn how to relate the text to themselves, the world, and other texts. They learn to be critical and active readers who know that reading equates with getting meaning from text.

The importance of students developing good habits for reading is emphasized in the English Language Arts program. Following a mini-lesson modeled by the teacher to focus students' attention to a specific text aspect or strategy, students are offered multiple opportunities for practice and application through learning centers (vocabulary, reading and writing) and small group instruction that is focused on meeting students and their respective ability levels. Small group discussions are used to explore students' understanding of textual content and ideas. Through the implementation of the English Language Arts program with fidelity, students will:

- demonstrate independence
- understand one's own thought process
- build strong content knowledge
- respond to the varying demands of audience, task, purpose, and discipline
- comprehend as well as critique
- value evidence
- use technology and digital media strategically and capably
- understand other perspectives and cultures.

Reading Wonders has been implemented in grades K to 5. Reading Wonders is designed specifically for the Common Core State Standards for Reading/Language Arts. The program provides support for building a strong reading foundation, accessing complex text, finding and using text evidence, engaging in collaborative conversations, and writing to sources. Secondary students (grades 6-12), use Houghton Mifflin Harcourt-Collections. This program helps students develop abilities to analyze complex texts, determine evidence, reason critically, and communicate thoughtfully.



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All District students are tested three (3) times per year to measure their progress toward reading proficiency using the Reading Inventory Assessment. Identified students in all grades 3-11 English Language Arts classrooms receive intervention using the Read 180 program. Read 180 is a comprehensive system of instruction, assessment, and professional development proven to raise reading achievement for struggling readers in grades. Designed for any student reading two or more years below grade-level, Read 180 leverages adaptive technology to individualize instruction for students and provides powerful data for differentiation for teachers.

The goal of the K-12 Mathematics program is for all students to achieve proficiency by developing both conceptual understanding and procedural fluency through rigorous instruction and authentic assessments. The curriculum includes concepts and processes of mathematics upon which technical and scientific progress is dependent. Therefore, provisions are made for students to collaborate and share different ways of thinking in an effort to make sense, to question, and to think critically about the world of mathematics and beyond. The intellectual curiosity about the study of mathematics will promote the standards for mathematical practices, students' abilities to communicate mathematically, students' ability to use mathematics to solve problems in real-world contexts. The importance of students developing good habits for mathematical reasoning is emphasized in the Mathematics program. Following a mini-lesson modeled by the teacher, students are offered multiple opportunities for practice and application through learning centers (vocabulary, problem solving, and skill enhancement) and small group instruction that is focused on meeting students and their respective ability levels. Small group discussions are used to explore students' conceptual understanding of content.

EnVisionmath2.0 is used in grades K-12. It is a comprehensive mathematics curriculum with superior focus, coherence, and rigor. It includes problem-based learning, embedded visual learning, and personalization to empower every teacher and student.

All District K to 8 students are tested three (3) times per year to measure the progression of their mathematical skills using the IReady assessment program. Data reports from this benchmark assessment are discussed at common planning and department meetings.

Irvington Public Schools supports the goal of improving student achievement by providing quality professional development that opens the doors to improved teaching and learning through content rich, research-based instructional practices. In-Service days are dedicated exclusively to the acquisition of knowledge and skills in an effort to refine the craft of our teachers for their work in the classroom. Teachers continue to make paradigm shifts by ensuring that students are provided with multi-dimensional instruction and high quality assessment. Our support staff also engages in professional development that provides them with opportunities to contribute effectively to the learning environment.



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Analysis of data is a process of examining data with the goal of discovering useful information, drawing conclusions, and informing our decision-making process. Data from curriculum programs, benchmark assessments, unit assessments, formative assessments, and our Power School student database is analyzed regularly to inform all decisions at the classroom, school and central office levels.

The District uses the Charlotte Danielson Framework for Teaching to evaluate the performance of teachers. The Framework provides an opportunity for teachers and administrators to work collaboratively to improve teaching and learning through on-going and targeted feedback related to planning and preparation, classroom environment, instruction, and professional responsibilities.

Parental involvement plays an integral role in improving academic achievement. The District will continue to partner with parents to provide on-going feedback on the effectiveness of services to students inside and outside of the classroom. Superintendent's Quarterly Forums are conducted to foster parental as well as community involvement. In addition, the District website, School Messenger automated phone system, surveys, and public access Channel 36 are used to communicate and seek feedback from parents and community stakeholders.

2. Economic Outlook

The Board is located in the Township of Irvington in the County of Essex, within the State of New Jersey. Irvington's population stands at 54,425 and is 85% African American; 6% White and 9% other races. The Township is strategically located at the intersection of the Garden State Parkway and Interstate Route 280, which connects to the NJ Turnpike, and maintains a strong commercial and industrial base.

The Irvington School District has four (4) secondary schools (one (1) high school, one (1) alternative school, and two (2) middle schools), eight (8) elementary schools, and one (1) Early Childhood Center. In and around the Township are several technical, secretarial, health care schools and a two (2) year public college. Several four (4) year colleges namely Seton Hall University, Rutgers University, Kean College and NJIT are conveniently located in communities adjacent to the township.

A variety of housing options are available ranging from large high-rise apartments to small single family homes. Several modern senior citizen complexes are also available in the township to provide housing with security and health services to the region's elderly residents.



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3. Major District Initiatives

The Irvington Public Schools recognizes and supports that the success of a student is significantly influenced by utilization of effective research-based instructional practices. Therefore, time, effort, and funding support raising achievement levels by teaching students how to learn, using direct/small group instruction learning centers, adopting instruction to the students' learning needs, and providing opportunities for cooperative learning, authentic assessments and mastery learning, all which lead to improving educational outcomes for students.

Assessments used in the District include: IReady (3 times per year); enVisionmath2.0 (curriculum assessment); Reading Wonders (curriculum assessment); Houghton Mifflin Harcourt-Collections (curriculum assessment); Reading Inventory (3 times per year); District monthly benchmark assessments created through EdConnect; and end of the cycle, mid-year and final-year examinations. In addition, formative assessment strategies are infused in daily lessons to enable teachers to continuously monitor student progress.

In order to ensure the implementation of New Jersey Student Learning Standards, all teachers are required to have uniform lesson plans, which are reviewed and evaluated by principals and district supervisors. Teachers engage in lesson design and lesson study during common planning meetings. Staff development has been upgraded to ensure that an integrated approach that transcends to small group instruction and learning centers is in use.

We are very proud of our work of infusing technology into every classroom in order to provide our students with rigorous, relevant and engaging educational experiences. We have expended over \$2,000,000 in computer hardware upgrades. This new hardware will allow teachers to access educational videos and supplemental on-line instructional materials via the Internet at top rates of speed.

To meet the needs of all students and increase student engagement, Kagan Cooperative Learning and Sheltered Observation Instructional Protocol (SIOP) training is available each year for all staff members.

All staff members of the Irvington Public Schools will work collaboratively to ensure that our students are presented with a rigorous instructional program. In addition, we provide resources and materials of high interest from diverse perspectives to serve our student population. Classroom instruction consists of relevant learning tasks for students that expand their critical thinking skills in order to solve complex, real-life problems.



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4. Facilities

The Irvington Public Schools provide services for students in grades Pre K through 12, and is classified as an SDA District for facility funding purposes. In the most recent Long Range Facility Plan (LRFP), the District reviewed the condition of its facilities and proposed corrective system and inventory actions. To that end, the District implemented a maintenance reserve of \$1,500,000.00, to fund the necessary facility upgrades. Projects completed this school year include, replacement of 10 HVAC units at Florence Avenue school, installation of CCTV and Aiphone video cameras at multiple school locations, replacement of a cooling tower at University Middle school and exterior door replacements at University Middle and Union Avenue Middle schools.

The District has continued to fund the maintenance reserve and plans to complete the installation of the AiPhone video cameras at all district facilities in 2018/19. Other impending projects include the replacement of the cooling tower at Union Avenue School, HVAC equipment and roof replacements in other district locations

In addition, the new Madison Avenue Elementary School is projected by the School Development Authority to be completed in June 2019. The Pre-K to Grade 5 facility will house approximately 540 students.

5. Accounting System and Reports

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standard Board (GASB). For the fourth year, the District has submitted the reporting model required by GASB 34. Under this model, the District's basic financial statements include district-wide statements consisting of a statement of net assets and a statement of activities. These statements present information about the District as a whole and recognized revenues and expenses based on the accrual method of accounting. The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to Financial Statements," Note 1 of this report.

6. Cash Management

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



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7. Risk Management

The Irvington Board of Education carries various forms of insurance including, but not limited to, general liability, property and automobile physical damage, theft and hazard insurance, public entity excess liability, umbrella liability, crime coverage, public official bonds, school board legal liability and student accident and health, including errors and omissions.

8. Service Efforts and Accomplishments

The Irvington Public Schools continues to work diligently to address the goals and objectives of the Irvington Board of Education. Data driven schools, enhanced, enriched instruction through academic rigor and improved student achievement is the mantra heard throughout the District. Professional Learning Communities, alignment of curriculum and instruction, critical thinking skills, literacy instruction, academic rigor, common assessments via EdConnect, feedback, small group instruction, and differentiated instruction are the areas of focus.

In regards to technology, student access to the internet has been expanded through the increased use of the computer labs, which increasingly support our academic programs. In addition, SmartBoards, Smart Tables, and Chromebooks are utilized to enhance instruction and assessment. The District has an inventory of 4,500 Chrome books for use in the classroom and for state testing. Currently the District is completing an intensive virtualization project that will allow staff members to access their individual computer files from any desktop in the district and at home.

A few highlights of accomplishments for the 2017-2018 school year are listed below.

1. Over 90% of students are eating breakfast in the morning by participating in the Breakfast in the Classroom Program. Each school has Wellness Committee. This committee sponsors programs and activities that focus on daily exercise to improve overall health, performance and well-being. School-wide programs encourage students to make a habit of healthy choices by limiting screen time; avoiding loud music; getting plenty of sleep; getting bi-annual dental exams; having annual doctor visits, and eating healthy.
2. The Irvington High School Class of 2018 to date has received \$1,059,666.00 in scholarship funding. This represents an increase of \$662,266.00 when compared to the \$397,400 scholarship funding received in the 2016-2017 school year.
3. Irvington High School Consumer Bowl Team won the Essex County Championship.
4. Six students won the Essex County Law Day poster and essay contest.



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5. Three students won the Essex County Fire Prevention poster contest.
6. The District's teacher vacancy rate was about 1% for the majority of the school year.
7. The District continued its partnership with the Community Congregational Church of Short Hills, New Jersey, to distribute food to our families once a month.
8. Professional development in the District focused on workshops that were combined with in-class coaching. Kagan Cooperative Learning Structures and Sheltered Observation Instructional Protocol (SIOP) (Pre K to 12).
9. Our annual financial audit was completed with zero audit findings.
10. The District sponsored an Adult English as a Second Language program for our parents for a second straight year.
11. The District offers After School and Saturday Enrichment programs with the goal of extending student learning beyond the traditional school day. The programs are designed to provide individualized instruction to students and monitor their progress through benchmark assessment. The program is taught by highly qualified teachers who are required to maintain progress data for each student. The teachers provide re-teaching and/or acceleration as needed.
12. Online Supplemental (S.O.S.) and credit recovery courses are available to Irvington High School students who are in need of additional credits to meet the graduation requirements.
13. New textbooks were purchased for K to 5 science, 6-12 mathematics, and K to 5 social studies.
14. Support systems are in place to assist students to become college and career ready. These services include Read 180, after school enrichment programs in mathematics and English language arts, Care Plus counseling program, ESL/bilingual programs, inclusion support, formative assessment to monitor student progress, Intervention and Referral Services (I&RS), school-based counseling groups, and in-school behaviorist services.
15. A \$1,500,000.00 Maintenance Reserve Account was established to make upgrades to school in the District. The Reserve Account was used to make heating and ventilation upgrades, lighting upgrades, water fountain replacements, and security camera installations.



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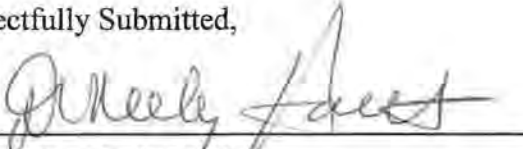
9. Other Information:

Independent Auditor: State statutes require an annual audit by independent certified public accountants or registered municipal accountants who are licensed as a public school accountant of New Jersey. The accounting firm of Samuel Klein and Company was appointed by the Board of Education. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the Title 2 US Code Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Information related to this single audit including the independent auditor's report on compliance for each major federal and state program and report on internal control over compliance along with findings and questioned costs if any, is included in the single audit section of this report.

10. Acknowledgements

We would like to express our appreciation to the members of the Board of Education of the Township of Irvington for their concern in providing fiscal accountability to the citizens and taxpayers of the District and hereby, contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of Reggie Lamprey, CPA, Assistant Superintendent for Business and the staff of the Irvington Public Schools.

Respectfully Submitted,

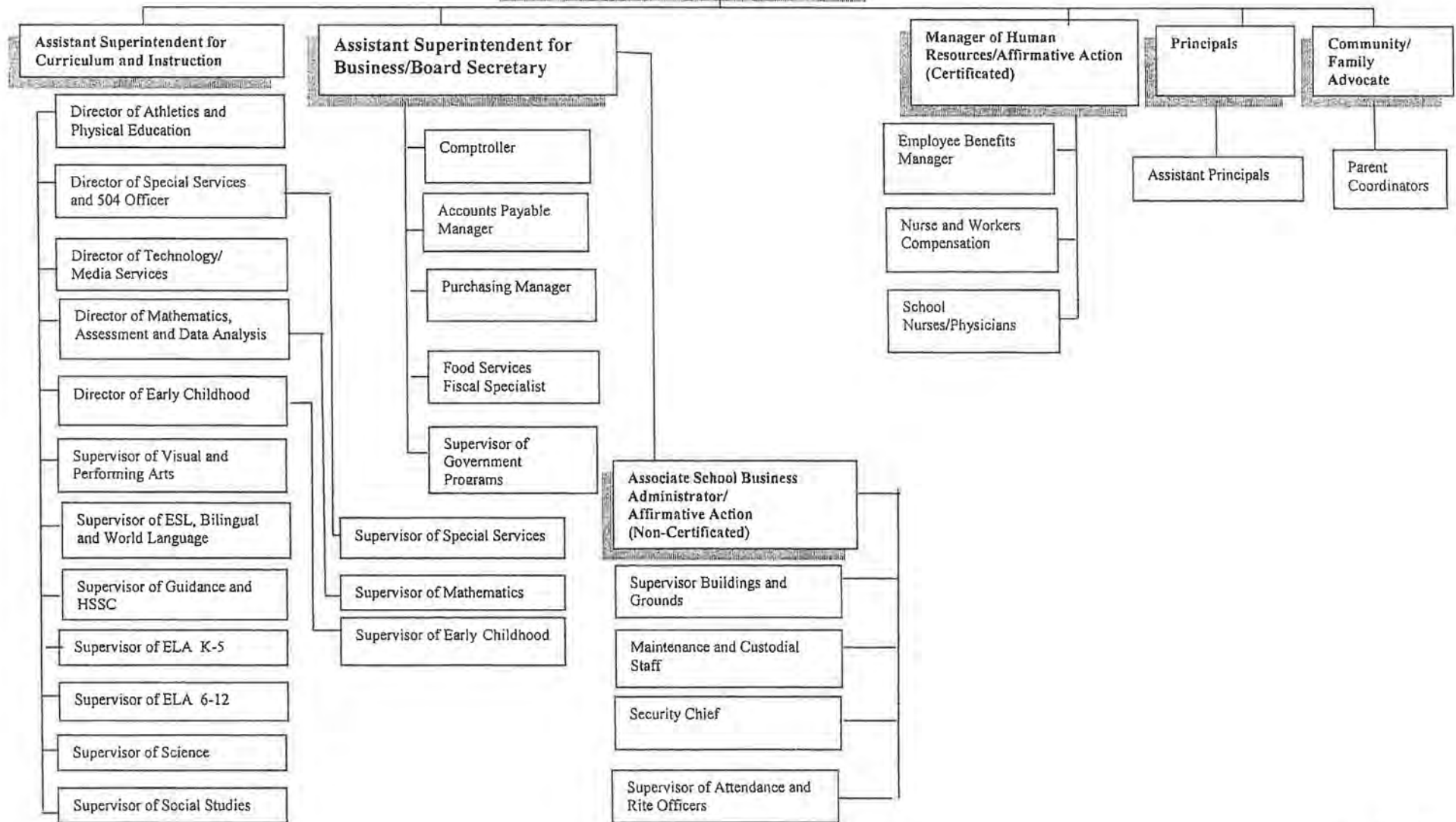


Dr. Neely Hackett
Superintendent of Schools



Board of Education

Superintendent of Schools



June 30, 2018

**IRVINGTON TOWNSHIP SCHOOL DISTRICT
COUNTY OF ESSEX, NEW JERSEY**

ROSTER OF OFFICIALS

AT JUNE 30, 2018

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Romaine Graham, President	2020
Richard Williams, Vice President	2019
Ronald Brown	2021
Jamillah Beasley-McCleod	2021
Orlander Glenn Vick	2020
Audrey M. Lyon	2020
Joseph Sylvain	2019
Melody A. Scott	2021
Luis Antilus	2019

Other Officials

Dr. Neely Hackett, Superintendent of Schools

Reginald Lamptey, CPA, Assistant Superintendent for Business/Board Secretary

Dr. April Magee, Assistant Superintendent for Curriculum and Instruction

Roger Monel, Associate School Business Administrator

Hirut Resson, Treasurer of School Moneys

IRVINGTON TOWNSHIP SCHOOL DISTRICT

Consultants and Advisors

Independent Auditors

Samuel Klein and Company
Certified Public Accountants
550 Broad Street, 11th Floor
Newark, New Jersey 07102

Attorney

Hunt, Hamlin & Ridley
60 Park Place, Suite 1602
Newark, New Jersey 07102

Official Depositories

TD Bank
1476 Broad Street
Bloomfield, New Jersey 07003

Investors Savings Bank
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INDEPENDENT AUDITOR'S REPORT

The Honorable President and Members
of the Board of Education
Irvington Township School District
County of Essex
Irvington, New Jersey 07111

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 Irvington Township School District in the County of Essex, State of New Jersey, as of and for the year ended June 30, 2018 and the related Notes to Financial Statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Irvington Township School District, 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.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Irvington Township School District's basic financial statements. The accompanying supplementary information, which consists of the combining and related major fund supporting financial statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Division of Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Audits, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* and the other information such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying Combining and Individual Fund Financial Statements and the Schedules of Expenditures of Federal Awards and State Financial Assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying Combining and Individual Fund Financial Statements and the Schedule of Expenditures of Federal Awards and State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other information identified above 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 25, 2019, on our consideration of the Irvington Township School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 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 Irvington Township School District's internal control over financial reporting and compliance.



WALTER RYGLICKI
Licensed Public School Accountant #845



SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Newark, New Jersey
February 25, 2019

REQUIRED SUPPLEMENTARY INFORMATION - PART I

**IRVINGTON TOWNSHIP PUBLIC SCHOOL DISTRICT
ESSEX COUNTY**

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

This section of the Irvington Township Public School District's Comprehensive Annual Financial Report presents Management's Discussion and Analysis of the District's financial performance during 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 review the notes to the basic financial statements to enhance their understanding of the School District's financial performance. Therefore, the reader should focus on current activities, resulting change and current facts, and it should be read in conjunction with the Letter of Transmittal, the District's Basic Financial Statements and the Notes to Financial Statements.

The Management's Discussion and Analysis is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 - Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments. Therefore year June 30, 2017 to June 30, 2018 comparative information is provided in the Management's Discussion and Analysis in order to provide meaningful comparisons that will explain the Irvington Township Public School District's financial position and the result of operations.

Using this Generally Accepted Accounting Principals Report (GAAP)

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

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a long-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. In the case of Irvington Township Public School District, the General Fund (consisting of both the Traditional and School Base) is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we manage financially during fiscal year 2017-2018?" The Statement of Net Position and the Statement of Activities answers this question. These statements include all assets and liabilities using the actual basis of accounting similar to the accounting basis used by most private-sector companies. This basis of accounting takes into consideration all of the current year's revenues and expenses regardless of when cash is received or paid.

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

The Statement of Net Position and the Statement of Activities are divided into two distinct kinds of activities.

Governmental Activities - Governmental activities are the activities where most of the School District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.

Business-Type Activities - These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or service provided. The District food service activities are reported as business activity. Whitsons, an outside contractor, manages the School District's Food Service Program.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 34. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, the Special Revenue Fund, Debt Service Fund and the Permanent 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 periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds

The district maintains one proprietary fund type, the Enterprise Fund. Enterprise Funds are used to report the same funds presented as business-type activities in the government-wide financial statements. The District uses enterprise funds to account for the operations of its Food Service Program.

The basic proprietary fund financial statements can be found on pages 38 to 40 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the district's own programs.

The district utilizes a trust fund to account for resources related to its Unemployment Compensation Claims. The district uses internal funds to account for resources held for students' activities. Health benefit deductions and other payroll related deductions are accounted for by the agency funds. The fiduciary statements can be found on pages 42 to 43 of this report.

Notes to the Basic Financial Statement

The notes provided additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 44 to 84 of this report.

The School District as a Whole

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

Table 1 provides a summary of the School District's net position for fiscal year 2018 versus fiscal year 2017.

Table 1
Net Positions

	<u>2018</u>	<u>2017</u>	<u>Increase/ (Decrease)</u>	<u>Percent</u>
<u>Assets</u>				
Current and Others Assets	\$ 34,934,821	\$ 35,628,664	\$ (693,843)	-1.9%
Capital Assets	41,898,330	41,036,675	861,655	2.1%
Deferred Outflows of Resources	<u>10,959,046</u>	<u>14,004,335</u>	<u>(3,045,289)</u>	<u>-21.7%</u>
Total Assets	<u>87,792,197</u>	<u>90,669,674</u>	<u>(2,877,477)</u>	<u>-3.2%</u>
<u>Liabilities</u>				
Noncurrent Liabilities	45,491,703	56,079,594	(10,587,891)	-18.9%
Other Liabilities	21,905,527	26,109,780	(4,204,253)	-16.1%
Deferred Inflows of Resources	<u>8,937,228</u>	<u>287,564</u>	<u>8,649,664</u>	<u>3007.9%</u>
Total Liabilities	<u>76,334,458</u>	<u>82,476,938</u>	<u>(6,142,480)</u>	<u>-7.4%</u>
<u>Net Position</u>				
Invested in Capital Assets, Net of Debt	41,898,330	41,036,675	861,655	2.1%
Restricted	20,981,537	17,497,694	3,483,843	19.9%
Unrestricted	<u>(51,422,128)</u>	<u>(50,341,633)</u>	<u>(1,080,495)</u>	<u>2.1%</u>
Total Net Position	<u>\$ 11,457,739</u>	<u>\$ 8,192,736</u>	<u>\$ 3,265,003</u>	<u>39.9%</u>

The amount recorded under noncurrent liabilities is detailed below:

	<u>2018</u>	<u>2017</u>	<u>Increase/ (Decrease)</u>	<u>Percent</u>
Compensated Absences	\$ 6,117,596	\$ 4,511,436	\$ 1,606,159	35.6%
Pension Liability	<u>39,374,107</u>	<u>51,568,158</u>	<u>(12,194,051)</u>	<u>-23.6%</u>
	<u>\$ 45,491,703</u>	<u>\$ 56,079,594</u>	<u>\$ (10,587,892)</u>	<u>-18.9%</u>

It must be noted that compensated absences due to retirements or other circumstances have always been paid through general fund budget appropriations and will continue to be paid. The School District has never failed to meet its contractual obligations.

Table 2 shows the changes in net position for fiscal year 2018 and fiscal year 2017. The District has been experiencing decreases in net position over the recent years due to the phasing in of Whole School Reform (State Mandate for Abbott Districts). We see this trend continuing over the next several years as the District continues to implement programs needed to meet the Abbott mandates.

Table 2
Change in Net Position

	2017-2018 Governmental Activities	2016-2017 Governmental Activities
Program Revenues:		
Operating Grants and Contributions	\$ 40,042,075	\$ 37,045,721
General Revenues:		
Property Taxes	17,459,529	17,459,529
Grants and Entitlements	115,908,984	116,524,748
Other	1,559,428	1,028,542
Total Revenues	<u>174,970,016</u>	<u>172,058,540</u>
Program Expenses:		
Instruction	75,993,497	78,654,260
Support Services:		
Tuition	16,803,776	15,000,012
Student and Instruction Related Services	35,739,351	31,297,252
Board of Education, Administration Fiscal and Business	9,723,783	9,158,629
Operation and Maintenance of Plant	14,683,620	15,441,468
Pupil Transportation	5,181,546	5,292,794
Contribution to Charter School	13,459,851	12,726,900
Unallocated Depreciation	128,896	2,009,670
Total Expenses	<u>171,714,320</u>	<u>169,580,984</u>
Increase (Decrease) in Net Position	<u>\$ 3,255,696</u>	<u>\$ 2,477,556</u>
	2017-2018 Business-Type Activities	2016-2017 Business-Type Activities
Program Revenues:		
Charges for Services	\$ 229,707	\$ 199,015
Operating Grants and Contributions	4,604,470	4,447,226
Other	11,662	4,933
Total Revenues	<u>4,845,839</u>	<u>4,651,174</u>
Cost of Sales	2,090,260	2,187,223
Salaries and Benefits	2,182,073	1,908,422
Other	564,198	486,783
Total Expenses	<u>4,836,531</u>	<u>4,582,428</u>
Increase in Net Position	<u>\$ 9,308</u>	<u>\$ 68,746</u>

Governmental Activities

A majority of all revenue for the Irvington Township School District comes from the State Department of Education through state aid. This amount represents 84% for governmental activities for the Irvington Township School District.

Instruction comprises 44.26% of district expense, support services 47.83% and all others 7.91%.

The District's overall financial position has changed from the prior year. As a result of the financial crisis facing the State, adopted budgets were extremely tight. Unexpended balances of general fund appropriations totaled \$24,539,275.03 of which \$702,574.49 is for encumbrances, \$8,112,492.00 is budgeted for fiscal year 2018-2019, \$1,500,000.00 is restricted for maintenance reserve, and \$10,666,470.21 is reserved excess surplus leaving an unassigned surplus of \$3,557,738.33 which represents 2% of the budget. As a result, the District must be vigilant, and remain prudent to ensure that the expenditure of its financial resource is in accordance with the approved spending plan while maintaining its fiscal solvency.

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

Business-Type Activities

The School District operates business-type activities for the Food Service Program. For the current school year, the food service had an increase in net position of \$9,307.72. Ending net position for the food service shows a positive of \$1,529,611.37

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget several times. These budget amendments fall into two categories:

1. Implementing budgets for specially funded projects, which include both federal and state grants and reinstating prior year purchase orders being carried over.
2. Increases in appropriations for significant unbudgeted cost, such as emergency school maintenance and repair needs.

For fiscal year 2018-2019, the District will be able to meet the 8,112,492.00 budgeted fund balance amount.

Total General Fund Revenue reflects a 12.5% increase over the Final Budget. This increase was primarily due to the district's inability to anticipate the revenues for TPAF Pension and Social Security.

Table 3

	<u>Net Cost of Services 2018</u>	<u>Net Cost of Services 2017</u>
Instruction	\$ 56,888,179	\$ 58,943,801
Support Services:		
Tuition	16,803,776	15,000,012
Student and Instruction Related Services	15,698,905	14,128,718
Board of Education, Administration, Fiscal and Business	8,827,473	8,991,901
Operation and Maintenance of Plant	14,683,620	15,441,468
Pupil Transportation	5,181,545	5,292,794
Contribution to Charter School	<u>13,459,851</u>	<u>12,726,900</u>
Total Expenses	<u>\$ 131,543,350</u>	<u>\$ 130,525,592</u>

A description of each service provided by the School District is detailed as follows:

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

Tuition expenditures are for Education Services for pupils residing in the School District and include placements in private, County and State Facilities.

Student and Instructional Related Services expenditures include the activities involved with assisting staff with the content and process of teaching to pupils. Also included are Attendance and Social Work Services, Health Services and Guidance, Child Study and Educational Media Services.

Board of Education, Administration, Fiscal and Business Expenditures are associated with administration and financial supervision of the District.

Operation and Maintenance of Plant expenditures involve keeping the school grounds, buildings and equipment in an effective working condition.

Transportation expenditures facilitate the transport of approximately 458 special education students to over 45 specialized educational centers throughout the State. The expenditures reflect salaries, contracted services, vehicle repairs and maintenance, gasoline, road tolls, guard dog services and contracted special medical transports.

Sources of Irvington Township Public School General Fund Revenues
For Fiscal Year 2018

	Original Budget	Final Budget	Actual	Variance Final to Actual	% Change Final to Actual
General Fund Revenues:					
Budgeted Fund Balance	\$ 7,514,915	\$ 11,400,966	\$ 11,400,966	\$	\$
Local Sources:					
Local Tax Levy	17,459,529	17,459,529	17,459,529	-	
Miscellaneous	500,000	833,148	1,559,428	726,280	47%
Total Local Sources	17,959,529	18,292,677	19,018,957	726,280	4%
State Sources:					
Equalization Aid	82,111,552	82,248,603	82,248,603	-	
Transportation Aid	1,164,430	1,164,430	1,164,430	-	
Special Education Categorical Aid	4,401,641	4,401,641	4,401,641	-	
Security Aid	2,533,865	2,533,865	2,533,865	-	
Adjustment Aid	22,051,380	22,051,380	22,051,380	-	
Extraordinary Aid			960,231	960,231	100%
Other State Aid	1,077,304	1,077,304	1,077,304		
TPAF - Post-Retirement Medical (On-Behalf - Nonbudgeted)			4,776,366	4,776,366	100%
Teacher's Pension and Annuity Fund (On-Behalf-Nonbudgeted)			7,406,854	7,406,854	100%
Reimbursed TPAF Social Security Contributions (Non-Budgeted)			3,882,208	3,882,208	100%
Total State Sources	113,340,172	113,477,223	130,502,882	17,025,659	15.0%
Federal Sources:					
Other Federal Aids	169,972	169,972	327,064	157,092	48%
Total Revenues	\$ 138,984,588	\$ 143,340,839	\$ 161,249,869	\$ 17,909,031	12.5%

The cost of all General Fund activities this year was \$147,087,332.08.

District taxpayers' share was \$17,459,529.00.

Most of the District's operating cost was paid for by State Sources (See Chart of General Fund Expenditures below).

Sources of Irvington Township Public School General Fund Expenditures
For Fiscal Year 2018

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Final to <u>Actual</u>
Expenditures:				
Instructional	\$ 44,575,499	\$ 46,091,830	\$ 43,452,285	\$ 2,639,545
Undistributed	81,014,124	81,873,000	89,350,969	(7,477,969)
Capital Outlay	125,052	1,187,010	824,227	362,783
Charter School	<u>14,040,765</u>	<u>13,459,851</u>	<u>13,459,851</u>	<u>-</u>
Total Expenditures	<u>\$ 139,755,440</u>	<u>\$ 142,611,691</u>	<u>\$ 147,087,332</u>	<u>\$ (4,475,641)</u>

The above analysis is on a budgetary basis and does not include the results of encumbered funds.

Capital Assets

At the end of the fiscal year 2018, the School District had \$41,898,329.97 invested in land, buildings and equipment, net of accumulated depreciation.

Purchases of equipment and machinery and construction in progress for a number of schools being administered on-behalf of the District by the Economic Development Authority were among the fixed asset additions this year.

Debt Administration

The School District had no outstanding debt at June 30, 2018.

For the Future Construction - Next Five Years

New Jersey School Development Authority anticipated emergent projects for a number of schools:

- Irvington High School - Roof/HVAC
- Madison Avenue - Roof
- Union Avenue Middle - Roof/Masonry
- Chancellor Avenue - Roof

Other Projects Next Five Years

- Florence Avenue School - HVAC
- Track and Field - Irvington High School
- Outdoor Camp - Flemington, NJ
- Grove Street School - Roof/Windows/Boilers
- Chancellor Avenue - Boiler

Factors that will Impact Upon the District's Future

To ensure that our students receive an education that can be defined as "thorough and efficient", the Irvington Board of Education and the Superintendent of the Irvington Public Schools have continued to embrace the Core Curriculum Content Standards in the areas of Language Arts/Literacy, Mathematics, Science, Social Studies, World Languages, Cross Content Workplace Readiness, Visual and Performing Arts, and Comprehensive Health and Physical Education. A realignment of our curricular areas to the core curriculum standards and updating of curriculum continues to be an ongoing process, based of course on a needs assessment. Further, the District has been guided by instructional priorities such as intensive early literacy, classroom library a focus on Middle School literacy and mathematics, and Special Education.

Clearly, we must note that as a result of CAPA visitations to our "schools in need of improvement" recommendations were made which will definitely impact instruction.

In order to ensure the implementation of CCCS, classroom schedules were adjusted, and will continue to be adjusted to allow time for the implementation of CCCS. All teachers are now required to have weekly lesson plans, which are reviewed and evaluated by principals and district supervisors. Staff development has been upgraded to ensure that an integrated approach is now in use that transcends to cooperating learning strategies. Additionally, these activities are designed to carry out the goals of the District and to present a plan for District-Wide instructional improvement. Staff Development days are dedicated to academic achievement and student assessment.

Irvington continues to work in order to make paradigm shifts by ensuring that students are provided with multidimensional instruction and assessment. Clearly, by utilizing a variety of strategies by capitalizing on our student's best learning styles and by utilizing a variety of assessment tools, our students have been provided "authentic" learning opportunities.

With the improvement of facilities by the New Jersey School Construction Corporation with proposed projects that will be in place over the next few years (as highlighted in the construction section), the District believes that new families will be attracted to our school system. Furthermore, the Superintendent is confident that the future development of blighted residential areas, and the Mayor's commitment to increase the activities in the commercial areas in the Township, will create an economic boom that will have a positive impact upon the educational system for the youth of Irvington.

The next five (5) years are critical to the Irvington Township School District and every Abbott School District. The allocation of Abbott Funds to fully renovate and build new schools is paramount to the achievement of higher test scores, higher academic performance and overall academic achievement. Newer schools mean newer facilities equipped with state-of-the-art technology and tools to help our students excel. Newer school facilities mean an end to the existence of overcrowded, substandard facilities which exist in every one of our schools.

Requests for Information

This financial report is designed to provide general overview of the Irvington Public School's Finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Assistant Superintendent for Business/Board Secretary, 1 University Place, 4th Floor, Irvington, New Jersey 07111.

BASIC FINANCIAL STATEMENTS

A. DISTRICT-WIDE FINANCIAL STATEMENTS

**IRVINGTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2018**

A-1

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$21,752,456.97	\$ 1,838,365.79	\$23,590,822.76
Receivables, Net	10,963,421.14	294,300.11	11,257,721.25
Inventories		86,277.23	86,277.23
Capital Assets, Net (Note 5)	41,751,575.48	146,754.49	41,898,329.97
Total Assets	<u>74,467,453.59</u>	<u>2,365,697.62</u>	<u>76,833,151.21</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension (Note 6)	10,959,046.00		10,959,046.00
	<u>\$85,426,499.59</u>	<u>\$ 2,365,697.62</u>	<u>\$87,792,197.21</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 5,114,747.92	\$ 351,234.13	\$ 5,465,982.05
Interfunds Payable	717.50	484,852.12	485,569.62
Accrued Liability for Insurance Claims	1,116,627.73		1,116,627.73
Payable to State Government	38,482.55		38,482.55
Loans Payable	12,979,073.00		12,979,073.00
Deferred Inflows	1,819,791.88		1,819,791.88
Noncurrent Liabilities:			
Net Pension Liability (Note 6)	39,374,107.00		39,374,107.00
Due Beyond One Year (Note 6)	6,117,595.70		6,117,595.70
Total Liabilities	<u>66,561,143.28</u>	<u>836,086.25</u>	<u>67,397,229.53</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension (Note 6)	8,937,228.00		8,937,228.00
<u>NET POSITION</u>			
Investment in Capital Assets	41,751,575.48	146,754.49	41,898,329.97
Other Purposes	20,981,536.70		20,981,536.70
Unrestricted (Deficit)	(52,804,983.87)	1,382,856.88	(51,422,126.99)
Total Net Position	<u>\$ 9,928,128.31</u>	<u>\$ 1,529,611.37</u>	<u>\$11,457,739.68</u>

The accompanying notes to financial statements are an integral part of this statement.

**IRVINGTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018**

A-2

Functions/Programs	Expenses	Program 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	\$ 61,556,475.06	\$	\$ 16,413,792.60	\$ (45,142,682.46)	\$	\$ (45,142,682.46)
Special Education	9,507,721.23		1,686,641.17	(7,821,080.06)		(7,821,080.06)
Other Special Instruction	3,151,942.07		744,424.15	(2,407,517.92)		(2,407,517.92)
Other Instruction	1,777,358.89		260,460.32	(1,516,898.57)		(1,516,898.57)
Support Services:						
Tuition	16,803,775.87			(16,803,775.87)		(16,803,775.87)
Student and Instruction Related Services	35,739,351.43		20,040,446.29	(15,698,905.14)		(15,698,905.14)
School Administrative Services	5,136,820.67		896,310.37	(4,240,510.30)		(4,240,510.30)
General Administrative Services	4,586,963.07			(4,586,963.07)		(4,586,963.07)
Plant Operations and Maintenance	14,683,619.74			(14,683,619.74)		(14,683,619.74)
Pupil Transportation	5,181,545.48			(5,181,545.48)		(5,181,545.48)
Charter Schools	13,459,851.00			(13,459,851.00)		(13,459,851.00)
Unallocated Depreciation	128,896.45			(128,896.45)		(128,896.45)
Total Governmental Activities	<u>171,714,320.96</u>		<u>40,042,074.90</u>	<u>(131,672,246.06)</u>		<u>(131,672,246.06)</u>
Business-Type Activities:						
Food Service	<u>4,836,530.94</u>	<u>229,706.96</u>	<u>4,604,470.09</u>		<u>(2,353.89)</u>	<u>(2,353.89)</u>
Total Business-Type Activities	<u>4,836,530.94</u>	<u>229,706.96</u>	<u>4,604,470.09</u>		<u>(2,353.89)</u>	<u>(2,353.89)</u>
Total Primary Government	<u>\$ 176,550,851.90</u>	<u>\$ 229,706.96</u>	<u>\$ 44,646,544.99</u>	<u>\$ (131,672,246.06)</u>	<u>\$ (2,353.89)</u>	<u>\$ (131,674,599.95)</u>
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				\$ 17,459,529.00	\$	\$ 17,459,529.00
Federal and State Aid Not Restricted				115,908,984.47		115,908,984.47
Tuition received				191,110.87	11,661.61	202,772.48
Investment Earnings				1,368,317.57		1,368,317.57
Miscellaneous Income and Adjustment						
Total General Revenues, Special Items, Extraordinary Items and Transfers				<u>134,927,941.91</u>	<u>11,661.61</u>	<u>134,939,603.52</u>
Net Position				3,255,695.85	9,307.72	3,265,003.57
Net Position - Beginning				6,672,432.46	1,520,303.65	8,192,736.11
Net Position - Ending				<u>\$ 9,928,128.31</u>	<u>\$ 1,529,611.37</u>	<u>\$ 11,457,739.68</u>

The accompanying notes to financial statements are an integral part of this statement.

B. FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

**IRVINGTON TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018**

B-1

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 20,273,877.70	\$ 1,478,579.27	\$ 21,752,456.97
Accounts Receivable - Other		1,633,262.34	1,633,262.34
Intergovernmental Accounts Receivable:			
State	1,145,102.14	6,877.93	1,151,980.07
Federal		1,167,597.95	1,167,597.95
Local	5,819,843.02		5,819,843.02
Interfunds Receivable	1,190,737.76		1,190,737.76
Total Assets	<u>\$ 28,429,560.62</u>	<u>\$ 4,286,317.49</u>	<u>\$ 32,715,878.11</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 2,772,940.52	\$ 740,439.40	\$ 3,513,379.92
Loans Payable	11,291,469.34	1,687,603.66	12,979,073.00
Interfunds Payable	717.50		717.50
Intergovernmental Accounts Payable:			
State		38,482.55	38,482.55
Accrued Liability for Insurance Claims	1,116,627.73		1,116,627.73
Deferred Inflows		1,819,791.88	1,819,791.88
Total Liabilities	<u>15,181,755.09</u>	<u>4,286,317.49</u>	<u>19,468,072.58</u>
Fund Balances:			
Restricted :			
Assigned for Other Purposes	702,574.49	29,600.00	732,174.49
Excess Surplus - Designated for Subsequent Year's Expenditures	8,112,492.00		8,112,492.00
Excess Surplus	10,666,470.21		10,666,470.21
Assigned for Maintenance Reserve	1,500,000.00		1,500,000.00
Deficit	(7,733,731.17)	(29,600.00)	(7,763,331.17)
Total Fund Balances	<u>13,247,805.53</u>		<u>13,247,805.53</u>
Total Liabilities and Fund Balances	<u>\$ 28,429,560.62</u>	<u>\$ 4,286,317.49</u>	<u>\$ 32,715,878.11</u>
Total shown above			\$ 13,247,805.53
Amounts reported for <i>governmental activities</i> 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 fund. The cost of the assets is \$82,803,561.89 and the accumulated depreciation is \$41,051,986.41 (See Note 5).			41,751,575.48
Certain Liabilities are not due and payable in the current period, and therefore are not reported in the funds: Accrued Pension Liability			420,450.00
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (See Note 6).			(6,117,595.70)
Long-term liabilities, including net pension liability, are not due and payable in the current period and therefore are not reported as liabilities in the funds (See Note 6).			<u>(39,374,107.00)</u>
Net Position of Governmental Activities			<u>\$ 9,928,128.31</u>

**IRVINGTON TOWNSHIP SCHOOL DISTRICT
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

B-2

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<u>REVENUES</u>			
Local Sources:			
Local Tax Levy	\$ 17,459,529.00	\$	\$ 17,459,529.00
Miscellaneous	1,559,428.44		1,559,428.44
Total - Local Sources	<u>19,018,957.44</u>		<u>19,018,957.44</u>
State Sources	130,494,389.29	6,857,148.94	137,351,538.23
Federal Sources	327,063.56	17,941,777.67	18,268,841.23
Local Sources		15,641.58	15,641.58
Total Revenues	<u>149,840,410.29</u>	<u>24,814,568.19</u>	<u>174,654,978.48</u>
<u>EXPENDITURES</u>			
Current:			
Regular Instruction	34,536,684.54	6,678,004.53	41,214,689.07
Special Education Instruction	5,980,812.70		5,980,812.70
Other Special Instruction			
Vocational Education			
Other Special Education	1,651,741.19		1,651,741.19
Other Instruction	1,283,047.00		1,283,047.00
Support Services and Undistributed Costs:			
Tuition	16,826,370.21		16,826,370.21
Student Instruction Related Services	12,764,840.53	17,269,042.19	30,033,882.72
School Administrative Services	3,432,429.30		3,432,429.30
General Administrative Services	3,193,338.13		3,193,338.13
Plant Operations and Maintenance	11,959,289.03		11,959,289.03
Pupil Transportation	5,188,513.53		5,188,513.53
Unallocated Benefits	35,986,188.21		35,986,188.21
Charter Schools	13,459,851.00		13,459,851.00
Capital Outlay	824,226.71	156,983.93	981,210.64
Total Expenditures	<u>147,087,332.08</u>	<u>24,104,030.65</u>	<u>171,191,362.73</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>2,753,078.21</u>	<u>710,537.54</u>	<u>3,463,615.75</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfer - Contribution to Special Revenue Fund - EPCA	(435,999.72)	435,999.72	
Transfer - Contribution to School Based Budget	1,146,537.26	(1,146,537.26)	
Total Other Financing Sources and (Uses)	<u>710,537.54</u>	<u>(710,537.54)</u>	
Net Change in Fund Balances	3,463,615.75		3,463,615.75
Fund Balance - July 1	<u>9,784,189.78</u>		<u>9,784,189.78</u>
Fund Balance - June 30	<u>\$ 13,247,805.53</u>	<u>\$ -</u>	<u>\$ 13,247,805.53</u>

**IRVINGTON 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**

B-3

Total Net Change in Fund Balances - Governmental Funds (from B-2)	\$ 3,463,615.75
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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	\$ (128,896.45)	
Capital Outlays	981,210.64	852,314.19

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures exceed the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation. (+)

(1,606,159.41)

Net pension obligation related to PERS and ERFEC which is attributable to June 30, 2018 not reported in governmental funds; however, it is reported in the statement of activities.

545,925.32

Change in Net Position of Governmental Activities	<u>\$ 3,255,695.85</u>
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PROPRIETARY FUNDS

**IRVINGTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2018**

B-4

**Business-Type
Activities
Enterprise Funds
Food
Service**

ASSETS

Current Assets:

Cash and Cash Equivalents

\$ 1,838,365.79

Other Accounts Receivable

17,549.00

Intergovernmental Accounts Receivable:

State

3,216.13

Federal

273,534.98

Inventories

86,277.23

Total Current Assets

2,218,943.13

Noncurrent Assets:

Furniture, Machinery and Equipment

1,098,168.46

Less Accumulated Depreciation

(951,413.97)

Total Noncurrent Assets

146,754.49

Total Assets

\$ 2,365,697.62

LIABILITIES

Current Liabilities:

Accounts Payable

\$ 351,234.13

Interfunds Payable

484,852.12

Total Current Liabilities

836,086.25

NET POSITION

Investment in Capital Assets

146,754.49

Unrestricted

1,382,856.88

Total Net Position

\$ 1,529,611.37

**IRVINGTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

B-5

**Business-Type
Activities
Enterprise Fund
Food
Service**

Operating Revenues:	
Charges for Services:	
Daily Sales - Nonreimbursable Programs	\$ 163,395.21
Special Functions	46,064.75
Miscellaneous	20,247.00
Total Operating Revenues	<u>229,706.96</u>
Operating Expenses:	
Cost of Sales - Reimbursable Programs	2,051,112.53
Cost of Sales - Nonreimbursable Programs	39,147.35
Salaries	2,091,700.42
Employee Benefits	90,372.83
Purchased Property Service	25,109.81
Other Purchased Professional Services	250,414.77
Rentals	19,093.27
Other Purchased Services	108,570.94
Insurance	49,701.63
General Supplies	68,813.89
Depreciation	42,493.50
Total Operating Expenses	<u>4,836,530.94</u>
Operating Income (Loss)	<u>(4,606,823.98)</u>
Nonoperating Revenues (Expenses):	
State Sources:	
State School Lunch Program	48,681.83
Federal Sources:	
National School Lunch Program	2,573,226.45
School Breakfast Program	1,339,977.18
After School Snack Program	63,587.92
Fresh Fruit and Vegetables	172,276.20
Food Distribution Program	406,720.51
Interest and Investment Revenue	11,661.61
Total Nonoperating Revenues	<u>4,616,131.70</u>
Change in Net Position	9,307.72
Total Net Position - Beginning	<u>1,520,303.65</u>
Total Net Position - Ending	<u><u>\$ 1,529,611.37</u></u>

**IRVINGTON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

B-6

**Business-Type
Activities -
Enterprise Funds
Food
Service**

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from Customers	\$ 229,706.96
Payments to Employees	(2,091,700.42)
Payments for Employee Benefits	(90,372.83)
Payments to Suppliers	(2,617,381.79)
Net Cash (Used) for Operating Activities	<u>(4,569,748.08)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

State Sources	59,812.33
Federal Sources	5,122,051.77
Transfers In	513,548.58
Net Cash Provided by Noncapital Financing Activities	<u>5,695,412.68</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Purchases of Capital Assets	(25,685.00)
Net Cash (Used) by Capital and Related Financing Activities	<u>(25,685.00)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest and Dividends	11,661.61
Net Cash Provided by Investing Activities	<u>11,661.61</u>

Net Increase (Decrease) in Cash and Cash Equivalents	1,111,641.21
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Balances - Beginning of Year	<u>726,724.58</u>
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Balances - End of Year	<u><u>\$ 1,838,365.79</u></u>
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Reconciliation of Operating Income (Loss) to Net Cash

Provided (Used) by Operating Activities:

Operating Loss	\$(4,606,823.98)
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Provided by (Used for) Operating Activities:	
Increase in Other Accounts Receivable	(580.95)
Increase in Depreciation	42,493.50
(Increase)/Decrease in Inventory	(22,063.23)
Increase/(Decrease) in Accounts Payable	17,226.58
Total Adjustments	<u>37,075.90</u>

Net Cash (Used) for Operating Activities	<u><u>\$(4,569,748.08)</u></u>
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FIDUCIARY FUNDS

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

B-7

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Fund</u>	<u>Total Trust Fund</u>	<u>Agency Fund</u>
ASSETS:				
Cash and Cash Equivalents	\$ 215,396.43	\$	\$ 215,396.43	\$ 2,111,186.14
Other Accounts Receivable				42,187.46
Interfunds Receivable	<u>318,945.81</u>	<u>717.50</u>	<u>319,663.31</u>	<u>19,640.15</u>
Total Assets	<u>\$ 534,342.24</u>	<u>\$ 717.50</u>	<u>\$ 535,059.74</u>	<u>\$ 2,173,013.75</u>
LIABILITIES:				
Interfunds Payable	\$ 178.84	\$	\$ 178.84	\$ 818,966.41
Payable to Student Groups				34,380.83
Accounts Payable	21,495.79		21,495.79	
Payroll Deductions and Withholdings				<u>1,319,666.51</u>
Total Liabilities	<u>\$ 21,674.63</u>	<u>\$ -</u>	<u>21,674.63</u>	<u>\$ 2,173,013.75</u>
NET POSITION:				
Held in Trust for Unemployment Claims and Other Purposes	\$ 512,667.61	\$	\$ 512,667.61	
Reserved for Scholarships		<u>717.50</u>	<u>717.50</u>	
Total Net Position	<u>\$ 512,667.61</u>	<u>\$ 717.50</u>	<u>\$ 513,385.11</u>	

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

B-8

	<u>Unemployment Compensation Trust</u>	<u>Private Purpose Scholarship Fund</u>	<u>Total Trust Fund</u>
ADDITIONS:			
Contributions:			
Plan Member	\$ 205,559.56	\$	\$ 205,559.56
Interest Earned	1,903.48		1,903.48
Total Contributions	<u>207,463.04</u>		<u>207,463.04</u>
DEDUCTIONS:			
Unemployment Claims	176,533.49		176,533.49
Refunds of contributions	1,903.48		1,903.48
Total Deductions	<u>178,436.97</u>		<u>178,436.97</u>
Change in Net Position	29,026.07		29,026.07
Net Position - Beginning of the Year	<u>305,016.19</u>	<u>717.50</u>	<u>305,733.69</u>
Net Position - End of the Year	<u>\$ 334,042.26</u>	<u>\$ 717.50</u>	<u>\$ 334,759.76</u>

NOTES TO THE FINANCIAL STATEMENTS

IRVINGTON TOWNSHIP SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018

1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The Irvington Township School District (the "District") is a Type II District located in the County of Essex, State of New Jersey. As a Type I District, the District functions independently through a Board of Education (the "Board"). The Board is comprised of nine (9) members elected to three (3) year staggered terms. The purpose of the District is to educate students in grades K-12.

The Irvington Township School District had an approximate enrollment at June 30, 2018 of 6,789 students.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to insure that the financial statements of the School District are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For Irvington Township School District, this includes general operations, food service, and student related activities of the School District.

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Irvington Township School District have been prepared in conformity with generally accepted accounting principles 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 most significant of the School District's accounting policies are described below.

A. Basis of Presentation

The School District's basic financial statements consist of government-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.

1. Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Basis of Presentation (Continued)

1. Government-Wide Financial Statements (Continued)

The statement of net position presents the financial condition of the governmental activities of the School District at year-end. For the most part, the effect of interfund activity has been removed from these statements. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District. The financial statements have been prepared in conformity with GAAP and GASB.

2. Fund Financial Statements

During the year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance.

Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column.

B. Fund Accounting

The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

1. Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

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

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles in the United States of America (GAAP) 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting (Continued)

1. Governmental Funds (Continued)

General Fund (Continued)

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

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

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by a bond ordinance approved by a two-thirds majority of a municipality governing body.

Permanent Fund - The Permanent Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal. Resources are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting entity's programs - that is, for the benefit of the school district. The District presently has no resources that are considered permanent funds.

2. Proprietary Fund Type

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting (Continued)

2. Proprietary Fund Type (Continued)

Enterprise Fund (Continued)

Depreciation of all exhaustive capital assets used by Proprietary Funds is charged as an expense against their operations. Accumulated depreciation is reported on Proprietary Fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives in the operation of the Enterprise Funds are approximately 10 years.

Internal Service Funds - These funds may be used to report any activity that provides goods or services to other funds, departments or agencies of the primary entity and its component units, or to other governments, on a cost-reimbursement basis. In addition, internal service funds are used only if the reporting school district is the predominant participant in the activity. The District does not currently utilize any internal service funds.

3. Fiduciary Funds

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

Private Purpose Scholarship Funds

Expendable Trust Fund - An Expendable Trust Fund is accounted for in essentially the same manner as in fiduciary capacity, and do not involve measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. The Expendable Trust Fund includes the Unemployment Compensation Insurance Fund and Scholarship Funds.

Nonexpendable Trust Fund - A Nonexpendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal.

Unemployment Insurance Trust - The SUI Fund is an employee benefit trust fund which accounts for resources held and administered while acting in a fiduciary capacity for individuals or other government agencies. Assets are held in trust for members of the defined contribution plan.

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

4. Long-Term Debt

Long-term liabilities expected to be financed from Governmental Funds are accounted for in the Government-wide statements, not in the Governmental Funds. This includes serial bonds outstanding that are expected to be financed from Governmental Funds, the outstanding principal balance on capital leases, lease-purchase agreements, compensated absences and the outstanding principal on outstanding bonds. Because the District is a Type I District, all serial bonds are issued by the municipality.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus

1. Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets, plus deferred outflows of resources and liabilities plus deferred inflows of resources associated with the operation of the School District are included on the Statement of Net Position.

2. Fund Financial Statements

All Governmental Funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

All Proprietary Funds are accounted for on a flow of economic resources measurement focus. With this measurement, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total position) is segregated into contributed capital and retained earnings components. Proprietary Fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total position.

Fiduciary Funds are reported using the economic resources measurement focus.

D. Basis of Accounting

The modified accrual basis of accounting is used for measuring financial position and operating results of all Governmental Fund types, Expendable Trust Funds and Agency Funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. State equalization monies are recognized as revenue during the period in which they are appropriated. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

Ad Valorem (Property) Taxes are susceptible to accrual and 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 moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable".

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the General and Special Revenue Funds. The budgets are submitted to the county office for approval and are voted by the Board of School Estimate. Budgets are prepared using the modified accrual basis of accounting, except for the Special Revenue Fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year subject to the limitations of N.J.A.C. 6A:23A-2.3 (et seq.).

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

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

The following presents a reconciliation of the General Fund Revenue and Special Revenue Fund Revenue from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue and Debt Service Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgets/Budgetary Control (Continued)

Explanation of Differences Between Budgetary Inflows and Outflows and GAAP Revenue and Expenditures

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules.	\$ 149,848,903.18	\$ 24,844,168.19
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized.		(29,600.00)
State aid payment recognized per GAAP standards in the current year previously recognized for budgetary purposes.	11,282,976.61	
The last State aid payment is recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33).	<u>(11,291,469.50)</u>	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$ 149,840,410.29</u>	<u>\$ 24,814,568.19</u>
Uses/Outflows of Resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	\$ 147,087,332.08	\$ 24,844,168.19
Difference - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		(29,600.00)
Transfer to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.		
Net transfers (inflows) from general fund.		435,999.72
Net transfers (outflows) to general fund.		<u>(1,146,537.26)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 147,087,332.08</u>	<u>\$ 24,104,030.65</u>

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Encumbrances

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

Open encumbrances in the Special Revenue Fund, for which the District has received advances, are reflected in the balance sheet as deferred revenues at fiscal year end.

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

G. Assets, Liabilities and Equity

1. Cash, Cash Equivalents and Investments

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

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

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under 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.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include savings and loan institutions, banks, (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

2. Inventories and Prepaid Expenses

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

Inventories in the Proprietary Funds are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2018.

3. Allowance for Uncollectible Accounts

No allowance for uncollectible accounts has been recorded.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Assets, Liabilities and Equity (Continued)

4. Tuition Receivable

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

5. Tuition Payable

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

6. Short-Term Interfund Receivables/Payables

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

7. Capital Assets

General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$2,000.00. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except for land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Asset Class</u>	<u>Estimated Lives</u>
School Buildings	50 - 100 years
Building Improvements	50 - 100 years
Vehicles	10 years
Furniture and Equipment	20 years

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net 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. In addition to liabilities, the statement of net 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 future periods and so will not be recognized as an inflow of resources (revenue) until that time.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Assets, Liabilities and Equity (Continued)

9. Compensated Absences

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

The entire sick leave and vacation leave liabilities are reported on the government-wide financial statements.

For Governmental Fund financial statements, the current portion of unpaid compensated absences is in the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

In proprietary and similar trust funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

10. Accrued Liabilities and Noncurrent Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, 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 governmental funds. However, the noncurrent portion of capital leases, compensated absences and loans payable that will be paid from Governmental Funds are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable, available financial resources.

11. Net Position

The District has implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. This statement defines net position as the residual of all other elements presented in a statement of financial position. It is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. This Statement provides guidance for reporting net position within a framework that includes deferred outflows of resources and deferred inflows of resources, in addition to assets and liabilities.

The District has implemented GASB No. 65, *Items Previously Reported as Assets and Liabilities*. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Assets, Liabilities and Equity (Continued)

11. Net Position (Continued)

Net position is displayed in three components - net investment in capital assets; restricted and unrestricted.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

12. Unearned Revenue

Unearned revenue in all funds represents cash that has been received but not yet earned. Unearned revenue in the Special Revenue Fund represents funds collected for future programs.

13. Fund Balances

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* ("GASB 54") established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Under GASB 54, fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five (5) categories, as defined below:

- a. **Nonspendable** - Includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, noncurrent receivables and corpus of any permanent funds.
- b. **Restricted** - includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers or through enabling legislation.
- c. **Committed** - includes amounts that can be used only for the specific purposes imposed by a formal action of the government's highest level of decision-making authority. The District's highest level of decision-making authority is the Board of Education (the "Board") and formal action is taken by resolution of the Board at publicly held meetings. Once committed, amounts cannot be used for other purposes unless the Board revised or changes the specified use by taking the same action (resolution) taken to originally commit these funds.
- d. **Assigned** - amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Interest is expressed by the Business Administrator, to whom the Board has delegated the authority to assign amounts to be used for specific purposes, including the encumbering of funds.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Assets, Liabilities and Equity (Continued)

13. Fund Balances (Continued)

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

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. For the unrestricted fund balance, the District first spends committed funds, then assigned funds, and finally, unassigned funds.

14. Proprietary Funds Revenues and Expenses

Proprietary Funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a Proprietary Fund's principal ongoing operations. The principal operating revenues of the School District Enterprise Fund, (the Food Service) are charges to customers for sales of food service. Operating expenses for Enterprise Funds include the cost of sales, services, administrative expense and depreciation on Capital Assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

15. Rebatable Arbitrage

Rebatable arbitrage results from investing the proceeds of borrowed funds either directly or indirectly into investments that are higher in yield than the bond yield incurred on the borrowed funds. In accordance with GASB 34, rebatable arbitrage is treated like a claim or judgment. All interest income is reported as revenue of the Capital Projects Fund. The liability, if any, is recorded in the "Statement of Net Position".

16. Non-Monetary Transactions

Commodities received under the Federal Food Distribution Program are received by the District and are recorded as nonoperating revenue when received in the Food Service Enterprise Fund at market value. The use of the commodities is included in cost of sales.

17. On-Behalf Payments

Revenues and expenditures of the general fund include payments made by the State of New Jersey social security and post-retirement medical pension contributions for the certified teachers and other members of the New Jersey Teachers' Pension and Annuity Fund. The amounts are not required to be included in the District's annual budget.

18. Allocation of 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. Employee benefits, including the employer's share of social security, worker's compensation and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the direct expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is reported separately on the Statement of Activities. No expenses were allocated as "Indirect Expenses".

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Assets, Liabilities and Equity (Continued)

19. Accounting and Financial Reporting for Pensions

The district implemented GASB 68 which amends Statement amends GASB Statement No. 27. It improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities.

The District has also implemented GASB Statement 71, Pension Transition for Contributions made Subsequent to the Measurement Date-an amendment to GASB No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Statement 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events.

20. Accounting and Financial Reporting for Other Post-Retirement Benefits ("OPEB")

In 2018 the District implemented GASB #75 which addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, revenues and expense/expenditures. The Statement GASB #45 supersedes Accounting and Financial Reporting for Post-Employment Benefits with other than Pension.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Assets, Liabilities and Equity (Continued)

20. Accounting and Financial Reporting for Other Post-Retirement Benefits ("OPEB") (Continued)

The participating local education employer allocations included in the supplemental Schedule of special funding amounts by employer are provided as each local education employer is required to record in their financial statements, as an expense and corresponding revenue, their respective situation and to include their respective amount of total OPEB liability in their notes to their financial statements.

21. Management Estimates

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

22. Extraordinary and Special Items

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

H. Other Accounting Standards

The District is currently reviewing the following for applicability and potential impact on the financial statements:

- GASB Statement No. 83. *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. The District does not expect this Statement to impact its financial statements.

- GASB Statement No. 84. *Fiduciary Activities*. This objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify component units and postemployment benefit arrangements that are fiduciary activities.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The District does not expect this Statement to impact its financial statements

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Other Accounting Standards (Continued)

- *GASB Statement No. 87. Leases.* The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

- *GASB Statement No. 88. Certain Disclosure Related to Debt, including Direct Borrowings and Direct Placements.* The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. The District does not expect this Statement to impact its financial statements.

- *GASB Statement No. 89. Accounting for Interest Cost Incurred before the End of a Construction Period.* The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encourage. The requirements of this Statement should be applied prospectively. The District does not expect this Statement to impact its financial statements.

- *GASB Statement No. 90. Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 61.* The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis. The District does not expect this Statement to impact its financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. Subsequent Events

Management has reviewed and evaluated all events and transactions from June 30, 2018 through February 25, 2019, the date that the financial statements are issued for possible disclosure and recognition in the financial statements, and one item had come to the attention of the District that would require disclosure.

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

Investments are stated at cost, which approximates market. The District classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments. The District is in compliance with GASB Statement No. 3 as amended by GASB Statement No. 40.

A. Deposits

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

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

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

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

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

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

	<u>Cash and Cash Equivalents</u>
Reconciliation by Fund:	
Governmental	\$ 21,752,456.97
Proprietary	1,838,365.79
Fiduciary	<u>2,326,582.57</u>
	<u>\$ 25,917,405.33</u>
Allocation of Cash and Cash Equivalents:	
Unrestricted	\$ 22,090,822.76
Restricted	1,500,000.00
Fiduciary	<u>2,326,582.57</u>
	<u>\$ 25,917,405.33</u>

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

Risk Analysis – All of the balances were covered by either federal depository insurance or Governmental Unit Deposit Protection Act ("GUDPA") as of June 30, 2018 and are considered to have minimal custodial risk. Obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government are not considered to have concentration of credit risk.

B. Investments

New Jersey Statutes permit the District to purchase the following types of securities:

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury bills, notes and bonds.
- Government money market mutual funds.
- Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- Bonds or other obligations of the school district or local unit of which the school district is a part.
- Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments, New Jersey State Department of Treasury.
- Local government investment pools.
- New Jersey State Cash Management Fund.
- Repurchase agreements of fully collateralized securities, subject to special conditions.

The District had no securities as of June 30, 2018 that would be considered investments as defined by GASB No. 3 as amended by GASB No. 40.

4. INTERGOVERNMENTAL ACCOUNTS RECEIVABLE

Intergovernmental Accounts Receivable at June 30, 2018 consisted of Federal source, State source, and other revenue. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	<u>Governmental Fund Financial Statements</u>	<u>Business- Type Activities</u>
General Fund:		
Local Aid:		
General Fund:		
District Taxes	<u>\$ 5,819,843.02</u>	
State Aid:		
General Fund:		
Extraordinary Aid	\$ 960,231.00	
TPAF FICA Reimbursement	<u>184,871.14</u>	
	<u>\$ 1,145,102.14</u>	
Special Revenue Fund:		
State Source	<u>\$ 6,877.93</u>	
Federal Source	<u>\$ 1,167,597.95</u>	
Proprietary Fund:		
Enterprise Fund:		
State Source		<u>\$ 3,216.13</u>
Federal Source		<u>\$ 273,534.98</u>

5. CAPITAL ASSETS

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

	Balance June 30, 2017	Additions	Retirements	Balance June 30, 2018
Land	\$ 656,300.00	\$	\$	\$ 656,300.00
Site Improvements and Buildings	71,031,026.68			71,031,026.68
Machinery and Equipment	10,108,875.25	1,007,359.96		11,116,235.21
Total Historical Cost	81,796,201.93	1,007,359.96	-	82,803,561.89
Less: Accumulated Depreciation	(40,923,089.96)	(128,896.45)		(41,051,986.41)
Governmental Assets Net Capital Assets	<u>\$ 40,873,111.97</u>	<u>\$ 878,463.51</u>	<u>\$ -</u>	<u>\$ 41,751,575.48</u>
<u>Business-Type Activities</u>				
Machinery and Equipment	\$ 1,072,483.46	\$ 25,685.00	\$	\$ 1,098,168.46
Less: Accumulated Depreciation	(908,920.47)	(42,493.50)		(951,413.97)
Business-Type Activities Capital Assets, Net	<u>\$ 163,562.99</u>	<u>\$ (16,808.50)</u>	<u>\$ -</u>	<u>\$ 146,754.49</u>

6. LONG-TERM LIABILITIES AND DEBT

During the fiscal year ended June 30, 2018, the following changes occurred in liabilities:

	Beginning Balance	Additions	Retirements	Ending Balance	Due One Year	Long-Term Portion
<u>Governmental Activities</u>						
Compensated Absences Payable	\$ 4,511,436.29	\$ 1,606,159.41	\$ -	\$ 6,117,595.70	\$ -	\$ 6,117,595.70
Net Pension Liability	51,568,158.00		12,194,051.00	39,374,107.00		39,374,107.00
	<u>\$ 56,079,594.29</u>	<u>\$ 1,606,159.41</u>	<u>\$ 12,194,051.00</u>	<u>\$ 45,491,702.70</u>	<u>\$ -</u>	<u>\$ 45,491,702.70</u>

A. Bonds and Loans Payable Currently Outstanding are Summarized as Follows

The Irvington Township School District is a Type II School District. There are no bonds issued for the School District by the Municipality. However, there are bonds outstanding previously issued and reported by the Municipality when the school district was a Type I.

B. Debt Service Requirements

As of June 30, 2018, there were no Bonds outstanding.

6. LONG-TERM LIABILITIES AND DEBT (Continued)

C. Bonds Authorized but Not Issued

As of June 30, 2018, there were no Bonds outstanding.

D. Notes Issued

As of June 30, 2018, there were no Notes outstanding.

7. PENSION PLANS

Description of Plan

All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both systems will be assumed by the State of New Jersey should the systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees' Retirement System and the Teachers' Pension and Annuity Fund.

Teachers' Pension and Annuity Fund (TPAF)

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contribution, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

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

The following represents the membership tiers for TPAF:

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

7. PENSION PLANS (Continued)

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

Service retirement benefits of $1/55^{\text{th}}$ of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of $1/60^{\text{th}}$ of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 or more years of service credit before age 62, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Public Employees' Retirement System (PERS)

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

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

The following represents the membership tiers for PERS:

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

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

7. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Funding Policy - The contribution policy is set by New Jersey Statutes and contributions are required by active members and contributing members. Plan member and employer contributions may be amended by State of New Jersey legislation. Under the provisions of Chapter 78, P.L. 2011, employee contribution rates for TPAF and PERS increased from 5.5% to 6.5% of employees' annual compensation. An additional increase is to be phased in over the next seven years that will bring the total pension contribution rate to 7.5% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate in both the 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 the 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 non-employer contributing entity. Since the local participating employers do not contribute directly (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 non-employer contributing entities total proportionate share of the net pension liability that is associated with the local participating employer.

Employee Pension Fund of Essex County

The Employee Pension Fund of Essex County was established under N.J.S.A. 18A:66-94 et seq. for board of education employees of first-class counties which has been a closed Pension System since 1980. The law does the following:

- 1) Contributions by the members at 3% the salary contributions from members of the Board of Education Employees' Pension Fund of Essex County.
- 2) Interest charged for loans are 4% to members of the fund, however loans granted are not to exceed 50% of a member's accumulated contributions.
- 3) Allows a member with an outstanding loan from the retirement system upon retirement to repay the balance by deductions from the member's pension not exceeding 20% of each periodic benefit payment.
- 4) Increases the value, for the purpose of calculating most pensions under the fund, of each year of service credited in the fund from one-fiftieth of the average annual compensation received in any three years of creditable service providing the largest possible benefit to one-forty-fifth of such average annual compensation. This change applies to pensions payable upon retirement for service, age or ordinary disability, deferred retirement, and early retirement.

Funding Policy

Three-Year Trend Information for PERS

<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Cost to District</u>
June 30, 2018	\$ 1,579,022.73	100%	\$ 1,579,022.73
June 30, 2017	1,560,034.51	100%	1,560,034.51
June 30, 2016	1,457,631.00	100%	1,457,631.00

7. PENSION PLANS (Continued)

Funding Policy (Continued)

Three-Year Trend Information for TPAF (Paid On-Behalf of the District)

<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Long-Term Disability Insurance</u>	<u>Post- Retirement Medical Benefits</u>
\$ 7,395,144.00	100%	\$ 11,710.00	\$ 4,776,366.00
5,495,485.00	100%	12,709.00	4,578,989.00
3,836,952.00	100%		4,568,750.00

During the fiscal year ended June 30, 2017, the State of New Jersey contributed \$7,395,144.00 to the TPAF for pension, \$11,710.00 for long-term disability insurance and \$4,776,366.00 for post-retirement medical benefits On-Behalf of the District. Also in accordance with N.J.S.A. 18A:66-66, the State of New Jersey reimbursed the District \$3,882,208.18 during the year ended June 30, 2018 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 24.

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

Public Employees' Retirement System (PERS)

The information for PERS was abstracted from State of New Jersey Public Employees' Retirement System Schedules of Employer Allocations and Schedules of Pension Amounts by Employer as of June 30, 2017 and June 30, 2016 Independent Auditor's Report dated April 27, 2018 and April 6, 2017, respectively.

At June 30, 2018, the District reported a liability of \$39,374,107.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018 (the *Measurement Date*), and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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 school districts, actuarially determined.

	<u>June 30,</u>	
	<u>2017</u>	<u>2016</u>
District Proportionate Share	0.1674053737%	0.1724852134%
Difference - Increase/(Decrease)	(0.0050798397%)	

7. PENSION PLANS (Continued)

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

Public Employees' Retirement System (PERS)

For the year ended June 30, 2018, the District recognized pension income of \$230,887.00. 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 Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Change in Assumption	\$ 7,850,970.00	7,822,187.00
Difference Between Expected and Actual Experience	917,562.00	
Changes in Proportion	374,327.00	1,115,041.00
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	265,355.00	
District Contributions Subsequent to the Measurement Date	<u>1,550,832.00</u>	
Total	<u>\$ 10,959,046.00</u>	<u>\$ 8,937,228.00</u>

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

<u>Year Ended June 30</u>	<u>Amount</u>
2018	917,374.97
2019	1,384,341.07
2020	838,839.92
2021	(1,115,659.25)
2022	(813,166.65)

Additional Information:

Collective balances are as follows:

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Collective Deferred Outflows of Resources	\$ 6,424,455,842	\$ 8,685,338,380
Collective Deferred Inflows of Resources	5,700,625,981	870,131,595
Collective Net Pension Liability	23,278,401,588	29,617,131,759
Collective Total Pension Expenses	1,694,305,613	2,830,763,540

7. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (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 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 Rates

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

The actuarial assumptions used in the July 1, 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) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2017 are summarized in the following table:

7. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Long-Term Rate of Return (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00 %	5.51 %
Cash Equivalents	5.50	1.00
U.S. Treasuries	3.00	1.87
Investment Grade Credit	10.00	3.78
Public High Yield	2.50	6.82
Global Diversified Credit	5.00	7.10
Credit oriented Hedge Funds	1.00	6.60
Debt related Private Equity	2.00	10.63
Debt related Real Estate	1.00	6.61
Private Real Asset	2.50	11.83
Equity related Real Estate	6.25	9.23
U.S. Equity	30.00	8.19
Non-U.S. Developed Markets Equity	11.50	9.00
Emerging Market Equities	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% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 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 [measurement dates] 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:

	<u>June 30, 2017</u>		
	<u>1% Decrease 4.00%</u>	<u>At Current Discount Rate 5.00%</u>	<u>1% Increase 6.00%</u>
District's Proportionate Share of the Pension Liability	\$ 48,344,054	\$ 38,969,294	\$ 31,158,957

7. PENSION PLANS (Continued)

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) or by visiting their website at www.state.nj.us/treasury/pensions/pers1.

Teachers' Pensions and Annuity Fund (TPAF)

Data for the TPAF was abstracted from the State of New Jersey Teachers' Pension and Annuity Fund Schedules of Employer and Nonemployer Allocations and Schedules of Pension Amounts by Employer and Nonemployer as of June 30, 2017 and June 30, 2016 Independent Auditor's Reports dated June 13, 2018 and July 13, 2017, respectively.

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, 2017 was as follows:

Net Pension Liability:	
State's Proportionate Share Associated with the District	<u>\$ 329,413,580.00</u>

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The 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 and June 30, 2016, the proportion of the TPAF net pension liability associated with the District is as follows.

	June 30,	
	<u>2017</u>	<u>2016</u>
District Proportionate Share	0.4885730683%	0.4792363285%
Difference - Increase	0.0093367398%	

For the year ended June 30, 2017, the District recognized on-behalf pension expense and revenue of \$22,820,105.00 for contributions provided by the State.

7. PENSION PLANS (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	2.25%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.00%

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

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

Long-Term Expected Rate of Return

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

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

7. PENSION PLANS (Continued)

Teachers' Pensions and Annuity Fund (TPAF) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 4.25% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017, based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the 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

The following presents the proportionate share of the net pension liability associated with the District as of June 30, 2018 (measurement date June 30, 2017) calculated using the discount rate as disclosed above as well as what the State's proportionate share of the net pension liability associated with the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease <u>3.25%</u>	At Current Discount Rate <u>4.25%</u>	1% Increase <u>5.25%</u>
State's proportionate share of the net pension liability associated with the District	\$ 395,785,043	\$ 330,618,412	\$ 279,405,270

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued TPAF financial report.

Additional Information

Collective balances of the Local Group are as follows:

	June 30,	
	<u>2017</u>	<u>2016</u>
Deferred Outflows of Resources	\$ 14,251,854,934	\$ 17,440,003,201
Deferred Inflows of Resources	11,807,238,433	195,027,919
Net Pension Liability	67,423,605,859	78,666,367,052
Total Expenses - Non-employer	4,682,493,081	5,915,082,656

Employee Pension Fund of Essex County

At June 30, 2018, the District reported a liability of \$404,812.00 for its proportionate share of the net pension liability. The net pension liability was determined by an actuarial valuation as of the date 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 projected contribution of all participating school district actuarially determined. As of June 30, 2018, the District's proportionate share was 1.2881233%. The Deferred Outflows of Resources was reported as \$14,390.00 and required pension expense was \$20,747.00.

7. PENSION PLANS (Continued)

Employee Pension Fund of Essex County (Continued)

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2017, using the following actuarial assumptions, applied to all periods included in the measurement:

Salary increases	4.50%
Investment rate of return	6.50%, net of pension plan investment Expense, including inflation
Cost-of-living adjustments	2.00%

For active members, inactive members and healthy retirees, mortality rates were based on the RP- 2000 separate annuitant and nonannuitant tables with static projections using Scale AA through the valuation year plus 7 years for annuitants and the valuation year plus 15 years for nonannuitants. For disabled retirees, mortality rates are based on the 1994 Group Annuity Mortality Table, set forward 10 years.

The actuarial assumptions are the same as the assumptions used in the June 30, 2017 funding actuarial valuation.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan'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>
U.S. Large Cap Equity	50%	6.71%
U.S. Small Cap Equity	10%	6.71%
U.S. Fixed Income	<u>40%</u>	2.11%
Total	<u>100%</u>	

**Net of 2.0% inflation assumption. Expected rates are presented as arithmetic means.*

Discount rate: The discount rate used to measure the total pension liability was 6.50% as of June 30, 2017. The projection of cash flows used to determine the discount rate assumed that contributions will be made at the actuarially determined amount, including the reimbursement of administrative expenses and COLA payments. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

7. PENSION PLANS (Continued)

Employee Pension Fund of Essex County (Continued)

Actuarial Assumptions (Continued)

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the school districts calculated using the discount rate of 6.50%, as well as what the school districts' net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.50%) or one percentage point higher (7.50%) than the current rate:

	1% Decrease (5.50%)	Current Discount (6.50%)	1% Increase (7.50%)
District's Proportionate Share of the Net Pension Liability	\$ 514,707	\$ 368,148	\$ 240,553

8. DEFINED CONTRIBUTION RETIREMENT PROGRAM

Description of System

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waive participation in the DCRP for that office or position. This waiver is irrevocable.

As of May 21, 2010, the minimum base salary required for eligibility in the DCRP was increased to \$5,000.00.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee and employer and through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment options provided by the employer.

The law required that three classes of employees enroll in the DCRP, detailed as follows:

- All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may remain in the Public Employees' Retirement System (PERS).
- A Governor appointee with the advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.
- Employees enrolled in the PERS on or after July 1, 2007 who earn salary in excess of established "maximum compensation" limits.
- Employees otherwise eligible to enroll in the PERS on or after November 2, 2008 who do not earn the minimum salary for PERS Tier 3, but who earn salary of at least \$5,000.00.
- Employees otherwise eligible to enroll in the PERS after May 21, 2010, who do not work the minimum number of hours per week required for PERS Tier 4 or Tier 5 enrollment (32 hours per week) but who earn salary of at least \$5,000.00 annually.

Notwithstanding the foregoing requirement, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain to join or remain in PERS.

9. POST-RETIREMENT BENEFITS ("OPEB")

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis.

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

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

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

TPAF participant retirees – There were 112,966 retirees receiving post-retirement medical benefits and the State contributed \$1.39 billion on their behalf.

PERS participant retirees – The State paid \$238.9 million toward Chapter 126 benefits for 20,913 eligible retired members in fiscal year 2017

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

<u>Fiscal Year Ended June 30,</u>	<u>Post- Retirement Medical</u>
2018	\$ 4,776,366.00
2017	4,578,989.00
2016	4,568,750.00

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. The District is required to record in their financial statements, as an expense and corresponding revenue, their respective amount of total OPEB expense attributable to the State of New Jersey under the special funding situation. Accordingly, the following OPEB liability note information is derived from reports provided by the State of New Jersey Division of Pension and Benefits and is reported at the board of education level. Note that actual numbers are published in the NJ State's CAFR:

(<https://www.nj.gov/treasury/omb/publications/archives.shtml>).

9. POST-RETIREMENT BENEFITS ("OPEB") (Continued)

The portion of the PERS and TPAF OPEB Liability that was associated with the District recognized at June 30, 2017 was as follows:

Net OPEB Liability:	
State's Proportionate Share Associated	
with the District	\$ 204,618,778.00

The proportion of the PERS and TPAF Net OPEB Liability associated with the District's liability is as follows:

June 30,	
<u>2017</u>	<u>2016</u>
0.38146789943%	0.38000983906%

Total Nonemployer OPEB Liability

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 actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%	
	<u>TPAF/ABP</u>	<u>PERS</u>
	(Based on Years	Based on
	of Service)	Age
Salary increases:		
Through 2026	1.55 - 4.55%	2.15 - 4.15%
Thereafter	2.00 - 5.45%	3.15 - 5.15%

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

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%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Discount Rate

The discount rate for June 30, 2017 was 3.58%. 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.

9. POST-RETIREMENT BENEFITS ("OPEB") (Continued)

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

The following represents 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		
At 1% Decrease (2.58%)	At Discount Rate (3.58%)	At 1% Increase (4.58%)
\$ 242,897,252	\$ 204,618,778	\$ 174,255,929

Sensitivity of Total Nonemployer OPEB Liability to Changes in the Healthcare Trend Rate

The following represents the total nonemployer OPEB associated with the District liability 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 healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

June 30, 2017		
1% Decrease	Healthcare Cost Trend Rate	1% Increase
\$ 168,279,164	\$ 204,618,778	\$ 252,877,357

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2015 - June 30, 2016.

Shown below are details regarding the Total OPEB Liability for the measurement period from June 30, 2016 to June 30, 2017:

	Total OPEB Liability
Balance as of June 30, 2016 Measurement Date	\$ 219,766,470
Changes Recognized for the Fiscal Year:	
Service Cost	\$ 9,337,104
Interest on the Total OPEB Liability	6,464,859
Changes of Assumptions	(26,384,767)
Gross Benefit Payments	(4,739,405)
Contributions from the Member	174,517
Net Changes	(15,147,692)
Balance as of June 30, 2017 Measurement Date	\$ 204,618,778

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

9. POST-RETIREMENT BENEFITS ("OPEB") (Continued)

Sensitivity of Total Nonemployer OPEB Liability to Changes in the Discount Rate (Continued)

The components of the Net OPEB Liability associated with the District as of June 30, 2017 are as follows:

	Measurement Date <u>June 30, 2017</u>
Total OPEB Liability	\$ 204,618,778
Plan Fiduciary Net Position	None
Net OPEB Liability	\$ 204,618,778
Net Position as a Percentage of OPEB Liability	0.00%
OPEB Expense	\$ 13,064,291

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

For the year ended June 30, 2018, the board of education recognized OPEB expense of \$13,064,291 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

In accordance with GASBS No. 75, the District 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. At June 30, 2017, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

The following table illustrates the Deferred Inflows and Outflows as of June 30, 2017 under GASB 75 prior to any reduction due to the Fiscal Year 2018 amortizations.

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Assumption Changes	\$ -	\$ (24,199,442)
Changes in Proportion	666,295	
Total	<u>666,295</u>	<u>(24,199,442)</u>

Amount recognized in the deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the OPEB (revenue) expense as follows:

Measurement Period Ending June 30,	
2018	\$ (2,546,462)
2019	(2,546,462)
2020	(2,546,462)
2021	(2,546,462)
2022	(2,546,462)
Total Thereafter	(11,162,484)

9. POST-RETIREMENT BENEFITS ("OPEB") (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued TPAF financial report.

Additional Information

Collective balances of the Local Education Group are as follows:

	June 30,	
	2017	2016
Deferred Outflows of Resources	\$ 99,843,255	N/A
Deferred Inflows of Resources	(6,443,612,287)	N/A
Net OPEB Liability	53,639,841,858	57,831,784,184
Total Expenses - Non-employer	3,348,490,523	4,450,317,484

Other

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

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

The liability for vested compensated absences of the Governmental Fund types is recorded in the Statement of Net Position. The current portion of the compensated absence balance of the Governmental Funds is not considered material to the applicable funds total liabilities, and therefore is not shown separately from the long-term liability balance of compensated absences.

11. DEFERRED COMPENSATION

The District offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the Great American Plan Administrators, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency.

12. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Interest</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017 - 2018	None	\$ 1,903.48	\$ 205,559.56	\$ 178,436.97	\$ 334,042.26
2016 - 2017	\$ 227,000.00	102.12	101,942.38	201,703.01	305,016.19
2015 - 2016	10,000.00	250.10	99,634.58	162,548.30	177,776.82

Worker's Compensation (Self-Insurance)

The Board of Education maintains self-insurance funds for workmen's compensation. Workmen's compensation claims are administered by Qual-Linx.

A reserve account has been established for Worker's Compensation. The IBNR reserve as of June 30, 2018 was \$1,116,627.73.

Medical Insurance

The Board of Education finances its employee medical insurance program, which includes prescription, drug and vision, under a Minimum Premium Payment Plan (the "Plan"). The Plan requires the Board to establish a Premium Stabilization Fund (the "Fund"), the purpose of which is to stabilize premium rates and provide a resource for the payment of excess claims. The Fund can be used to mitigate the effect on premiums of excess charges for claims against the Fund or to cover the cost of run-out health claims in the event the Board of education severs its relationship with the insurer.

13. INTERFUND BALANCES AND TRANSFERS

There were interfund balances on the balance sheet as at June 30, 2018:

General Fund:

Due to Enterprise Fund	\$ 484,852.12	\$ -
Due from Student Activity Agency	46,701.00	
Due to Agency Fund	659,184.64	
Due to Scholarship Fund		717.50
Subtotal	<u>1,190,737.76</u>	<u>717.50</u>

Proprietary Fund:

Due from General Fund		484,852.12
Subtotal		<u>484,852.12</u>

Fiduciary Funds:

Unemployment Compensation Fund:		
Due from Agency Fund	140,320.46	
Scholarship Fund:		
Due from General Fund	717.50	
Student Activity Fund		46,701.00
Agency Fund:		
Due from General Fund		659,184.64
Due to Unemployment Compensation Fund		140,320.46
Subtotal	<u>141,037.96</u>	<u>846,206.10</u>

Total	<u>\$ 1,331,775.72</u>	<u>\$ 1,331,775.72</u>
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The amount of transfers identified above is considered non-routine and is inconsistent with activities of the Fund.

14. CAPITAL RESERVE ACCOUNT

The District did not maintain a Capital Reserve Account as of June 30, 2018.

15. DEFICIT FUND BALANCES

The District has a deficit fund balance of \$7,733,731.17 in the General Fund as of June 30, 2018 as reported in the fund statements (modified accrual basis). P.L. 2003, c.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last state aid payments in the subsequent fiscal year, the school district cannot recognize the last state aid payments on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the last state aid payments, General Fund balance deficit does not alone indicate that the District is facing financial difficulties.

Pursuant to P.L. 2003, c. 97 any negative unreserved, undesignated General Fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The District deficit in the GAAP funds statements of \$7,733,731.17 is less than the last state aid payments.

16. FUND BALANCE APPROPRIATED

General Fund - Under the GAAP Basis the District has a General Fund balance in the amount of \$13,247,805.53 at June 30, 2018. If the District was able to realize the 19th and 20th state payments, the District would have the following, \$702,574.49 is assigned for other purposes (encumbrances); \$10,666,470.21 is restricted as excess surplus (from 2017-2018); \$8,112,492.00 is restricted - excess surplus a designated for subsequent years expenditures; \$1,500,000.00 is restricted as maintenance reserve; and \$3,569,472.59 is unassigned. The District received the 19th and 20th state aid payments in July 2018.

17. CONTINGENT LIABILITIES AND COMMITMENTS

- A. **Grant Programs** - The school district participates in federally and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The school district is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.
- B. **Litigation** - The Board Attorney's letter did not indicate any litigation, claims or contingent liabilities that are either not covered by the Board's insurance carrier or would have a material financial impact on the Board.

18. NET POSITION

Enterprise Fund

Operations of the Food Service Fund resulted in a net gain of \$9,307.72 in fiscal year 2018. This gain resulted in an increase to the net position to \$1,529,611.37 as of June 30, 2018.

19. CALCULATION OF EXCESS SURPLUS - BUDGETARY BASIS

In accordance with N.J.S.A. 18A:7F-7, as amended, the designation for Reserved 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 they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. There was excess fund balance as a result of the 2016-2017 school year of \$7,852,711.51 and 2017-2018 school year of \$10,666,470.21.

20. RECONCILIATION OF FUND BALANCE - GENERAL FUND

The Surpluses are presented on a GAAP Basis and a Reconciliation from the Budget Basis to the GAAP Basis is as follows:

	<u>Unassigned</u>
Balance on a Budget Basis on the General Fund Budgetary Basis Comparison	\$ 24,539,275.03
Less: Allocation of State Aid Payment Not Recognized on a GAAP Basis	<u>11,291,469.50</u>
Balances on a GAAP Basis on the Governmental Fund Balance Sheet	<u>\$ 13,247,805.53</u>

21. ECONOMIC DEPENDENCY

The District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, could have an effect on the District's programs and activities.

22. 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. 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.

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

The Irvington Township has ten long-term tax exemptions, as authorized by New Jersey State Statutes. N.J.S.A. 40A:20-1 et seq. sets forth the criteria and mechanism by which property taxes can and are abated. The latest user friendly budget indicates that the properties were assessed at \$53,562,700.00 with the amount of taxes being \$244,324.68. For the prior year, the properties were assessed at the same with the amount of taxes being the same.

23. SUBSEQUENT EVENT

Management has reviewed and evaluated all events and transactions from June 30, 2018 through February 25, 2019, the date that the financial statements are issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

C. BUDGETARY COMPARISON SCHEDULES

IRVINGTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 17,459,529.00	\$	\$ 17,459,529.00	\$ 17,459,529.00	\$
Miscellaneous	500,000.00	333,148.26	833,148.26	1,559,428.44	726,280.18
Total - Local Sources	17,959,529.00	333,148.26	18,292,677.26	19,018,957.44	726,280.18
State Sources:					
Equalization Aid	82,111,552.00	137,051.00	82,248,603.00	82,248,603.00	
Transportation Aid	1,164,430.00		1,164,430.00	1,164,430.00	
Special Education Categorical Aid	4,401,641.00		4,401,641.00	4,401,641.00	
Security Aid	2,533,865.00		2,533,865.00	2,533,865.00	
Adjustment Aid	22,051,380.00		22,051,380.00	22,051,380.00	
Extraordinary Aid	960,231.00		960,231.00	960,231.00	
Other State Aid	1,077,304.00		1,077,304.00	1,077,304.00	
TPAF - Medical (On-Behalf - Non-Budgeted)				4,776,366.00	4,776,366.00
TPAF - Pension (On-Behalf - Non-Budgeted)				7,395,144.00	7,395,144.00
TPAF Long-Term Disability Insurance (On-Behalf - Nonbudgeted)				11,710.00	11,710.00
TPAF Social Security (Reimbursement Nonbudgeted)				3,882,208.18	3,882,208.18
Total State Sources	114,300,403.00	137,051.00	114,437,454.00	130,502,882.18	16,065,428.18
Federal Sources:					
Medicaid Reimbursement	169,972.00		169,972.00	327,063.56	157,091.56
Total - Federal Sources	169,972.00		169,972.00	327,063.56	157,091.56
Total Revenues	132,429,904.00	470,199.26	132,900,103.26	149,848,903.18	16,948,799.92
EXPENDITURES					
Current Expense					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	2,083,404.00	(50,823.00)	2,032,581.00	1,842,575.08	190,005.92
Grades 1-5 - Salaries of Teachers	14,590,972.00	(204,011.50)	14,386,960.50	13,889,278.01	497,682.49
Grades 6-8 - Salaries of Teachers	6,441,853.00	(30,345.35)	6,411,507.65	6,132,009.23	279,498.42
Grades 9-12 - Salaries of Teachers	7,509,662.00	(324,349.11)	7,185,312.89	6,570,544.55	614,768.34
Regular Programs - Home Instruction:					
Salaries of Teachers	198,000.00	19,437.90	217,437.90	118,740.40	98,697.50
Purchased Professional-Educational Services	105,000.00	3,900.00	108,900.00	101,485.70	7,414.30
Other Purchased Services (400-500 series)	31,000.00		31,000.00	352.50	30,647.50
Regular Programs - Undistributed Instruction:					
Purchased Professional-Educational Services	3,231,240.00	1,718,026.00	4,949,266.00	4,949,266.00	
Other Purchased Services (400-500 series)	290,781.20	2,486.50	293,267.70	284,035.60	9,232.10
General Supplies	430,722.06	(2,363.00)	428,359.06	350,901.89	77,457.17
Textbooks	412,410.00	15,056.26	427,466.26	249,755.70	177,710.56
Other Objects	58,158.25	1,233.00	59,391.25	47,739.88	11,651.37
TOTAL REGULAR PROGRAMS - INSTRUCTION	35,383,202.51	1,148,247.70	36,531,450.21	34,536,684.54	1,994,765.67

**IRVINGTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities:					
Salaries of Teachers	\$ 2,201,601.00	\$ (18,439.87)	\$ 2,183,161.13	\$ 2,144,342.13	\$ 38,819.00
Total Learning and/or Language Disabilities	2,201,601.00	(18,439.87)	2,183,161.13	2,144,342.13	38,819.00
Behavioral Disabilities:					
Salaries of Teachers	65,078.00		65,078.00	44,925.97	20,152.03
Total Behavioral Disabilities	65,078.00		65,078.00	44,925.97	20,152.03
Multiple Disabilities:					
Salaries of Teachers	343,888.00	6,986.00	350,874.00	255,260.20	95,613.80
General Supplies	250.00		250.00	241.62	8.38
Textbooks	200.00		200.00		200.00
Total Multiple Disabilities	344,338.00	6,986.00	351,324.00	255,501.82	95,822.18
Resource Room/Resource Center:					
Salaries of Teachers	2,585,852.00	108,547.03	2,694,399.03	2,502,057.78	192,341.25
Total Resource Room/Resource Center	2,585,852.00	108,547.03	2,694,399.03	2,502,057.78	192,341.25
Autism:					
Purchased Professional-Educational Services	512,712.00		512,712.00	512,712.00	
Total Autism	512,712.00		512,712.00	512,712.00	
Preschool Disabilities - Full-Time:					
Salaries of Teachers	521,603.00		521,603.00	521,273.00	330.00
Total Preschool Disabilities - Full-Time	521,603.00		521,603.00	521,273.00	330.00
TOTAL SPECIAL EDUCATION - INSTRUCTION	6,231,184.00	97,093.16	6,328,277.16	5,980,812.70	347,464.46
Bilingual Education - Instruction:					
Salaries of Teachers	1,457,775.00	219,768.30	1,677,543.30	1,610,733.43	66,809.87
General Supplies	502.00		502.00	497.26	4.74
Total Bilingual Education - Instruction	1,458,277.00	219,768.30	1,678,045.30	1,611,230.69	66,814.61
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	54,895.00		54,895.00	40,285.50	14,609.50
Purchased Services (300-500 Series)	1,700.00		1,700.00	225.00	1,475.00
Total School-Sponsored Cocurricular Activities - Instruction	56,595.00		56,595.00	40,510.50	16,084.50
School-Sponsored Cocurricular Athletics - Instruction:					
Salaries	363,812.00	(13,779.00)	350,033.00	324,175.53	25,857.47
Purchased Services (300-500 Series)	140,216.85	(13,300.00)	126,916.85	121,584.36	5,332.49
Supplies and Materials	4,000.00	28,300.00	32,300.00	30,411.09	1,888.91
Other Objects	101,600.00	50,000.00	151,600.00	95,248.85	55,751.15
Total School-Sponsored Cocurricular Athletics - Instruction	609,628.85	51,221.00	660,249.85	571,419.83	88,830.02
Summer School - Instruction:					
Salaries of Teachers	101,750.00	(15,910.00)	85,840.00	49,561.50	36,278.50
General Supplies	1,138.00		1,138.00	624.87	513.13
Total Summer School - Instruction	102,888.00	(15,910.00)	86,978.00	50,186.37	36,791.63
Summer School - Support:					
Salaries	27,750.00	15,910.00	43,660.00	25,160.00	18,500.00
Total Summer School - Support	27,750.00	15,910.00	43,660.00	25,160.00	18,500.00
Total Summer School	130,638.00	-	130,638.00	75,346.37	55,291.63
Instructional Alternative Education Program - Instruction:					
Salaries of Teachers	418,145.00		418,145.00	393,543.40	24,601.60
Other Purchased Services (400-500 series)	1,700.00	2,550.00	4,250.00	2,250.00	2,000.00
General Supplies	1,700.00	(1,056.00)	650.00	544.00	106.00
Other Objects	2,975.00	(1,500.00)	1,475.00	566.00	909.00
Total Alternative Education Program - Instruction	424,520.00	-	424,520.00	396,903.40	27,616.60
Instructional Alternative Education Program - Support:					
Salaries	274,999.00		274,999.00	237,002.03	37,996.97
Purchased Services (400-500 Series)	1,275.00	(500.00)	775.00	408.00	367.00
Supplies and Materials	5,780.00	500.00	6,280.00	1,967.37	4,312.63
Total Instructional Alternative Education Program - Support	282,054.00	-	282,054.00	239,377.40	42,676.60
Total Instructional Alternative Education Program	706,574.00	-	706,574.00	636,280.80	70,293.20
TOTAL INSTRUCTION AND AT-RISK PROGRAMS	44,575,499.38	1,516,330.16	46,091,829.52	43,452,285.43	2,639,544.09
Undistributed Expenditures - Instruction:					
Tuition to Other LEA's Within the State - Regular	178,855.00	284,829.70	463,684.70	395,219.05	68,465.65
Tuition to Other LEA's Within the State - Special	2,697,943.00	381,169.28	3,079,112.28	2,788,725.99	290,386.29
Tuition to County Vocational School District - Regular	1,418,640.00		1,418,640.00	1,229,488.00	189,152.00
Tuition to County Vocational School District - Special	236,704.00	(70,000.00)	166,704.00	144,298.40	22,405.60
Tuition to CSSD and Regional Day Schools	420,349.00	179,877.00	600,226.00	597,650.00	2,576.00
Tuition to Private Schools for the Disabled - Within State	11,782,915.00	(337,979.03)	11,444,935.97	11,401,114.77	43,821.20
Tuition - State Facilities	269,874.00		269,874.00	269,874.00	-
Total Undistributed Expenditures - Instruction	17,005,289.00	437,896.95	17,443,176.95	16,826,370.21	616,806.74
Undistributed Expenditures - Attendance and Social Work:					
Salaries	407,749.00	7,864.21	415,613.21	414,385.29	1,227.92
Salaries of Family Liaisons and Community Parent Inv. Specialists	248,369.00	1,661.59	250,030.59	249,008.51	1,022.08
Other Purchased Services (400-500 series)	37,743.00		37,743.00	35,298.82	2,444.18
Total Undistributed Expenditures - Attendance and Social Work	693,861.00	9,525.80	703,386.80	698,692.62	4,694.18
Undistributed Expenditures - Health Services:					
Salaries	1,538,037.00	(7,375.86)	1,530,661.14	1,453,370.79	77,290.35
Salaries of Social Services Coordinators	710,365.00	798.00	711,163.00	692,690.00	18,473.00
Purchased Professional and Technical Services	9,976.00	85,540.00	95,516.00	72,723.25	22,792.75
Supplies and Materials	18,650.00		18,650.00	16,905.18	1,744.82
Total Undistributed Expenditures - Health Services	2,277,028.00	78,962.14	2,355,990.14	2,235,689.22	120,300.92
Undist. Expend. - Speech/Occ. Therapy, PT and Related Serv.:					
Salaries	267,954.00		267,954.00	258,470.34	9,483.66
Purchased Professional - Educational Services	7,600.00	5,700.00	13,300.00	13,300.00	
Other Objects	-	137,051.00	137,051.00	108,000.00	29,051.00
Total Undist. Expend. - Speech/Occ. Therapy, PT and Related Serv.	275,554.00	142,751.00	418,305.00	379,770.34	38,534.66

IRVINGTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Undistributed Expenditures - Guidance Services:					
Salaries of Other Professional Staff	\$ 1,813,348.00	\$ 77,749.26	\$ 1,891,097.26	\$ 1,810,533.26	\$ 80,564.00
Salaries of Secretarial and Clerical Assistants	361,798.00		361,798.00	349,464.18	12,333.82
Other Salaries	205,151.00	41,761.78	246,912.78	246,912.78	
Supplies and Materials	2,530.00		2,530.00	350.69	2,179.31
Total Undistributed Expenditures - Guidance Services	2,382,827.00	119,511.04	2,502,338.04	2,407,260.91	95,077.13
Undistributed Expenditures - Child Study Teams:					
Salaries of Other Professional Staff	2,091,476.00	(62,640.00)	2,028,836.00	1,922,450.74	106,385.26
Salaries of Secretarial and Clerical Assistants	301,927.00		301,927.00	299,998.87	1,928.13
Misc. Purchased Services (400-500 Series) Other Than Residential	5,000.00	62,640.00	67,640.00	62,805.43	4,834.57
Total Undistributed Expenditures - Child Study Teams	2,398,403.00	-	2,398,403.00	2,285,255.04	113,147.96
Undistributed Expenditures - Improvement of Inst. Services:					
Salaries of Supervisor of Instruction	1,609,590.00	(19,437.90)	1,590,152.10	1,529,715.34	60,436.76
Salaries of Other Professional Staff	163,868.00		163,868.00	157,780.00	6,088.00
Salaries of Secretarial and Clerical Assistants	195,313.00		195,313.00	194,468.32	846.68
Other Purchased Services (400-500 Series - Other Than 444)	52,732.00		52,732.00	36,478.32	16,253.68
Supplies and Materials	13,300.00		13,300.00	6,242.58	7,057.42
Total Undistributed Expenditures - Improvement of Inst. Serv.	2,034,803.00	(19,437.90)	2,015,365.10	1,924,682.56	90,682.54
Undistributed Expenditures - Edu. Media Serv./Sch. Library:					
Salaries	1,443,739.00	1,442.51	1,445,181.51	1,408,359.84	36,821.67
Salaries of Technology Coordinators	447,542.00	30,380.93	477,922.93	452,966.57	24,956.36
Purchased Professional and Technical Services	5,950.00		5,950.00		5,950.00
Other Purchased Services (400-500 Series)	816,756.00	333,956.56	1,150,712.56	875,540.04	275,172.52
Supplies and Materials	105,556.00	(2,500.00)	103,056.00	90,783.39	12,272.61
Total Undistributed Expenditures - Edu. Media Serv./Sch. Library	2,819,543.00	363,280.00	3,182,823.00	2,827,649.84	355,173.16
Undistributed Expenditures - Instructional Staff Training Serv.:					
Purchased Professional - Educational Services	10,100.00	(1,830.00)	8,270.00	4,036.00	4,234.00
Other Purchased Services (400-500 Series)	2,250.00		2,250.00	1,804.00	446.00
Total Undistributed Expenditures - Instructional Staff Training Serv.	12,350.00	(1,830.00)	10,520.00	5,840.00	4,680.00
Undistributed Expenditures - Supp. Serv. - General Admin.:					
Salaries	740,503.00		740,503.00	728,593.61	11,909.39
Legal Services	390,000.00		390,000.00	323,929.72	66,070.28
Audit Fees	74,870.00	70,571.25	145,441.25	70,571.25	74,870.00
Other Purchased Professional Services	24,000.00		24,000.00	22,800.00	1,200.00
Purchased Technical Services	29,641.00	15,985.63	45,626.63	22,606.15	23,020.48
BOE Other Purchased Services	7,550.00		7,550.00	7,236.05	313.95
Miscellaneous Purchased Services (400-500 Series Other Than 530/585)	334,004.00	5,390.98	339,394.98	116,259.68	223,135.32
General Supplies	39,397.00	3,966.39	43,363.39	25,171.12	18,192.27
BOE In-House Training/Meeting Supplies	340.00		340.00		340.00
Judgments Against the School District	100,000.00	300,000.00	400,000.00	265,252.50	134,747.50
Total Undistributed Expenditures - Supp. Serv. - General Admin.	1,740,305.00	395,914.25	2,136,219.25	1,582,420.06	553,799.19
Undistributed Expenditures - Support Serv. - School Admin.:					
Salaries of Principals/Assistant Principals/Program Directors	2,235,678.00	92,516.41	2,328,194.41	2,175,261.94	152,932.47
Salaries of Secretarial and Clerical Assistants	957,840.00	2,582.10	960,422.10	897,815.99	62,606.11
Other Salaries	24,420.00	(3,961.21)	20,458.79	12,415.00	8,043.79
Purchased Professional and Technical Services	600.00	(600.00)			-
Other Purchased Services (400-500 Series)	271,498.04	5,899.81	277,397.85	264,167.65	13,230.20
Supplies and Materials	94,659.00	(4,240.50)	90,418.50	82,968.72	7,449.78
Total Undistributed Expenditures - Support Serv. - School Admin.	3,584,895.04	92,196.61	3,676,891.65	3,432,429.30	244,462.35
Undistributed Expenditures - Central Services:					
Salaries	1,718,000.00	7,341.00	1,725,341.00	1,599,194.37	126,146.63
Purchased Professional Services	1,200.00		1,200.00	1,002.64	197.36
Miscellaneous Purchased Services (400-500 Series)	40,036.00		40,036.00	6,653.23	33,382.77
Supplies and Materials	39,689.00		39,689.00	4,067.63	35,621.37
Total Undistributed Expenditures - Central Services	1,798,925.00	7,341.00	1,806,266.00	1,610,918.07	195,347.93
Undistributed Expend. - Required Maintenance for School Facilities:					
Increase Maintenance Reserve		1,500,000.00	1,500,000.00		1,500,000.00
Salaries	1,125,064.00	(30,000.00)	1,095,064.00	1,037,186.43	57,877.57
Cleaning, Repair, and Maintenance Services	700,900.00	233,858.54	934,758.54	869,152.79	65,605.75
General Supplies	205,200.00	(18,369.77)	186,830.23	182,417.25	4,412.98
Other Objects	16,301.00	(7,000.00)	9,301.00	9,144.57	156.43
Total Undistrib. Expend. - Required Maintenance for School Facilities	2,047,465.00	178,488.77	2,225,953.77	2,097,901.04	128,052.73
Undistributed Expenditures - Custodial Services:					
Salaries	3,406,584.00	30,000.00	3,436,584.00	3,423,116.13	13,467.87
Cleaning, Repair and Maintenance Services	240,817.00	58,967.77	299,784.77	243,334.98	56,449.79
Other Purchased Property Services	245,000.00	21,875.97	266,875.97	252,701.46	14,174.51
Insurance	1,260,700.00	(36,813.60)	1,223,886.40	611,542.95	612,343.45
Miscellaneous Purchased Services	25,201.00	6,518.00	31,719.00	31,515.97	203.03
General Supplies	374,170.00	9,051.38	383,221.38	379,173.53	4,047.85
Energy - Electricity	2,250,000.00	16,786.70	2,266,786.70	1,905,436.77	361,349.93
Total Undistributed Expenditures - Custodial Services	7,802,472.00	106,386.22	7,908,858.22	6,846,821.79	1,062,036.43
Undistributed Expenditures - Security:					
Salaries	2,973,917.00	(3,973.22)	2,969,943.78	2,863,830.64	106,113.14
Purchased Professional and Technical Services	135,000.00	750.00	135,750.00	109,470.08	26,279.92
General Supplies	4,500.00		4,500.00	4,073.42	426.58
Other Objects	38,193.00		38,193.00	37,192.06	1,000.94
Total Undistributed Expenditures - Security	3,151,610.00	(3,223.22)	3,148,386.78	3,014,566.20	133,820.58
Total Undistributed Expenditures - Operations and Maint. of Plant	13,001,547.00	281,651.77	13,283,198.77	11,959,289.03	1,323,909.74

**IRVINGTON TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual Favorable (Unfavorable)</u>
Undistributed Expenditures - Student Transportation Services:					
Cleaning, Repair and Maintenance Services	\$ 50,000.00	\$ 20,000.00	\$ 70,000.00	\$ 64,225.00	\$ 5,775.00
Contract Services - (Between Home and School) - Vendors	170,000.00	100,000.00	270,000.00	178,375.00	91,625.00
Contract Services (Other than Between Home and School) - Vendors	86,047.00	(12,009.07)	74,037.93	53,907.00	20,130.93
Contract Services (Special Education Students) - Vendors	6,500,000.00	(234,492.36)	6,265,507.64	4,798,721.08	1,466,786.56
Contracted Services - Aid In Lieu of Payment for Charter School Students		44,697.60	44,697.60	36,449.60	8,248.00
Misc. Purchased Serv. - Transportation		1,700.00	1,700.00	1,091.97	608.03
General Supplies	63,000.00	5,000.00	68,000.00	55,743.88	12,256.12
Total Undistributed Expenditures - Student Transportation Serv.	6,869,047.00	(75,103.83)	6,793,943.17	5,186,513.53	1,605,429.64
UNALLOCATED BENEFITS:					
Social Security Contributions	1,600,006.00		1,600,006.00	1,426,667.74	173,338.26
T.P.A.F. Contributions - ERIP	527,000.00		527,000.00		527,000.00
Other Retirement Contributions - PERS	1,708,256.00		1,708,256.00	1,708,256.00	
Other Retirement Contributions - ERIP	999,914.00		999,914.00	982,313.36	17,600.64
Unemployment Compensation	300,000.00		300,000.00	197,230.57	102,769.43
Worker's Compensation	1,000,000.00		1,000,000.00	999,150.00	850.00
Health Benefits	17,112,255.00	(980,427.21)	16,131,827.79	14,029,157.45	2,102,670.34
Tuition Reimbursement	190,000.00	38,586.00	228,586.00	203,543.50	25,042.50
Other Employee Benefits	682,525.00	(31,941.16)	650,583.84	374,441.41	276,142.43
TOTAL UNALLOCATED BENEFITS	24,119,956.00	(973,782.37)	23,146,173.63	19,820,760.03	3,325,413.60
TPAF - Medical (On-Behalf - Non-Budgeted)				4,776,366.00	(4,776,366.00)
TPAF - Pension (On-Behalf - Non-Budgeted)				7,395,144.00	(7,395,144.00)
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)				11,710.00	(11,710.00)
TPAF Social Security (Reimbursement Nonbudgeted)				3,882,208.18	(3,882,208.18)
TOTAL ON-BEHALF CONTRIBUTIONS				16,065,428.18	(16,065,428.18)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	24,119,956.00	(973,782.37)	23,146,173.63	35,986,188.21	(12,840,014.58)
TOTAL UNDISTRIBUTED EXPENDITURES	81,014,124.04	858,876.46	81,873,000.50	89,350,968.94	(7,477,968.44)
TOTAL GENERAL CURRENT EXPENSE	125,589,623.40	2,375,206.62	127,964,830.02	132,803,254.37	(4,838,424.35)
CAPITAL OUTLAY					
Equipment					
Special Education - Instruction:					
Undistributed Expenditures - Instruction	80,052.00	(1,133.00)	78,919.00	61,687.75	17,231.25
Undistributed Expenditures - Support Serv. - Inst. Staff	10,000.00	-	10,000.00		10,000.00
Undistributed Expenditures - Required Maintenance for School Fac.		35,668.00	35,668.00	35,668.00	
Undistributed Expenditures - Non-Inst. Serv.		931,961.12	931,961.12	624,943.96	307,017.16
Total Equipment	90,052.00	966,496.12	1,056,548.12	722,299.71	334,248.41
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	35,000.00	-	35,000.00	6,465.00	28,535.00
Other Purchased Profession and Technical Services		95,462.00	95,462.00	95,462.00	
Total Facilities Acquisition and Construction Services	35,000.00	95,462.00	130,462.00	101,927.00	28,535.00
TOTAL CAPITAL OUTLAY	125,052.00	1,061,958.12	1,187,010.12	824,226.71	362,783.41
Transfer of Funds to Charter Schools	14,040,765.00	(580,914.00)	13,459,851.00	13,459,851.00	
TOTAL EXPENDITURES	139,755,440.40	2,856,250.74	142,611,691.14	147,087,332.08	(4,475,640.94)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(7,325,536.40)	(2,388,051.48)	(9,711,587.88)	2,761,571.10	12,473,158.98
Other Financing Sources (Uses):					
Operating Transfer In:					
Contribution to School-Based Budget - General Fund	85,199,039.00		85,199,039.00	82,785,276.71	2,413,762.29
Contribution to School-Based Budget - Special Revenue Fund	1,190,497.00		1,190,497.00	1,146,537.26	43,959.74
Operating Transfer Out:					
Transfer to Special Revenue Fund - Preschool Programs	(436,000.00)		(436,000.00)	(435,999.72)	(0.28)
Contribution to School-Based Budget	(85,199,039.00)		(85,199,039.00)	(82,785,276.71)	(2,413,762.29)
Total Other Financing Sources (Uses):	754,497.00		754,497.00	710,537.54	43,959.46
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(6,571,039.40)	(3,886,051.48)	(10,457,090.88)	3,472,108.64	(13,929,199.52)
Fund Balance, July 1	21,067,166.39		21,067,166.39	21,067,166.39	
Fund Balance, June 30	\$ 14,496,126.99	\$ (3,886,051.48)	\$ 10,610,075.51	\$ 24,539,275.03	\$ (13,929,199.52)
Recapitulation					
Restricted Fund Balance:					
Excess Surplus:					
Designated for Subsequent Years' Expenditures				\$ 8,112,492.00	
Reserve for Maintenance Reserve				1,500,000.00	
Reserve for Excess Surplus				10,666,470.21	
Reserve for Encumbrances				702,574.49	
Unassigned Fund Balance				3,557,738.33	
				24,539,275.03	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				(11,291,469.50)	
Fund Balance per Governmental Funds (GAAP)				\$ 13,247,805.53	

**IRVINGTON TOWNSHIP SCHOOL DISTRICT
COMBINING BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	ORIGINAL BUDGET			BUDGET TRANSFER			FINAL BUDGET			ACTUAL		
	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund
Local Sources:												
Local Tax Levy	\$ 17,459,529.00	\$	\$ 17,459,529.00	\$	\$	\$ 17,459,529.00	\$	\$ 17,459,529.00	\$ 17,459,529.00	\$	\$	\$ 17,459,529.00
Miscellaneous	500,000.00		500,000.00	333,148.26		333,148.26	833,148.26		833,148.26	1,559,428.44		1,559,428.44
Total - Local Sources	17,959,529.00		17,959,529.00	333,148.26		333,148.26	18,292,677.26		18,292,677.26	19,018,957.44		19,018,957.44
State Sources:												
Equalization Aid	82,111,552.00		82,111,552.00	137,051.00		137,051.00	82,248,603.00		82,248,603.00	82,248,603.00		82,248,603.00
Transportation Aid	1,164,430.00		1,164,430.00				1,164,430.00		1,164,430.00	1,164,430.00		1,164,430.00
Special Education Categorical Aid	4,401,641.00		4,401,641.00				4,401,641.00		4,401,641.00	4,401,641.00		4,401,641.00
Security Aid	2,533,865.00		2,533,865.00				2,533,865.00		2,533,865.00	2,533,865.00		2,533,865.00
Adjustment Aid	22,051,380.00		22,051,380.00				22,051,380.00		22,051,380.00	22,051,380.00		22,051,380.00
Extraordinary Aid	960,231.00		960,231.00				960,231.00		960,231.00	960,231.00		960,231.00
Other State Aid	1,077,304.00		1,077,304.00				1,077,304.00		1,077,304.00	1,077,304.00		1,077,304.00
TPAF - Medical (On-Behalf - Nonbudgeted)												
TPAF Pension (On-Behalf - Nonbudgeted)												
TPAF Long-Term Disability Insurance (On-Behalf - Nonbudgeted)												
TPAF Social Security (Reimbursement) Nonbudgeted)												
Total State Sources	114,300,403.00		114,300,403.00	137,051.00		137,051.00	114,437,454.00		114,437,454.00	130,502,892.16		130,502,892.16
Federal Sources:												
Medical Assistance Program	169,972.00		169,972.00				169,972.00		169,972.00	327,063.56		327,063.56
Total - Federal Sources	169,972.00		169,972.00				169,972.00		169,972.00	327,063.56		327,063.56
Total Revenues	132,429,904.00		132,429,904.00	470,199.26		470,199.26	132,900,103.26		132,900,103.26	149,848,903.16		149,848,903.16
EXPENDITURES												
Current Expenses												
Regular Programs - Instruction:												
Kindergarten - Salaries of Teachers		2,083,404.00	2,083,404.00		(50,823.00)	(50,823.00)		2,032,581.00	2,032,581.00		1,842,575.08	1,842,575.08
02520 Grades 1-5 - Salaries of Teachers	300,000.00	14,260,972.00	14,560,972.00		(204,011.50)	(204,011.50)	300,000.00	14,066,960.50	14,366,960.50	291,100.00	13,868,178.01	13,868,178.01
02530 Grades 6-8 - Salaries of Teachers	300,000.00	8,141,853.00	8,441,853.00		(30,345.35)	(30,345.35)	300,000.00	6,111,507.65	6,411,507.65	251,450.00	5,860,559.23	6,132,009.23
02540 Grades 9-12 - Salaries of Teachers	600,000.00	8,908,662.00	9,508,662.00		(324,349.11)	(324,349.11)	600,000.00	6,585,312.89	7,185,312.89	260,216.08	6,310,328.47	6,570,544.55
Regular Programs - Home Instruction:												
02621 Salaries of Teachers	198,000.00		198,000.00	19,437.80		19,437.80	217,437.80		217,437.80	118,740.40		118,740.40
02623 Purchased Professional-Educational Services	105,000.00		105,000.00	3,000.00		3,000.00	108,000.00		108,000.00	101,485.70		101,485.70
02625 Other Purchased Services (400-500 Series)	31,000.00		31,000.00				31,000.00		31,000.00	352.80		352.80
Regular Programs - Undistributed Instruction:												
02650 Purchased Professional-Educational Services	78,080.00	3,153,160.00	3,231,240.00	1,718,026.00		1,718,026.00	1,796,086.00	3,153,160.00	4,949,266.00	1,796,086.00	3,153,160.00	4,949,266.00
02670 Other Purchased Services (400-500 Series)		290,781.20	290,781.20		2,496.50	2,496.50		293,277.70	293,277.70		264,035.80	264,035.80
02690 General Supplies	150,880.00	279,733.06	430,613.06		(2,363.00)	(2,363.00)	150,889.00	277,370.06	428,356.06	90,035.17	260,696.72	350,901.89
02690 Textbooks	400,000.00	12,410.00	412,410.00		15,058.28	15,058.28	400,000.00	427,468.28	427,468.28	232,247.59	17,508.11	249,755.70
02700 Other Objects		58,158.25	58,158.25		1,233.00	1,233.00		59,391.25	59,391.25		47,739.86	47,739.86
02710 TOTAL REGULAR PROGRAMS - INSTRUCTION	2,163,040.00	33,220,153.51	35,383,202.51	1,741,363.80	(583,116.20)	1,148,247.60	3,904,412.90	32,627,037.31	36,531,450.21	3,141,713.44	31,394,971.10	34,536,664.54
SPECIAL EDUCATION - INSTRUCTION												
Learning and/or Language Disabilities:												
03990 Salaries of Teachers		2,201,601.00	2,201,601.00		(18,439.87)	(18,439.87)		2,183,161.13	2,183,161.13		2,144,342.13	2,144,342.13
03070 Total Learning and/or Language Disabilities		2,201,601.00	2,201,601.00		(18,439.87)	(18,439.87)		2,183,161.13	2,183,161.13		2,144,342.13	2,144,342.13
Behavioral Disabilities:												
03440 Salaries of Teachers		85,078.00	85,078.00					85,078.00	85,078.00		44,925.97	44,925.97
03520 Total Behavioral Disabilities		85,078.00	85,078.00					85,078.00	85,078.00		44,925.97	44,925.97
Multiple Disabilities:												
03770 Salaries of Teachers		343,868.00	343,868.00		6,986.00	6,986.00		350,854.00	350,854.00		255,260.20	255,260.20
03820 General Supplies		250.00	250.00					250.00	250.00		241.62	241.62
03830 Textbooks		200.00	200.00					200.00	200.00			
03850 Total Multiple Disabilities		344,338.00	344,338.00		6,986.00	6,986.00		351,324.00	351,324.00		255,501.82	255,501.82
Resource Room/Resource Center:												
03860 Salaries of Teachers		2,585,852.00	2,585,852.00		106,547.03	106,547.03		2,694,399.03	2,694,399.03		2,502,057.76	2,502,057.76
03840 Total Resource Room/Resource Center		2,585,852.00	2,585,852.00		106,547.03	106,547.03		2,694,399.03	2,694,399.03		2,502,057.76	2,502,057.76
Autism:												
03970 Purchased Professional-Educational Services		512,712.00	512,712.00					512,712.00	512,712.00		512,712.00	512,712.00
04030 Total Autism		512,712.00	512,712.00					512,712.00	512,712.00		512,712.00	512,712.00
Preschool Disabilities - Full-Time:												
04130 Salaries of Teachers		521,603.00	521,603.00					521,603.00	521,603.00		521,273.00	521,273.00
04210 Total Preschool Disabilities - Full-Time		521,603.00	521,603.00					521,603.00	521,603.00		521,273.00	521,273.00
04800 TOTAL SPECIAL EDUCATION - INSTRUCTION	1,034,315.00	5,196,869.00	6,231,164.00	97,063.16		97,063.16	1,034,315.00	5,293,962.16	6,328,277.16	1,033,965.00	4,948,627.70	5,980,812.70

IRVINGTON TOWNSHIP SCHOOL DISTRICT
COMBINING BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	ORIGINAL BUDGET			BUDGET TRANSFER			FINAL BUDGET			ACTUAL		
	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund
Bilingual Education - Instruction:												
04900 Salaries of Teachers	\$	\$ 1,437,775.00	\$ 1,437,775.00	\$	\$ 219,768.30	\$ 219,768.30	\$	\$ 1,677,543.30	\$ 1,677,543.30	\$	\$ 1,610,733.43	\$ 1,610,733.43
04950 General Supplies		502.00	502.00		-	-		502.00	502.00		497.26	497.26
04960 Total Bilingual Education - Instruction:		1,438,277.00	1,438,277.00		219,768.30	219,768.30		1,678,045.30	1,678,045.30		1,611,230.69	1,611,230.69
School-Sponsored Occurricular Activities - Instruction:												
06030 Salaries		54,895.00	54,895.00					54,895.00	54,895.00		40,285.50	40,285.50
06040 Purchased Services (300-500 Series)		1,700.00	1,700.00					1,700.00	1,700.00		225.00	225.00
06050 Total School-Sponsored Occurricular Activities - Instruction:		56,595.00	56,595.00					56,595.00	56,595.00		40,510.50	40,510.50
School-Sponsored Occurricular Athletics - Instruction:												
06090 Salaries		363,612.00	363,612.00		(13,776.00)	(13,776.00)		350,033.00	350,033.00		324,175.53	324,175.53
06100 Purchased Services (300-500 Series)		140,216.85	140,216.85		(13,300.00)	(13,300.00)		126,916.85	126,916.85		121,594.36	121,594.36
06110 Supplies and Materials		4,000.00	4,000.00		28,300.00	28,300.00		32,300.00	32,300.00		30,411.09	30,411.09
06120 Other Objects		101,000.00	101,000.00		50,000.00	50,000.00		151,000.00	151,000.00		95,248.85	95,248.85
06140 Total School-Sponsored Occurricular Athletics - Instruction:		609,028.85	609,028.85		51,224.00	51,224.00		660,249.85	660,249.85		571,419.83	571,419.83
Summer School - Instruction:												
06190 Salaries of Teachers		101,750.00	101,750.00		(15,910.00)	(15,910.00)		85,840.00	85,840.00		48,561.50	48,561.50
06200 General Supplies		1,138.00	1,138.00					1,138.00	1,138.00		824.87	824.87
06210 Total Summer School - Instruction:		102,888.00	102,888.00		(15,910.00)	(15,910.00)		86,978.00	86,978.00		50,186.37	50,186.37
Summer School - Support:												
06220 Salaries		27,750.00	27,750.00		15,910.00	15,910.00		43,660.00	43,660.00		25,160.00	25,160.00
06230 Total Summer School - Support:		27,750.00	27,750.00		15,910.00	15,910.00		43,660.00	43,660.00		25,160.00	25,160.00
06240 Total Summer School:		130,638.00	130,638.00					130,638.00	130,638.00		75,346.37	75,346.37
Alternative Education Program - Instruction:												
15400 Salaries of Teachers	416,145.00		416,145.00				416,145.00		416,145.00	393,543.40		393,543.40
15450 Other Purchased Services (400-500 Series)		1,700.00	1,700.00	2,550.00		2,550.00		4,250.00	2,250.00			2,250.00
15460 General Supplies		1,700.00	1,700.00	(1,050.00)		(1,050.00)		650.00	650.00		544.00	544.00
15480 Other Objects		2,975.00	2,975.00	(1,500.00)		(1,500.00)		1,475.00	1,475.00		568.00	568.00
06250 Total Alternative Education Program - Instruction:		424,520.00	424,520.00					424,520.00	424,520.00		396,903.40	396,903.40
Other Alternative Education Program - Support:												
15510 Salaries	274,999.00		274,999.00				274,999.00		274,999.00	237,002.03		237,002.03
15520 Purchased Services (400-500 Series)		1,275.00	1,275.00	(500.00)		(500.00)		775.00	775.00		406.00	406.00
15530 Supplies and Materials		5,780.00	5,780.00	500.00		500.00		6,280.00	6,280.00		1,967.37	1,967.37
06260 Total Alternative Education Program - Support:		282,054.00	282,054.00					282,054.00	282,054.00		239,377.40	239,377.40
06270 Total Alternative Education Program:		706,574.00	706,574.00					706,574.00	706,574.00		636,280.80	636,280.80
06280 Total Instruction and At-Risk Programs:		3,003,936.00	40,571,561.36	1,741,363.90	(225,033.74)	1,516,330.16	5,645,301.60	40,446,527.62	45,091,829.52	4,811,979.24	38,640,306.19	43,452,285.43
Undistributed Expenditures - Instruction:												
06270 Tuition to Other LEA's Within the State - Regular		178,855.00	178,855.00	284,629.70		284,629.70	463,684.70		463,684.70	395,219.05		395,219.05
06280 Tuition to Other LEA's Within the State - Special		2,697,843.00	2,697,843.00	381,169.28		381,169.28	3,079,112.28		3,079,112.28	2,768,725.99		2,768,725.99
06290 Tuition to County Vocational School District - Regular		1,418,640.00	1,418,640.00				1,418,640.00		1,418,640.00	1,229,488.00		1,229,488.00
06300 Tuition to County Vocational School District - Special		236,704.00	236,704.00	(70,000.00)		(70,000.00)	166,704.00		166,704.00	144,299.40		144,299.40
06310 Tuition to CSSD and Regional Day Schools		420,349.00	420,349.00	179,877.00		179,877.00	600,226.00		600,226.00	597,650.00		597,650.00
06320 Tuition to Private Schools for the Disabled - Within State		11,782,915.00	11,782,915.00	(337,979.03)		(337,979.03)	11,444,935.97		11,444,935.97	11,401,114.77		11,401,114.77
06340 Tuition - State Facilities		269,874.00	269,874.00				269,874.00		269,874.00	269,874.00		269,874.00
06360 Total Undistributed Expenditures - Instruction:		17,005,280.00	17,005,280.00	437,896.65		437,896.65	17,443,176.95		17,443,176.95	16,826,370.21		16,826,370.21
Undistributed Expenditures - Attendance and Social Work:												
06370 Salaries		407,749.00	407,749.00	7,864.21		7,864.21	415,613.21		415,613.21	414,365.29		414,365.29
06380 Salaries of Family Liaisons and Community Parent Inv. Specialists		248,369.00	248,369.00	1,861.59		1,861.59	250,030.59		250,030.59	249,008.51		249,008.51
06390 Other Purchased Services (400-500 Series)		37,743.00	37,743.00				37,743.00		37,743.00	35,298.82		35,298.82
06420 Total Undistributed Expenditures - Attendance and Social Work:		693,861.00	693,861.00	9,525.80		9,525.80	703,306.80		703,306.80	698,672.62		698,672.62
Undistributed Expenditures - Health Services:												
06430 Salaries	104,895.00	1,433,242.00	1,538,037.00	(7,375.86)		(7,375.86)	1,04,895.00	1,425,866.14	1,520,661.14	103,852.71	1,349,478.08	1,453,370.79
06440 Salaries of Social Services Coordinators		710,365.00	710,365.00	796.00		796.00	711,163.00		711,163.00	692,690.00		692,690.00
06450 Purchased Professional and Technical Services		9,976.00	9,976.00	85,540.00		85,540.00	95,516.00		95,516.00	72,723.25		72,723.25
06460 Supplies and Materials		18,650.00	18,650.00				18,650.00		18,650.00	16,903.16		16,903.16
06480 Total Undistributed Expenditures - Health Services:		133,321.00	2,143,707.00	85,540.00	(6,577.86)	78,962.14	218,861.00	2,137,129.14	2,355,990.14	193,521.14	2,042,168.08	2,235,669.22
Undistrib. Expend. - Speech/Occup. Therapy, Physical Therapy & Related Serv.:												
06481 Salaries		267,964.00	267,964.00				267,964.00		267,964.00	258,470.34		258,470.34
06482 Purchased Professional - Educational Services		7,600.00	7,600.00	5,700.00		5,700.00	13,300.00		13,300.00	13,300.00		13,300.00
06484 Other Objects				137,051.00		137,051.00	137,051.00		137,051.00	108,000.00		108,000.00
06485 Total Undistrib. Expend. - Speech/Occup. Therapy, Physical Therapy & Related Serv.:		275,564.00	275,564.00	142,751.00		142,751.00	418,305.00		418,305.00	379,770.34		379,770.34
Undistributed Expenditures - Guidance Services:												
06486 Salaries of Other Professional Staff		1,613,348.00	1,613,348.00	77,749.26		77,749.26	1,691,097.26		1,691,097.26	1,610,533.26		1,610,533.26
06487 Salaries of Secretarial and Clerical Assistants		361,798.00	361,798.00				361,798.00		361,798.00	349,464.18		349,464.18
06488 Other Salaries		205,151.00	205,151.00	41,761.78		41,761.78	246,912.78		246,912.78	246,912.78		246,912.78
06489 Supplies and Materials		2,530.00	2,530.00				2,530.00		2,530.00	350.69		350.69
06490 Total Undistributed Expenditures - Guidance Services:		2,382,827.00	2,382,827.00	119,511.04		119,511.04	2,502,338.04		2,502,338.04	2,407,260.91		2,407,260.91

IRVINGTON TOWNSHIP SCHOOL DISTRICT
COMBINING BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	ORIGINAL BUDGET			BUDGET TRANSFER			FINAL BUDGET			ACTUAL		
	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund
Undistributed Expenditures - Child Study Teams:												
6580 Salaries of Other Professional Staff	\$ 2,091,476.00	\$	\$ 2,091,476.00	\$ (62,640.00)	\$	\$ (62,640.00)	\$ 2,028,836.00	\$	\$ 2,028,836.00	\$ 1,922,450.74	\$	\$ 1,922,450.74
6590 Salaries of Secretarial and Clerical Assistants	301,927.00		301,927.00				301,927.00		301,927.00	299,908.87		299,908.87
6650 Other Purchased Services (400-500 Series)	5,000.00		5,000.00	62,640.00		62,640.00	67,640.00		67,640.00	62,805.43		62,805.43
06570 Total Undistributed Expenditures - Child Study Teams	2,398,403.00		2,398,403.00	-		-	2,398,403.00		2,398,403.00	2,285,255.04		2,285,255.04
Undistributed Expenditures - Improvement of Inst. Serv.:												
06750 Salaries of Supervisor of Instruction	1,606,590.00		1,606,590.00	(19,437.90)		(19,437.90)	1,590,152.10		1,590,152.10	1,529,715.34		1,529,715.34
06760 Salaries of Other Professional Staff	163,868.00		163,868.00				163,868.00		163,868.00	157,760.00		157,760.00
06770 Salaries of Secretarial and Clerical Assistants	195,313.00		195,313.00				195,313.00		195,313.00	194,466.32		194,466.32
06810 Other Purchased Services (400-500 Series)	23,552.00	29,180.00	52,732.00				23,552.00	29,180.00	52,732.00	16,504.21	19,974.11	36,478.32
06820 Supplies and Materials	13,300.00		13,300.00				13,300.00		13,300.00	6,242.58		6,242.58
06840 Total Undistributed Expenditures - Improvement of Inst. Serv.	2,005,623.00	29,180.00	2,034,803.00	(19,437.90)		(19,437.90)	1,998,165.10	29,180.00	2,015,365.10	1,904,708.45	19,974.11	1,924,882.56
Undistributed Expenditures - Edu. Media Serv./Sch. Library:												
06850 Salaries	577,871.00	865,768.00	1,443,739.00		1,442.51	1,442.51	577,971.00	867,210.51	1,445,181.51	549,470.33	858,889.51	1,408,359.84
6855 Salaries of Technology Coordinators		447,542.00	447,542.00		30,380.93	30,380.93		477,922.93	477,922.93		452,066.57	452,066.57
06860 Purchased Professional and Technical Services	5,950.00		5,950.00				5,950.00		5,950.00			
06870 Other Purchased Services (400-500 Series)	606,726.00	10,030.00	616,756.00	333,956.56		333,956.56	1,140,682.56	10,030.00	1,150,712.56	867,510.04	8,000.00	875,510.04
06880 Supplies and Materials	96,872.00	6,884.00	103,756.00		(2,500.00)	(2,500.00)	93,872.00	4,184.00	98,056.00	89,693.11	1,900.28	91,593.39
06900 Total Undistributed Expenditures - Edu. Media Serv./Sch. Library	1,489,519.00	1,330,024.00	2,819,543.00	333,956.56	29,323.44	363,280.00	1,823,475.56	1,359,347.44	3,182,823.00	1,505,853.46	1,321,788.36	2,827,641.84

IRVINGTON TOWNSHIP SCHOOL DISTRICT
COMBINING BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	ORIGINAL BUDGET			BUDGET TRANSFER			FINAL BUDGET			ACTUAL		
	Operating Fund Fund 11-13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11-13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11-13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11-13	Blended Resource Fund 15	Total General Fund
Undistributed Expenditures - Instructional Staff Training Services:												
07605 Purchased Professional - Educational Services	\$	\$ 10,100.00	\$ 10,100.00	\$	\$ (1,830.00)	\$ (1,830.00)	\$	\$ 8,270.00	\$ 8,270.00	\$	\$ 4,036.00	\$ 4,036.00
07607 Other Purchased Services (400-500 Series)		2,250.00	2,250.00					2,250.00	2,250.00		1,804.00	1,804.00
07610 Total Undistributed Expend. - Instructional Staff Training Services		12,350.00	12,350.00		(1,830.00)	(1,830.00)		10,520.00	10,520.00		5,840.00	5,840.00
Undistributed Expenditures - Supp. Serv. - General Admin.:												
06910 Salaries	740,503.00		740,503.00				740,503.00		740,503.00	728,593.61		728,593.61
06920 Legal Services	390,000.00		390,000.00				390,000.00		390,000.00	323,928.72		323,928.72
06921 Audit Fees	74,870.00		74,870.00	70,571.25		70,571.25	145,441.25		145,441.25	70,571.25		70,571.25
06930 Other Purchased Professional Services	24,000.00		24,000.00				24,000.00		24,000.00	22,800.00		22,800.00
06940 Purchased Technical Services	29,641.00		29,641.00	15,885.63		15,885.63	45,626.63		45,626.63	22,809.15		22,809.15
06955 BOE Other Purchased Services	7,550.00		7,550.00				7,550.00		7,550.00	7,236.05		7,236.05
06960 Miscellaneous Purchased Services (400-500 Series)	334,004.00		334,004.00	5,390.98		5,390.98	339,394.98		339,394.98	116,259.66		116,259.66
06970 General Supplies	39,397.00		39,397.00	3,966.35		3,966.35	43,363.35		43,363.35	25,171.12		25,171.12
BOE In-House Training/Meeting Supplies	340.00		340.00				340.00		340.00			
06980 Judgments Against the School District	100,000.00		100,000.00	300,000.00		300,000.00	400,000.00		400,000.00	265,252.50		265,252.50
07000 Total Undistributed Expenditures - Supp. Serv. - General Admin.	1,740,305.00		1,740,305.00	395,814.25		395,814.25	2,136,219.25		2,136,219.25	1,502,420.06		1,502,420.06
Undistributed Expenditures - Support Serv. - School Admin.:												
07010 Salaries of Principals/Assistant Principals/Program Directors		2,235,678.00	2,235,678.00		82,516.41	82,516.41		2,328,194.41	2,328,194.41		2,175,261.84	2,175,261.84
07030 Salaries of Secretarial and Clerical Assistants		957,840.00	957,840.00		2,582.10	2,582.10		960,422.10	960,422.10		897,615.99	897,615.99
07040 Other Salaries		24,420.00	24,420.00		(3,961.21)	(3,961.21)		20,458.79	20,458.79		12,415.00	12,415.00
07050 Purchased Professional and Technical Services		800.00	800.00		(800.00)	(800.00)						
07060 Other Purchased Services (400-500 Series)		271,496.04	271,496.04		5,899.81	5,899.81		277,395.85	277,395.85		264,187.85	264,187.85
07070 Supplies and Materials		84,659.00	84,659.00		(4,240.50)	(4,240.50)		80,418.50	80,418.50		82,968.72	82,968.72
07090 Total Undistributed Expend. - Support Serv. - School Admin.		3,584,693.04	3,584,693.04		92,196.61	92,196.61		3,676,891.65	3,676,891.65		3,452,429.20	3,452,429.20
Undistributed Expenditures - Central Services:												
7100 Salaries	1,716,000.00		1,716,000.00	7,341.00		7,341.00	1,723,341.00		1,723,341.00	1,599,194.37		1,599,194.37
7105 Purchased Professional Services	1,200.00		1,200.00				1,200.00		1,200.00	1,002.84		1,002.84
7115 Miscellaneous Purchased Services (400-500 Series)	40,036.00		40,036.00				40,036.00		40,036.00	6,653.23		6,653.23
7125 Supplies and Materials	39,689.00		39,689.00				39,689.00		39,689.00	4,067.63		4,067.63
Total Undistributed Expenditures - Central Services	1,795,925.00		1,795,925.00	7,341.00		7,341.00	1,808,266.00		1,808,266.00	1,610,918.07		1,610,918.07
Undistrib. Expend. - Required Maintenance for School Facilities:												
Increase in Maintenance Reserve												
07621 Salaries	1,125,064.00		1,125,064.00	1,500,000.00		1,500,000.00	1,500,000.00		1,500,000.00	1,037,186.43		1,037,186.43
07622 Cleaning, Repair, and Maintenance Services	700,900.00		700,900.00	233,856.54		233,856.54	934,756.54		934,756.54	869,152.79		869,152.79
07623 General Supplies	205,200.00		205,200.00	(18,369.77)		(18,369.77)	186,830.23		186,830.23	182,417.25		182,417.25
07624 Other Objects	16,301.00		16,301.00	(7,000.00)		(7,000.00)	9,301.00		9,301.00	8,144.57		8,144.57
07625 Total Undistrib. Expend. - Required Maintenance for School Facilities	2,047,465.00		2,047,465.00	1,676,486.77		1,676,486.77	3,725,953.77		3,725,953.77	2,097,801.04		2,097,801.04
Undistributed Expenditures - Custodial Services:												
07626 Salaries	3,406,584.00		3,406,584.00	30,000.00		30,000.00	3,436,584.00		3,436,584.00	3,423,116.13		3,423,116.13
07628 Cleaning, Repair and Maintenance Services	240,617.00		240,617.00	58,967.77		58,967.77	299,584.77		299,584.77	243,334.98		243,334.98
07630 Other Purchased Property Services	245,000.00		245,000.00	21,875.97		21,875.97	266,875.97		266,875.97	252,701.46		252,701.46
07631 Insurance	1,260,700.00		1,260,700.00	(36,613.60)		(36,613.60)	1,223,886.40		1,223,886.40	611,542.95		611,542.95
07632 Miscellaneous Purchased Services	25,201.00		25,201.00	6,516.00		6,516.00	31,716.00		31,716.00	31,515.97		31,515.97
07633 General Supplies	374,170.00		374,170.00	9,051.38		9,051.38	383,221.38		383,221.38	378,173.53		378,173.53
7634 Energy - Electricity	2,250,000.00		2,250,000.00	16,786.70		16,786.70	2,266,786.70		2,266,786.70	1,905,436.77		1,905,436.77
07636 Total Undistributed Expenditures - Custodial Services	7,802,472.00		7,802,472.00	106,386.22		106,386.22	7,908,858.22		7,908,858.22	6,646,821.79		6,646,821.79
Undistributed Expenditures - Security:												
15900 Salaries	621,988.00	2,351,929.00	2,973,917.00		(3,973.22)	(3,973.22)	2,969,943.78		2,969,943.78	615,326.60	2,246,504.04	2,865,830.64
15910 Purchased Professional and Technical Services	135,000.00		135,000.00	750.00		750.00	135,750.00		135,750.00	106,470.08		106,470.08
15930 General Supplies	2,500.00	2,000.00	4,500.00				2,500.00	2,000.00	4,500.00	2,405.13	1,668.29	4,073.42
15940 Other Objects	38,193.00		38,193.00				38,193.00		38,193.00	37,192.06		37,192.06
Total Undistributed Expenditures - Security	787,681.00	2,353,929.00	3,151,610.00	750.00	(3,973.22)	(3,223.22)	3,148,386.78		3,148,386.78	661,393.87	2,250,172.33	3,014,566.20
07637 Total Undistributed Expenditures - Operation and Maintenance of Plant	10,647,618.00	2,353,929.00	13,001,547.00	1,785,624.99	(3,973.22)	1,781,651.77	12,433,242.99	2,349,955.78	14,783,198.77	9,709,116.70	2,250,172.33	11,959,289.03
Undistributed Expenditures - Student Transportation Services:												
07260 Cleaning, Repair and Maintenance Services	50,000.00		50,000.00	20,000.00		20,000.00	70,000.00		70,000.00	64,225.00		64,225.00
07260 Contract Services - (Between Home and School) - Vendors	170,000.00		170,000.00	100,000.00		100,000.00	270,000.00		270,000.00	178,375.00		178,375.00
07270 Contract Services (Other than Between Home and School) - Vendors		86,047.00	86,047.00		(12,009.07)	(12,009.07)		74,037.93	74,037.93		53,907.00	53,907.00
07290 Contract Services (Special Education Students) - Vendors	6,500,000.00		6,500,000.00	(234,492.36)		(234,492.36)	6,265,507.64		6,265,507.64	4,798,721.08		4,798,721.08
7304 Contract Services - Aid in Lieu Payments - Charter School Students				44,697.60		44,697.60	44,697.60		44,697.60	36,449.60		36,449.60
07310 Miscellaneous Purchased Services - Transportation				1,700.00		1,700.00	1,700.00		1,700.00	1,091.97		1,091.97
07320 Supplies and Materials	63,000.00		63,000.00	5,000.00		5,000.00	68,000.00		68,000.00	55,743.88		55,743.88
07330 Total Undistributed Expenditures - Student Transportation Services	6,783,000.00	86,047.00	6,869,047.00	(63,094.76)	(12,009.07)	(75,103.83)	6,719,905.24		6,719,905.24	5,134,606.53	53,907.00	5,188,513.53
UNALLOCATED BENEFITS:												
12620 Social Security Contributions	1,400,000.00	200,006.00	1,600,006.00				1,400,000.00	200,006.00	1,600,006.00	1,226,661.74	200,006.00	1,426,667.74
12630 T.P.A.F. Contributions - ERIP	527,000.00		527,000.00				527,000.00		527,000.00			
12640 Other Retirement Contributions - Regular	1,708,256.00		1,708,256.00				1,708,256.00		1,708,256.00	1,708,256.00		1,708,256.00
12650 Other Retirement Contributions - ERIP	120,000.00	879,814.00	999,814.00				999,814.00	879,814.00	1,000,000.00	102,399.36	879,814.00	882,313.36
12660 Unemployment Compensation	300,000.00		300,000.00				300,000.00		300,000.00	197,230.57		197,230.57
12670 Worker's Compensation	1,000,000.00		1,000,000.00				1,000,000.00		1,000,000.00	999,150.00		999,150.00

IRVINGTON TOWNSHIP SCHOOL DISTRICT
COMBINING BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

		ORIGINAL BUDGET			BUDGET TRANSFER			FINAL BUDGET			ACTUAL		
		Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 15	Total General Fund
12680	Health Benefits	\$ 5,454,517.00	\$ 11,657,738.00	\$ 17,112,255.00	\$ (960,427.21)	\$	\$ (960,427.21)	\$ 4,474,088.78	\$ 11,657,738.00	\$ 16,131,827.78	\$ 2,371,419.45	\$ 11,657,738.00	\$ 14,029,157.45
12690	Tuition Reimbursement	190,000.00	-	190,000.00	38,586.00		38,586.00	228,586.00		228,586.00	203,543.50		203,543.50
12700	Other Employee Benefits	382,525.00	300,000.00	682,525.00	(31,841.18)		(31,841.18)	350,643.84	300,000.00	650,643.84	108,458.51	265,981.90	374,440.41
12710	TOTAL UNALLOCATED BENEFITS	11,082,298.00	13,037,658.00	24,119,956.00	(973,782.37)		(973,782.37)	10,106,515.63	13,037,658.00	23,146,173.63	6,017,120.13	13,003,639.90	19,020,760.03
	TPAF - Medical (On-Behalf - Nonbudgeted)										4,776,366.00		4,776,366.00
	TPAF Pension (On-Behalf - Nonbudgeted)										7,385,144.00		7,385,144.00
	TPAF Long-Term Disability Insurance (On-Behalf - Nonbudgeted)										15,710.00		15,710.00
	TPAF Social Security (Reimbursement Nonbudgeted)										3,882,208.18		3,882,208.18
	TOTAL ON-BEHALF CONTRIBUTIONS										16,065,428.18		16,065,428.18
12720	TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	11,082,298.00	13,037,658.00	24,119,956.00	(973,782.37)	-	(973,782.37)	10,106,515.63	13,037,658.00	23,146,173.63	22,982,546.31	13,003,639.90	35,986,186.21
07570	TOTAL UNDISTRIBUTED EXPENDITURES	55,359,848.00	25,854,278.04	81,014,124.04	2,132,709.72	226,166.74	2,358,876.46	57,492,555.72	25,860,444.78	83,373,000.50	84,115,066.33	25,235,870.61	88,350,966.94
07580	TOTAL GENERAL CURRENT EXPENSE	59,263,784.00	86,325,639.40	125,589,623.40	3,874,073.82	1,133.00	3,875,206.82	63,137,857.62	66,328,972.40	129,464,830.02	88,927,077.57	63,876,176.80	132,803,254.37
CAPITAL OUTLAY													
Equipment:													
	Special Education - Instruction:												
08090	Undistributed Expenditures - Instruction		80,052.00	80,052.00		(1,133.00)	(1,133.00)		78,919.00	78,919.00		61,687.75	61,687.75
08130	Undistributed Expenditures - Support Services - Instructional Staff	10,000.00		10,000.00				10,000.00		10,000.00			35,668.00
08160	Undistributed Expenditures - Required Maintenance for School Facilities				35,868.00		35,868.00	35,868.00		35,868.00			35,668.00
08210	Undistributed Expenditures - Noninst. Services				931,861.12		931,861.12	931,861.12		931,861.12	824,943.96		824,943.96
08230	Total Equipment	10,000.00	80,052.00	90,052.00	967,829.12	(1,133.00)	966,496.12	977,829.12	78,619.00	1,056,546.12	660,811.96	61,687.75	722,289.71

IRVINGTON TOWNSHIP SCHOOL DISTRICT
COMBINING BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	ORIGINAL BUDGET			BUDGET TRANSFER			FINAL BUDGET			ACTUAL		
	Operating Fund Fund 11 - 13	Blended Resource Fund 16	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 16	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 16	Total General Fund	Operating Fund Fund 11 - 13	Blended Resource Fund 16	Total General Fund
Facilities Acquisition and Construction Services:												
6255 Architectural/Engineering Services	\$ 35,000.00	\$ -	\$ 35,000.00	\$ 95,462.00	\$ -	\$ 95,462.00	\$ 35,000.00	\$ -	\$ 35,000.00	\$ 6,465.00	\$ -	\$ 6,465.00
6260 Other Purchased Professional and Technical Services				95,462.00		95,462.00	95,462.00		95,462.00	95,462.00		95,462.00
06330 Total Facilities Acquisition and Construction Services	35,000.00	-	35,000.00	95,462.00	-	95,462.00	130,462.00	-	130,462.00	101,927.00	-	101,927.00
06340 TOTAL CAPITAL OUTLAY	45,000.00	80,052.00	125,052.00	1,063,091.12	(1,133.00)	1,061,958.12	1,106,091.12	78,919.00	1,187,010.12	762,539.96	61,687.75	824,226.71
09465 Transfer of Funds to Charter Schools	14,340,765.00	-	14,040,765.00	(580,914.00)		(580,914.00)	13,459,851.00	-	13,459,851.00	13,459,851.00	-	13,459,851.00
09470 TOTAL EXPENDITURES	73,349,546.00	96,405,891.40	139,755,440.40	4,356,250.74		4,356,250.74	77,705,789.74	86,405,891.40	144,111,691.14	83,149,467.53	63,837,864.55	147,087,332.08
Excess (Deficiency) of Revenues Over/(Under) Expenditures	59,080,355.00	(66,405,891.40)	(7,325,536.40)	(3,886,051.48)		(3,886,051.48)	55,194,303.52	(66,405,891.40)	(11,211,587.88)	66,869,435.65	(63,837,864.55)	2,761,571.10
Other Financing Sources												
Operating Transfer In:												
Contribution to School Based Budget - General Fund		85,199,039.00	85,199,039.00					85,199,039.00	85,199,039.00		82,785,276.71	82,785,276.71
Contribution to School Based Budget - Special Revenue Fund		1,190,497.00	1,190,497.00					1,190,497.00	1,190,497.00		1,148,537.26	1,148,537.26
Operating Transfers Out:												
Transfer to Special Revenue Fund - Preschool Programs	(436,000.00)		(436,000.00)				(436,000.00)		(436,000.00)	(435,999.72)		(435,999.72)
Contribution to School-Based Budget	(85,199,039.00)		(85,199,039.00)				(85,199,039.00)		(85,199,039.00)	(82,785,276.71)		(82,785,276.71)
Total Other Financing Sources:	(85,635,039.00)	86,389,536.00	754,497.00				(85,635,039.00)	86,389,536.00	754,497.00	(83,221,276.43)	63,931,813.87	710,537.54
Excess (Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures and Other Financing Sources (Uses)	(6,554,684.00)	(16,355.40)	(6,571,039.40)	(3,886,051.48)	(0.00)	(3,886,051.48)	(10,440,735.48)	(16,355.40)	(10,457,090.88)	3,478,159.22	(6,050.56)	3,472,108.64
Fund Balance, July 1	21,050,810.99	16,355.40	21,067,166.39				21,050,810.99	16,355.40	21,067,166.39	21,050,810.99	16,355.40	21,067,166.39
Fund Balance, June 30	\$ 14,496,126.99	\$ 0.00	\$ 14,496,126.99	\$ (3,886,051.48)	\$ (0.00)	\$ (3,886,051.48)	\$ 10,610,075.51	\$ 0.00	\$ 10,610,075.51	\$ 24,528,970.21	\$ 10,304.62	\$ 24,539,275.03

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

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Federal Sources	\$ 4,973,922.61	\$ 2,827,290.30	\$ 7,801,212.91	\$ 6,886,748.94	\$ 914,463.97
State Sources	18,951,525.78	1,414,327.53	20,365,853.31	17,941,777.67	2,424,075.64
Local Sources	5,379.61	25,490.50	30,870.11	15,641.58	15,228.53
Total Revenues	23,930,828.00	4,267,108.33	28,197,936.33	24,844,168.19	3,353,768.14
EXPENDITURES:					
Instruction:					
Salaries of Teachers	3,219,269.00	780,731.00	4,000,000.00	3,681,312.47	318,687.53
Purchased Professional and Technical Services		500,000.00	500,000.00	449,836.29	50,163.71
Other Purchased Services	1,231,868.00	693,132.00	1,925,000.00	1,591,094.08	333,935.92
Supplies and Materials	234,003.00	765,997.00	1,000,000.00	811,047.68	188,952.32
Textbooks		49,250.61	49,250.61	8,423.56	40,827.05
Other Objects	48,509.00	101,491.00	150,000.00	136,320.45	13,679.55
Total Instruction	4,733,649.00	2,890,601.61	7,624,250.61	6,678,004.53	946,246.08
Support Services:					
Salaries	210,729.00	989,271.00	1,200,000.00	1,074,631.49	125,368.51
Salaries of Supervisor of Instruction	243,538.00	6,462.00	250,000.00	209,776.31	40,223.69
Salaries of Program Directors	1,017,969.00	(767,969.00)	250,000.00	239,257.91	10,742.09
Salaries of Other Professional Staff		1,500,000.00	1,500,000.00	1,039,139.52	460,860.48
Salaries of Secretaries and Clerical Assistants	283,307.00	16,693.00	300,000.00	275,707.77	24,292.23
Other Salaries	373,672.00	(98,672.00)	275,000.00	267,549.57	7,450.43
Salaries of Family/Parent Liaison and Community Parent Involvement Specialists	85,317.00	127,683.00	213,000.00	82,801.06	130,198.94
Salaries of Facilitators, Math Coaches, Literacy Coaches, and Master Teachers	561,509.00	238,491.00	800,000.00	564,035.00	235,965.00
Personal Services - Employee Benefits	1,532,753.00	717,247.00	2,250,000.00	2,003,912.82	246,087.18
Purchased Professional - Technical Services		2,000,000.00	2,000,000.00	1,672,144.76	327,855.24
Purchased Prof. and Tech. Services - Contracted Pre-K	9,314,478.00	185,522.00	9,500,000.00	9,036,558.95	463,441.05
Purchased Professional - Educational Services	179,489.00	72,586.00	252,075.00	172,097.70	79,977.30
Other Purchased Professional and Technical Services					
Purchased Professional Educational Services					
Other Purchased Professional Services					
Other Purchased Services (400-500 Series)	36,636.00	358,364.00	395,000.00	347,463.35	47,536.65
Contractual Services (Other Than Between Home and School) - Grant Agreements	47,061.00	(47,061.00)			
Contracted Services (Field Trips)	4,500.00	(4,500.00)			
Cleaning, Repairs and Maintenance Services	66,009.00	8,991.00	75,000.00	47,481.00	27,519.00
Travel		25,003.00	25,003.00	2,356.60	22,646.40
Miscellaneous Purchased Services	73,770.00	(33,770.00)	40,000.00	37,344.94	2,655.06
Rentals		40,000.00	40,000.00	19,143.85	20,856.15
Supplies and Materials	4,403,897.28	(4,203,897.28)	200,000.00	162,605.19	17,394.81
Miscellaneous Expenditures		50,250.00	50,250.00	24,634.40	25,615.60
Total Support Services	18,434,634.28	1,180,693.72	19,615,328.00	17,298,642.19	2,316,685.81
Facilities Acquisition and Construction Services:					
Instructional Equipment	8,047.72	165,153.00	173,200.72	144,730.26	28,470.46
Noninstructional Equipment		30,660.00	30,660.00	12,253.67	18,406.33
Total Facilities Acquisition and Construction Services	8,047.72	195,813.00	203,860.72	156,983.93	46,876.79
Total Expenditures	23,176,331.00	4,267,108.33	27,443,439.33	24,133,630.65	3,309,808.68
Other Financing Sources (Uses):					
Transfer In from General Fund	436,000.00		436,000.00	435,999.72	0.28
Transfer Out to School-Based Budgets (General Fund)	(1,190,497.00)		(1,190,497.00)	(1,146,537.26)	(43,959.74)
Total Other Financing Sources (Uses)	(754,497.00)		(754,497.00)	(710,537.54)	(43,959.46)
Total Outflows	23,930,828.00	4,267,108.33	28,197,936.33	24,844,168.19	3,353,768.14
Excess (Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ 0.00	\$ (0.00)

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II

IRVINGTON TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGET-TO-GAAP RECONCILIATION
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<u>Sources/Inflows of Resources</u>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1] \$149,848,903.18	[C-2] \$24,844,168.19
Difference - Budget-to-GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(29,600.00)
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	11,282,976.61	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(11,291,469.50)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] <u>\$149,840,410.29</u>	<u>\$24,814,568.19</u>
<u>Uses/Outflows of Resources</u>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] \$147,087,332.08	[C-2] \$24,844,168.19
Differences - Budget-to-GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		(29,600.00)
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes:		
Net transfers (inflows) from general fund		435,999.72
Net transfers (outflows) to general fund		(1,146,537.26)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2] <u>\$147,087,332.08</u>	<u>\$24,104,030.65</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

L. SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSIONS (GASB 68)

Note: GASB 68 requires that ten years of statistical data be presented. The following unaudited information is presented utilizing information available. Data for the latest years available has been presented. Each year hereafter, an additional year's data will be included until ten years of data is presented.

IRVINGTON TOWNSHIP SCHOOL DISTRICT
COUNTY OF ESSEX
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
LAST FIVE (5) FISCAL YEARS*
UNAUDITED

L-1

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	0.167405373%	0.172485213%	0.1695448503%	0.1716138709%	0.1718934452%
District's proportionate share of the net pension liability (asset)	\$ 38,969,295	\$ 51,085,173	\$ 38,059,421	\$ 32,852,253	\$ 32,130,810
State's proportionate share of the net pension liability (asset) associated with the District	<u>23,278,401,588</u>	<u>29,617,131,759</u>	<u>22,447,996,119</u>	<u>18,722,735,003</u>	<u>19,111,988,911</u>
	<u>\$ 23,317,370,883</u>	<u>\$ 29,668,216,932</u>	<u>\$ 22,486,055,540</u>	<u>\$ 18,755,587,256</u>	<u>\$ 19,144,117,721</u>
District's covered-employee payroll	\$ 11,792,721	\$ 11,202,897	\$ 11,380,343	\$ 11,779,195	\$ 11,530,447
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	330.45%	455.59%	334.43%	278.90%	278.66%
Plan fiduciary net position as a percentage of the total pension liability	48.10%	48.84%	47.93%	52.08%	48.72%

*The amounts presented for each fiscal year were determined as of the fiscal year-end.

Note: Only the last five (5) years of information are presented as GASB 68 was implemented during fiscal year ended June 30, 2016. Eventually a full ten (10) year schedule will be compiled.

IRVINGTON TOWNSHIP SCHOOL DISTRICT
COUNTY OF ESSEX
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
LAST FIVE (5) FISCAL YEARS
UNAUDITED

L-2

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,560,035	\$ 1,457,631	\$ 1,414,760	\$ 1,409,151	\$ 1,477,561
Contributions in relation to the contractually required contribution	<u>1,560,035</u>	<u>1,457,631</u>	<u>1,414,760</u>	<u>1,409,151</u>	<u>1,477,561</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 11,792,721	\$ 11,575,253	\$ 11,380,343	\$ 11,779,195	\$ 11,530,447
Contributions as a percentage of covered-employee payroll	12.23%	12.59%	12.81%	12.37%	12.27%

Note: Only the last five (5) years of information are presented as GASB 68 was implemented during fiscal year ended June 30, 2016. Eventually a full ten (10) year schedule will be compiled.

IRVINGTON TOWNSHIP SCHOOL DISTRICT
COUNTY OF ESSEX
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND (TPAF)
LAST FIVE (5) FISCAL YEARS
UNAUDITED

L-8

	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.4885730683%	0.4792363285%	0.4805151918%	0.5222095630%	0.5283279876%
District's proportionate share of the net pension liability (asset)	\$ 329,413,580	\$ 376,997,809	\$ 303,706,121	\$ 279,104,015	\$ 267,012,794
State's proportionate share of the net pension liability (asset) associated with the District	67,423,805,859	78,666,367,052	63,204,270,305	53,446,745,367	50,539,213,484
Total	\$ 67,753,019,439	\$ 79,043,364,861	\$ 63,507,976,426	\$ 53,725,849,382	\$ 50,806,226,278
District's covered-employee payroll	\$ 50,354,085	\$ 49,697,589	\$ 49,450,036	\$ 48,613,927	\$ 47,523,911
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	654.19%	758.58%	614.17%	574.12%	561.85%
Plan fiduciary net position as a percentage of the total pension liability	25.41%	27.94%	28.71%	33.64%	33.76%

Note: Only the last five (5) years of information are presented as GASB 68 was implemented during fiscal year ended June 30, 2016. Eventually a full ten (10) year schedule will be compiled.

IRVINGTON TOWNSHIP SCHOOL DISTRICT
COUNTY OF ESSEX
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
EMPLOYEE PENSION FUND OF ESSEX COUNTY
LAST THREE (3) FISCAL YEARS
(Unaudited)

L-4

	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's proportion of the net pension liability (asset)	1.2881233%	1.7327365%	1.5432226%
District's proportionate share of the net pension liability (asset)	404,812	495,219	594,432
State's proportionate share of the net pension liability (asset) associated with the District	<u>31,426,510</u>	<u>28,580,175</u>	<u>38,518,876</u>
Total	<u>\$ 31,831,322</u>	<u>\$ 29,075,394</u>	<u>\$ 39,113,308</u>
District's covered-employee payroll	\$ 864,927	\$ 948,378	\$ 1,125,521
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	46.80%	52.22%	52.81%
Plan fiduciary net position as a percentage of the total pension liability	77.36%	79.51%	76.05%

Note: Only the last three (3) years of information are presented as GASB 68 was implemented during fiscal year ended June 30, 2016. Eventually a full ten (10) year schedule will be compiled.

IRVINGTON TOWNSHIP SCHOOL DISTRICT
COUNTY OF ESSEX
SCHEDULE OF DISTRICT CONTRIBUTIONS
EMPLOYEE PENSION FUND OF ESSEX COUNTY
LAST THREE (3) FISCAL YEARS
(Unaudited)

L-5

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 50,536	\$ 71,440	\$ 80,251
Contributions in relation to the contractually required contribution	<u>50,536</u>	<u>71,440</u>	<u>80,251</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 27,266	\$ 29,913	\$ 31,489
Contributions as a percentage of covered-employee payroll	185.34%	238.83%	254.85%

Note: Only the last three (3) years of information are presented as GASB 68 was implemented during fiscal year ended June 30, 2016. Eventually a full ten (10) year schedule will be compiled.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART III

IRVINGTON TOWNSHIP SCHOOL DISTRICT
COUNTY OF ESSEX

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART III
FOR THE YEAR ENDED JUNE 30, 2018

Changes of Benefit Terms and Changes of Assumptions

Refer to Note 7 on the Notes to Financial Statements for benefits and assumptions.

**M. SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR
POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

Note: GASB 75 requires that ten years of statistical data be presented. The following unaudited information is presented utilizing information available. Data for the latest years available has been presented. Each year hereafter, an additional year's data will be included until ten years of data is presented.

IRVINGTON TOWNSHIP SCHOOL DISTRICT
COUNTY OF ESSEX
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE DISTRICT'S
TOTAL OPEB LIABILITY FOR PERS AND TPAF AND RELATED RATIOS

LAST FISCAL YEAR *

	<u>2018</u>
<u>Total OPEB Liability</u>	
Service cost	\$ 9,337,104
Interest	6,464,859
Changes of benefit items	-
Changes of assumptions or other inputs	(26,384,767)
Benefit payments	(4,739,405)
Contributions from members	174,517
Net changes in total OPEB liability	(15,147,692)
Total OPEB liability - beginning	219,766,470
Total OPEB liability - ending	<u>\$ 204,618,778</u>
Covered-employee payroll (PERS and TPAF)	<u>\$ 62,146,786</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>329.25%</u>

Note: Only the last year of information is presented as GASB 75 was implemented during fiscal year ended June 30, 2018. Eventually a full ten (10) year schedule will be compiled.

Notes to Required Supplementary Information:

Benefit Changes - For pre-Medicare preferred provider organization (PPO) medical benefits, this amount liability is 5.9%. 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%. For prescription drug benefits, the initial trend rate is 10.5%. The Medicare Advantage trend rate is 4.5%.

Changes of Assumptions - The discount rate utilized was 3.58% as of June 30, 2017.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART III

**IRVINGTON TOWNSHIP SCHOOL DISTRICT
COUNTY OF ESSEX**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART III
FOR THE YEAR ENDED JUNE 30, 2018**

Changes of Benefit Terms and Changes of Assumptions

Refer to Notes 8 and 9 on the Notes to Financial Statements for benefits and assumptions.

OTHER SUPPLEMENTARY INFORMATION