

**Swedesboro-Woolwich Consolidated  
Board of Education  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2018**

**SWEDESBORO-WOOLWICH CONSOLIDATED  
SCHOOL DISTRICT**

**WOOLWICH TOWNSHIP, NEW JERSEY**

**Swedesboro-Woolwich Consolidated School Board of Education  
Woolwich Township, New Jersey**

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

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

of the

**Swedesboro-Woolwich Consolidated School Board of Education  
Woolwich Township, New Jersey**

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

Prepared by:

**Christopher J. DeStratis  
School Business Administrator/Board Secretary**

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## **INTRODUCTORY SECTION**

**SWEDESBORO-WOOLWICH SCHOOL DISTRICT**  
**ADMINISTRATIVE OFFICES**  
15 FREDERICK BOULEVARD  
WOOLWICH TOWNSHIP, NJ 08085

Phone: 856 241-1552

Fax: 856-467-7041

**Dr. Kristin P. O'Neil**  
Superintendent of Schools

**Christopher J. DeStratis**  
School Business Administrator

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January 22, 2019

Honorable President and  
Members of the Board of Education  
Swedesboro-Woolwich Consolidated School District  
15 Frederick Boulevard  
Woolwich Township, New Jersey 08085

Dear Board Members:

The comprehensive annual financial report of the Swedesboro-Woolwich Consolidated School District (District) for the fiscal year ended June 30, 2018, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the Management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organizational chart, and a list of principal officials. The financial section includes the Independent Auditor's Report, MD&A, and the basic financial statements including the District-wide statements, fund statements, notes to the financial statements, required supplementary information, other than MD&A, including budgetary comparison schedules, and other supplementary information. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The Swedesboro-Woolwich Consolidated School District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, "Audits of State and Local Governments," and the New Jersey OMB's Circular Letter 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid Payments." Information related to this single audit, including the auditor's reports on the internal control and compliance with applicable laws and regulations and findings and recommendations, if any, are included in the single audit section of this report.

**1. REPORTING ENTITY AND ITS SERVICES:** The Swedesboro-Woolwich Consolidated School District is an independent reporting entity within the criteria set forth in Section 2100 of the *GASB Codification of Governmental Accounting and Financial Reporting Standards*. All funds and account groups of the District are included in this report. The Swedesboro-Woolwich Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Prekindergarten through Grade 6. These include regular, as well as special education for at-risk, gifted, and handicapped students. The District completed the 2017-2018 fiscal year with an enrollment of 1,685 students.

**2. ECONOMIC CONDITION AND OUTLOOK:** The District serves both Swedesboro Borough and Woolwich Township. The Borough of Swedesboro is .73 square miles or 499 acres. Woolwich Township covers 21 square miles.

For the 2017-2018 school year, the District's four elementary schools were organized as follows:

Margaret C. Clifford Serves the preschool and kindergarten students.

Charles C. Stratton Serves students in grades 1 and 2.

Charles Harker Serves students in grades 3 to 5.

Walter H. Hill Serves all grade 6.

The Board of Education opened its new \$3,250,000 Margaret C. Clifford School in January 1997. In March of 2000, voters approved a \$2,758,000 bond referendum to expand this facility to accommodate an increase in the student enrollment. The Margaret C. Clifford School addition opened in September of 2001.

In March 2002, a bond referendum was held regarding the construction of a new elementary school (Charles C. Stratton), as well as an addition and renovations to the Walter H. Hill School. The referendum was successful by a 2 to 1 margin. The total cost of the projects were \$23,137,843, of which \$15,733,733 was allocated to the new school and \$7,404,110 was the addition and renovations to the Walter H. Hill School. The Board received as part of efforts by the Woolwich Township Planning Board and developers donated land designated for educational purposes. As a result of this conscientious effort the Board received 15 acres of land, which is the site of the Charles C. Stratton School. The construction was completed in March 2004.

In December 2005, a bond referendum was held regarding the construction of a new elementary school (Charles Harker) and the purchase of a 40 acre parcel property. The referendum was successful. The Board received as part of efforts by the Woolwich Township Planning Board and developers donated land designated for educational purposes. As a result of this conscientious effort the Board received 68.43 acres of land donated with a final deed conveyance filed in December 2005, which is the site of the Charles G. Harker School which the Charles Harker School opened in September 2008.

**3. MAJOR INITIATIVES:** In addition to the District's core curricular offerings, the District is proud of the following programs that are available to its students. Examples of these programs that structure for the success of students include:

### **3. MAJOR INITIATIVES (CONTINUED):**

- The District introduced a 1:1 Chromebook initiative at the 3rd grade level. The District is now 1:1 in grades 3 - 6.
- Expanded enrichment opportunities for students through:
- Comet Cohort/Comet Cycle program for all students
- Character Education Program based on Stephen Covey's 7 habits for Happy Kids (from the book Leader in Me) was introduced K - 6.
- Expansion of visual performing arts: introduction of guitar, introduction of choir in grades 3 & 4, continuation of choir grades 5 & 6, and continuation of band grades 5 & 6
- After school club opportunities.
- Summer STEAM enrichment programming: Camp IDEA, Invention Convention.
- Family Nights.
- Project based learning opportunities.
- Enrichment World Language, Technology, and Art 3rd - 6<sup>th</sup>.
- Integration on a new World Cultures course in grades 3 - 5.
- Formalized a consistent, data driven RTI process across the District.
- Aligned curriculum to the New Jersey Student Learning Standards.
- Standards based grading practices K – 6.
- Internet access is provided to all students and a google platform is available for all classes.
- Municipal alliance grant to provide for anti-drug student programming.
- L-E-A-D (Law Enforcement Against Drug) program is provided to students.
- Instrumental programs, choir, and drama club opportunities are offered.
- Guidance, speech, O.T., and P.T. services are provided: Guidance counselors are all full-time staff as of 2018 – 2019.
- Intramural sports program in grade 6.

District objectives for 2018-2019 include:

#### **Walter H. Hill School**

1. By June of 2019, students in grade 6 will continue to increase state proficiency levels in mathematics and language arts on the PARCC as a whole group and for all qualified sub-groups.
2. By June 2019, the students in grade 6 will increase exceeding expectations in both math and language arts.

#### **Governor Charles C. Stratton School**

1. By June of 2019, students in grade 1 will achieve the District identified growth targets (SGP) in reading based on STAR Benchmark.
2. By June of 2019, students in grade 2 will achieve the District identified growth targets (SGP) in reading and math on STAR Benchmark.

#### **Margaret C. Clifford School**

1. By June of 2019, students in kindergarten will achieve the District identified growth targets (SGP) in reading based on STAR Early Literacy Benchmark.

### **3. MAJOR INITIATIVES (CONTINUED):**

#### **General Charles Harker School**

1. By June of 2019, students in grades 3, 4, and 5 will continue to increase state proficiency levels in mathematics and language arts on the PARCC as a whole group and for all qualified sub-groups.

2. By June 2019, the students in grades 3, 4, and 5 will increase exceeding expectations in both math and language arts

**4. INTERNAL ACCOUNTING CONTROLS:** The Business Administrator is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but no absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by the District Management.

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

**5. BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the General Fund, the Special Revenue Fund, and the Debt Service Fund. Project-length budgets are approved for the capital improvements accounted for in the Capital Projects Fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

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

**7. DEBT ADMINISTRATION:** At June 30, 2018, the District's outstanding debt issues include \$33,790,000 of General Obligation Bonds. The proceeds of these bond issues were placed in the District's Capital Projects Fund for use to provide funds for capital improvements to the District's buildings and grounds. These improvements include renovations and additions to the various schools, and the purchase of furniture, fixtures, and equipment for the additions.

**8. CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in “Notes to the Financial Statements,” Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. New Jersey Statutes require governmental units to deposit public funds in institutions as described in “Notes to the Financial Statements,” Note 2.

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

**10. OTHER INFORMATION:**

**Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board selected the accounting firm of Petroni & Associates LLC. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996, and the revised *Uniform Administrative Requirements, Costs Principles, Audit Requirements for Federal Awards (Uniform Guidance)*, and New Jersey OMB’s Circular 15-08. The auditor's report on the basic financial statements is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

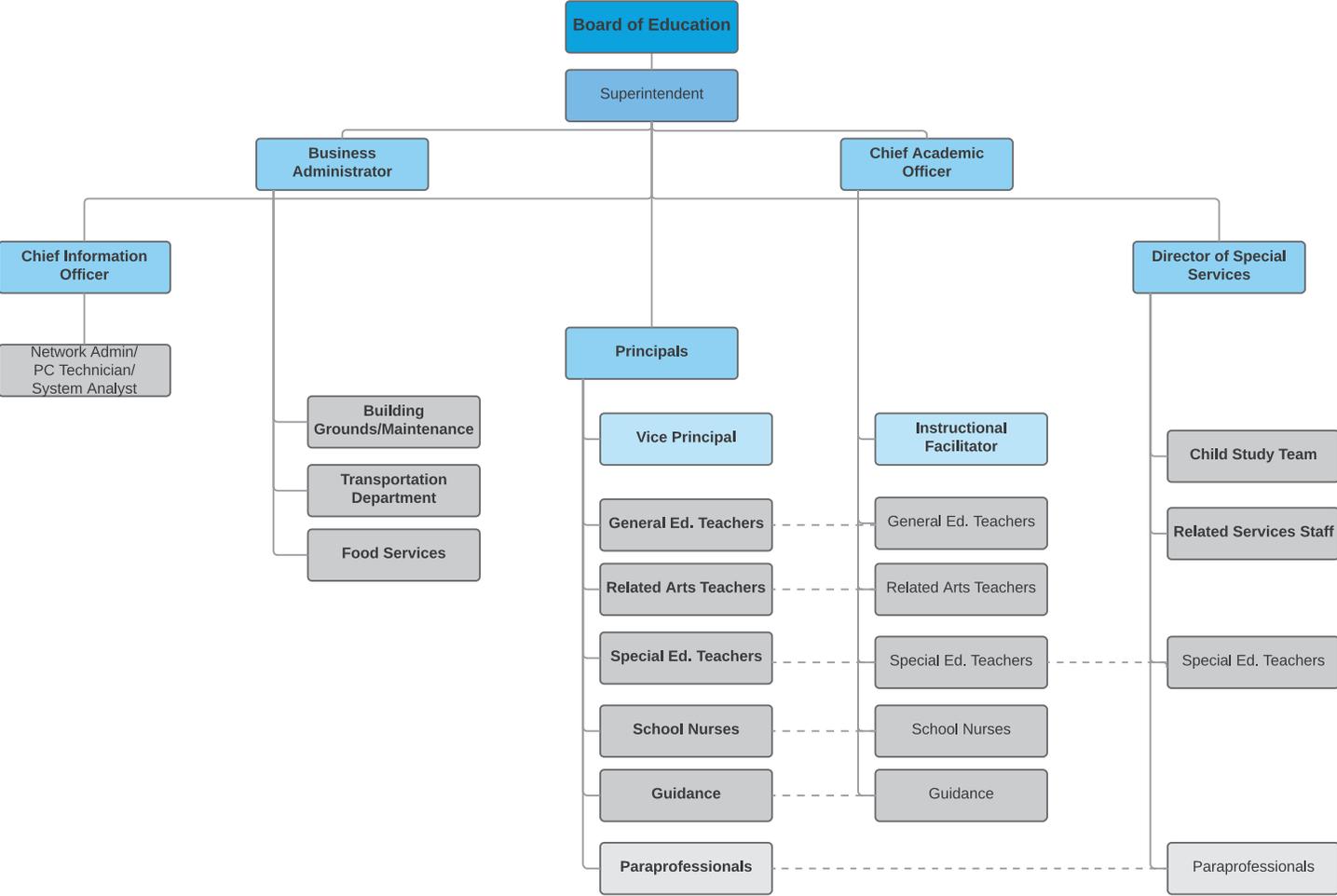
**11. ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of the Swedesboro-Woolwich Consolidated School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

Dr. Kristin P. O’Neil  
Dr. Kristin P. O’Neil  
Superintendent

Christopher J. DeStratis  
Christopher J. DeStratis  
Business Administrator/Board Secretary

**Swedesboro-Woolwich School District  
Organizational Flow Chart**



**SWEDESBORO-WOOLWICH CONSOLIDATED BOARD OF EDUCATION**  
**Woolwich Township, New Jersey**

**ROSTER OF OFFICIALS**  
**June 30, 2018**

**Board of Education Members**

<b><u>Board Member</u></b>	<b><u>Office Held</u></b>	<b><u>Term Date</u></b>
Craig Frederick	President	2019
Jaclyn Dopke	Vice President	2018
Robert Ferrell	Board Member	2020
Kevin Heffernan	Board Member	2018
Lauren Ibbotson	Board Member	2020
Natalie Matthias	Board Member	2018
Rosella Musumeci	Board Member	2019
Kenneth Morris	Board Member	2020
Michelle VanDiehl	Board Member	2019

**Other Officials**

Dr. Kristin P. O'Neil, Superintendent

Christopher J. DeStratis, Business Administrator/Board Secretary

**SWEDESBORO-WOOLWICH CONSOLIDATED BOARD OF EDUCATION**  
**Woolwich Township, New Jersey**

**Consultants and Advisors**

**Auditor**

Petroni & Associates LLC  
102 West High Street, Suite 100  
Glassboro, NJ 08028

Contact: Nick Petroni  
Certified Public Accountant

**Solicitor**

Comegno Law Group, PC  
521 Pleasant Valley Avenue  
Moorestown, NJ 08057

Contact: R. Taylor Ruilova, Esquire

**Fiscal Agent**

JP Morgan  
Chase Manhattan Bank  
4 New York Plaza  
New York, New York 10004

**Depository**

Fulton Bank of New Jersey  
179 Kings Highway  
Woolwich Township, NJ 08085

**Bond Counsel**

McManimon and Scotland  
One Gateway Center  
Newark, NJ 07102

**Architect**

Garrison Architect  
713 Creek Road  
Bellmawr, NJ 08031

## **FINANCIAL SECTION**

# PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants  
102 West High Street, Suite 100 • P.O. Box 279 • Glassboro, NJ 08028  
(856) 881-1600 • Fax (856) 881-6860

MEMBER: AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS

Nick L. Petroni, CPA, RMA

Kevin A. Bergeron, CPA  
Mary A. Carey, RMA  
Wendy G. Fama, CPA  
Denise R. Nevico, CPA  
Deanna L. Roller, CPA, RMA

## INDEPENDENT AUDITOR'S REPORT

Honorable President and  
Members of the Board of Education  
Swedesboro-Woolwich Consolidated School District  
15 Frederick Boulevard  
Woolwich, NJ 08085

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

We have audited the accompanying financial statements of the Governmental Activities, the Business-type Activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Swedesboro-Woolwich Consolidated School District, in the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

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

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

financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the district's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Governmental Activities, the Business-type Activities, each major fund, and the aggregate remaining fund information of the Swedesboro-Woolwich Consolidated Board of Education, Woolwich, New Jersey, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***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 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 Swedesboro-Woolwich Consolidated Board of Education's basic financial statements. The combining and individual non-major fund financial statements and schedule of expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and the schedule of state financial assistance as required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*, and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, schedule of expenditures of federal awards, and state awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, schedule of expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and the schedule of state financial assistance as required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2019, on our consideration of the Swedesboro-Woolwich Consolidated Board of Education's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* in considering Swedesboro-Woolwich Consolidated Board of Education's internal control over financial reporting and compliance.

PETRONI & ASSOCIATES LLC



Nick L. Petroni  
Certified Public Accountant  
Licensed Public School Accountant #542  
Glassboro, New Jersey

January 22, 2019

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2018  
Unaudited

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

**Overview of the Financial Statements**

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

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

**Financial Highlights**

Key financial highlights for 2018 are as follows:

- \* General revenues accounted for \$29,692,809 in revenue or 96 percent of all revenues.
- \* Program specific revenues, in the form of charges for services and grants and contributions, accounted for \$1,143,864 or 4 percent of total revenues of \$30,836,673.
- \* The School District had \$31,683,818 in expenses; only \$1,143,864 of these expenses offset by program specific charges for services, grants or contributions.
- \* Among Governmental Funds, the General Fund had \$26,367,888 in revenues and the General Fund's fund balance increased \$211,184 over 2017.

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

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

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

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For Governmental Funds, these statements tell how services were financed in the short-term as well as what remains for future spending.

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

### **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 ask the question, "How did we do financially during 2018?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net 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 the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs, and other factors.

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

- \* Governmental Activities - All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation, and extracurricular activities.
- \* Business-Type Activity - This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service, Drama Club, Pay-to-Play, and Summer Camp Enterprise Funds are reported as business activities.

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

### **Fund Financial Statements**

Fund financial reports provide detailed information about the School District's funds. The School District uses many funds to account for a multitude of financial transactions. The School District's Governmental Funds are the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund.

### **Governmental Funds**

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

**Governmental Funds (Continued)**

Fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs.

The relationship (or differences) between Governmental Activities (reported in the Statement of Net Position and the Statement of Activities) and Governmental Funds is reconciled in the financial statements.

**Enterprise Fund**

The Enterprise Fund uses the same basis of accounting as Business-type Activities; therefore, these statements are essentially the same.

**Notes to the Financial Statements**

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

**The School District as a Whole**

The Statement of Net Position provides the perspective of the School District as a whole. Net positions may serve over time as a useful indicator of a government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Table 1 provides a summary of the School District's net position for 2018, with comparative data from 2017.

**The School District as a Whole (Continued)**

**Table 1  
Summary of Net Position**

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current & other assets	\$ 4,235,255	\$ 3,973,520	\$ 344,183	\$ 299,199	\$ 4,579,438	\$ 4,272,719
Capital assets	39,117,737	39,942,861	144,551	166,657	39,262,288	40,109,518
Total assets	<u>43,352,992</u>	<u>43,916,381</u>	<u>488,734</u>	<u>465,856</u>	<u>43,841,726</u>	<u>44,382,237</u>
Deferred Outflows	<u>2,172,895</u>	<u>3,629,034</u>			<u>2,172,895</u>	<u>3,629,034</u>
Noncurrent liabilities	35,083,995	37,320,299			35,083,995	37,320,299
Other liabilities	756,098	666,697	48,447	36,587	804,545	703,284
Net pension liability	5,610,101	6,909,464			5,610,101	6,909,464
Net OPEB liability	37,992,622	40,643,177			37,992,622	40,643,177
Total liabilities	<u>41,450,194</u>	<u>44,896,460</u>	<u>48,447</u>	<u>36,587</u>	<u>41,498,641</u>	<u>44,933,047</u>
Deferred Inflows	<u>4,935,456</u>				<u>4,935,456</u>	
Net position:						
Invested in capital assets, net of debt	5,072,738	3,734,685	144,551	166,657	5,217,289	3,901,342
Restricted	4,018,483	3,824,305			4,018,483	3,824,305
Unrestricted	(47,943,606)	(45,553,212)	295,736	262,612	(47,647,870)	(45,290,600)
Total net position	<u>\$ (38,852,385)</u>	<u>\$ (37,994,222)</u>	<u>\$ 440,287</u>	<u>\$ 429,269</u>	<u>\$ (38,412,098)</u>	<u>\$ (37,564,953)</u>

The District's combined net position was (\$38,412,098) on June 30, 2018. This was a decrease from the prior year of \$847,145.

Table 2 shows changes in net position for fiscal year 2018 with comparative data from 2017.

## The School District as a Whole (Continued)

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

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services			\$ 445,004	\$ 461,156	\$ 445,004	\$ 461,156
Operating grants & contributions	\$ 494,746	\$ 454,714	204,114	196,252	698,860	650,966
General revenues:						
Property taxes	18,468,469	18,436,699			18,468,469	18,436,699
Grants & entitlements	10,986,770	10,188,091			10,986,770	10,188,091
Other	237,570	254,890		(1,700)	237,570	253,190
Total revenues	<u>30,187,555</u>	<u>29,334,394</u>	<u>649,118</u>	<u>655,708</u>	<u>30,836,673</u>	<u>29,990,102</u>
Expenses:						
Instruction	10,172,893	9,906,649			10,172,893	9,906,649
Support services	18,621,721	16,821,900			18,621,721	16,821,900
Capital outlay	192,337	171,931			192,337	171,931
Transfer to charter schools						
Unallocated depreciation	839,013	855,336			839,013	855,336
Interest on debt	1,219,754	1,297,274			1,219,754	1,297,274
Food service			593,148	583,407	593,148	583,407
Other enterprise			44,952	53,973	44,952	53,973
Total expenses	<u>31,045,718</u>	<u>29,053,090</u>	<u>638,100</u>	<u>637,380</u>	<u>31,683,818</u>	<u>29,690,470</u>
Change in net position	(858,163)	281,304	11,018	18,328	(847,145)	299,632
Operating transfer		99,149				
Beginning net position	(37,994,222)	2,367,651	429,269	410,941	(37,564,953)	2,778,592
Prior period adjustment - OPEB		(40,643,177)				(40,643,177)
Ending net position	<u>\$ (38,852,385)</u>	<u>\$ (37,994,222)</u>	<u>\$ 440,287</u>	<u>\$ 429,269</u>	<u>\$ (38,412,098)</u>	<u>\$ (37,564,953)</u>

### Governmental Activities

The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the School District operations. Property taxes made up 61.2% of revenues for Governmental Activities for the Swedesboro-Woolwich Consolidated School District for fiscal year 2018. The District's total revenues were \$30,187,555 for the year ended June 30, 2018. Federal, state, and local grants accounted for another 36.4% of revenue.

The total cost of all programs and services was \$31,683,818. Instruction comprises 32.1% of District expenses.

### Business-type Activities

Revenues for the District's Business-type Activity (Food Service, Drama Club, Pay-to-Play, and Summer Camp) were comprised of charges for services and federal and state reimbursements.

\* Income exceeded expenditures by \$11,018.

\* Charges for services represent \$445,004 of revenue.

\* Federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast and donated commodities was \$204,114.

## Statement of Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services for the year 2018, with comparative data for 2017. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

**Table 3**

	Total Cost of Services		Net Cost of Services	
	2018	2017	2018	2017
Instruction:	\$ 10,172,893	\$ 9,906,649	\$ 9,737,687	\$ 9,500,443
Support services:				
Pupil & instructional staff	2,546,117	2,539,137	2,513,045	2,512,840
General administration, school administration & business operation	2,360,527	2,067,566	2,360,527	2,067,566
Operation & maintenance of facilities	1,793,405	1,866,348	1,793,405	1,866,348
Pupil transportation	1,523,231	1,576,049	1,523,231	1,576,049
Employee benefits	10,398,441	8,772,800	10,371,973	8,750,589
Interest	1,219,754	1,297,274	1,219,754	1,297,274
Capital outlay	192,337	171,931	192,337	171,931
Unallocated depreciation	839,013	855,336	839,013	855,336
	<u>\$ 31,045,718</u>	<u>\$ 29,053,090</u>	<u>\$ 30,550,972</u>	<u>\$ 28,598,376</u>

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

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

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

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

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

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

"Other" includes unallocated benefits, capital outlay, special schools, and unallocated depreciation.

## The School District's Funds

All Governmental Funds (i.e., General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$30,189,369 and expenditures were \$30,137,819 per Exhibit B-2.

## General Fund Budgeting Highlights

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

### General Fund Budgeting Highlights (Continued)

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

- Transfers between budgetary line accounts to prevent overruns.

This fiscal year was completed utilizing a zero based budgeting as implemented by the Board of Education and Administration. This process allowed us to more accurately account for our expenditures by school. Principals became more aware of their appropriation limitations and managed their individual school budgets effectively.

The General Fund revenues exceeded expenditures and other financing sources of the School District for the year by \$211,184.

### Capital Assets

At the end of the fiscal year the School District had \$40,109,518 invested in land, building, furniture and equipment, and vehicles. Table 4 shows fiscal year 2018 balances compared to 2017.

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

	2018	2017
Land	\$ 10,472,909	\$ 10,472,909
Site improvements	966,810	957,306
Building & building improvements	26,953,893	27,680,691
Machinery & equipment	724,125	998,612
	<u>\$ 39,117,737</u>	<u>\$ 40,109,518</u>

Overall capital assets decreased \$991,781 from the previous year. For more detailed information, please refer to the Notes to the Financial Statements.

### Debt Administration

At June 30, 2018, the School District had \$35,083,995 of outstanding debt. Of this amount, \$95,485 is for compensated absences; \$829,977 is for unamortized premiums on bonds issued; \$368,533 is for various capital leases; and \$33,790,000 is for serial bonds for school construction.

**Table 5**  
**Outstanding Serial Bonds at June 30,**

	2018	2017
General Obligation Bonds of 2007		\$ 860,000
Refunding Bonds of 2010	\$ 8,810,000	9,645,000
Refunding Bonds of 2013	8,465,000	8,670,000
Refunding Bonds of 2015	16,515,000	16,805,000
	<u>\$ 33,790,000</u>	<u>\$ 35,980,000</u>

For more detailed information, please refer to the Notes to the Financial Statements.

## **For the Future**

The Swedesboro-Woolwich Consolidated School District is in good financial condition presently. The District is proud of its community support of the public schools. A major concern is the sustained enrollment of the District with the increased reliance on local property taxes. However, future finances are not without challenges as the community continues to grow and State funding is uncertain.

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

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

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Mr. Christopher J. DeStratis, Business Administrator/Board Secretary at Swedesboro-Woolwich Consolidated Board of Education, 15 Fredrick Boulevard, Woolwich Township, New Jersey 08085. Please visit our website at: [www.Swedesboro-Woolwich.com](http://www.Swedesboro-Woolwich.com).

## **BASIC FINANCIAL STATEMENTS**

## **DISTRICT-WIDE FINANCIAL STATEMENTS**

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
Statement of Net Position  
June 30, 2018

	Governmental Activities	Business-type Activities	FY 2018
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,024,684	\$ 211,963	\$ 2,236,647
Investments	1,024,265		1,024,265
Interfund accounts receivable	2,000	102,707	104,707
Receivables	171,477	21,371	192,848
Inventory		8,142	8,142
Restricted assets:			
Restricted cash and cash equivalents	650,000		650,000
Capital reserve account - cash	362,829		362,829
Capital assets:			
Non-depreciable	10,472,909		10,472,909
Assets net of depreciation	28,644,828	144,551	28,789,379
Total assets	<u>43,352,992</u>	<u>488,734</u>	<u>43,841,726</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Loss on refunding bonds	1,388,329		1,388,329
Deferred outflows related to pension	532,847		532,847
Deferred outflows related to OPEB	251,719		251,719
Total deferred outflows of resources	<u>2,172,895</u>		<u>2,172,895</u>
<b>LIABILITIES</b>			
Accounts payable	179,242	32,704	211,946
Deferred revenue - local	21,331		21,331
Interfund accounts payable	110,707		110,707
Unearned revenue		15,743	15,743
Accrued interest payable	444,818		444,818
Noncurrent liabilities:			
Due within one year	2,434,621		2,434,621
Due beyond one year	32,649,374		32,649,374
Net pension liability	5,610,101		5,610,101
Net OPEB liability	37,992,622		37,992,622
Total liabilities	<u>79,442,816</u>	<u>48,447</u>	<u>79,491,263</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pension	442,221		442,221
Deferred inflows related to OPEB	4,493,235		4,493,235
Total deferred inflows of resources	<u>4,935,456</u>		<u>4,935,456</u>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	5,072,738	144,551	5,217,289
Restricted for:			
Debt service	773,363		773,363
Capital projects	762,829		762,829
Other purposes	2,482,291		2,482,291
Unrestricted	(47,943,606)	295,736	(47,647,870)
Total net position	<u>\$ (38,852,385)</u>	<u>\$ 440,287</u>	<u>\$ (38,412,098)</u>

See accompanying notes to the basic financial statements.

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
Statement of Activities  
For the Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities:						
Instruction:						
Regular	\$ 6,245,255			\$ (6,245,255)		\$ (6,245,255)
Special education	3,394,357		\$ 435,206	(2,959,151)		(2,959,151)
Other special education	370,974			(370,974)		(370,974)
Other instruction	162,307			(162,307)		(162,307)
Support services:						
Student & instructional related services	2,546,117		33,072	(2,513,045)		(2,513,045)
General administrative services	694,163			(694,163)		(694,163)
School administrative services	997,942			(997,942)		(997,942)
Central services	229,531			(229,531)		(229,531)
Administrative information technology	438,891			(438,891)		(438,891)
Plant operations & maintenance	1,793,405			(1,793,405)		(1,793,405)
Pupil transportation	1,523,231			(1,523,231)		(1,523,231)
Employee benefits	10,398,441		26,468	(10,371,973)		(10,371,973)
Interest on long-term debt	1,219,754			(1,219,754)		(1,219,754)
Capital outlay	192,337			(192,337)		(192,337)
Unallocated depreciation	839,013			(839,013)		(839,013)
Total governmental activities	31,045,718		494,746	(30,550,972)		(30,550,972)
Business-type activities:						
Food service	593,148	\$ 403,896	204,114		\$ 14,862	14,862
Other activities	44,952	41,108			(3,844)	(3,844)
Total business-type activities	638,100	445,004	204,114		11,018	11,018
Total primary government	\$ 31,683,818	\$ 445,004	\$ 698,860	\$ (30,550,972)	\$ 11,018	\$ (30,539,954)
General revenues:						
Property taxes, levied for general purpose, net				\$ 15,647,409		\$ 15,647,409
Taxes levied for debt service				2,821,060		2,821,060
Federal and state aid not restricted				10,986,770		10,986,770
Tuition charges				153,428		153,428
Investment earnings				19,934		19,934
Miscellaneous income				66,022		66,022
Loss on disposal of assets				(1,891)		(1,891)
Escrow balance				77		77
Total general revenues, special items, extraordinary items, and transfers				29,692,809		29,692,809
Change in net position				(858,163)	\$ 11,018	(847,145)
Net position - beginning				2,648,955	429,269	3,078,224
Prior period adjustment of OPEB				(40,643,177)		(40,643,177)
Restated net position at the beginning of the year				(37,994,222)	429,269	(37,564,953)
Net position - end				\$ (38,852,385)	\$ 440,287	\$ (38,412,098)

See accompanying notes to the basic financial statements.

## **FUND FINANCIAL STATEMENTS**

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
Balance Sheet  
Governmental Funds  
June 30, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Totals FY 2018
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,235,531	\$ 15,831		\$ 773,322	\$ 2,024,684
Investments	1,024,224		\$ 41		1,024,265
Interfund accounts receivable	2,000			41	2,041
Receivables from other governments	136,654	34,823			171,477
Restricted cash and cash equivalents	1,012,829				1,012,829
<b>Total assets</b>	<b>\$ 3,411,238</b>	<b>\$ 50,654</b>	<b>\$ 41</b>	<b>\$ 773,363</b>	<b>4,235,296</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 149,919	\$ 29,323			179,242
Interfund accounts payable	110,707		\$ 41		110,748
Deferred revenue - local		21,331			21,331
<b>Total liabilities</b>	<b>260,626</b>	<b>50,654</b>	<b>41</b>		<b>311,321</b>
Fund balances:					
Restricted for:					
Excess surplus - current year	883,060				883,060
Excess surplus - prior year designated for subsequent year's expenditures	900,000				900,000
Maintenance reserve	650,000				650,000
Capital reserve account	762,829				762,829
Debt service fund				\$ 768,681	768,681
Assigned to:					
Designated for subsequent year's expenditures	49,231			4,682	53,913
Other purposes	69,319				69,319
Unassigned:					
General fund	(163,827)				(163,827)
<b>Total fund balances</b>	<b>3,150,612</b>			<b>773,363</b>	<b>3,923,975</b>
<b>Total liabilities and fund balances</b>	<b>\$ 3,411,238</b>	<b>\$ 50,654</b>	<b>\$ 41</b>	<b>\$ 773,363</b>	

See accompanying notes to the basic financial statements.

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
Balance Sheet  
Governmental Funds  
June 30, 2018

Amounts reported for Governmental Activities in the Statement of Net Position (A-1) are different because:

Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the funds. The cost of assets is \$50,829,612 and the accumulated depreciation is \$11,711,875 (see Note 6).	\$ 39,117,737
Net pension liability adjustment for GASB Statement No. 68 and 71	(5,519,475)
Net OPEB liability adjustment for GASB Statement No. 75	(1,590,961)
The cumulative effect of the change in accounting principles for adoption of GASB Statement No. 75 is reported as a prior period adjustment of OPEB liability (see Note 23).	(40,643,177)
Interest on long-term debt in the Statement of Activities is accrued, regardless of when due.	(444,818)
Deferred amount of loss on refunding's on bonds are reported in the Governmental Fund as expenditures in the year the bonds are issued but are amortized over the life of the bonds on the Statement of Activities.	1,388,329
Premiums are recorded in Governmental Funds in the year the bonds are issued but are capitalized in the Statement of Net Position. The premium for the 2015 refunding bond is \$1,037,524, the amortization is \$65,541, and the accumulated amortization is \$207,547.	(829,977)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note 7).	(34,254,018)
Net position of Governmental Activities	<u>\$ (38,852,385)</u>

See accompanying notes to the basic financial statements.

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2018

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Totals FY 2018
<b>REVENUES:</b>					
Local tax levy	\$ 15,647,409			\$ 2,821,060	\$ 18,468,469
Tuition charges	153,428				153,428
Interest earned on investments	15,753		\$ 4,181		19,934
Miscellaneous	66,022	\$ 33,825			99,847
	15,882,612	33,825	4,181	2,821,060	18,741,678
State sources	10,467,512			501,494	10,969,006
Federal sources	17,764	460,921			478,685
<b>Total revenues</b>	<b>26,367,888</b>	<b>494,746</b>	<b>4,181</b>	<b>3,322,554</b>	<b>30,189,369</b>
<b>EXPENDITURES:</b>					
Current:					
Regular instruction	6,282,426				6,282,426
Special education instruction	2,959,151	435,206			3,394,357
Other special instruction	370,974				370,974
Other instruction	162,307				162,307
Support services & undistributed costs:					
Student & instruction related services	2,492,152	33,072			2,525,224
General administrative services	646,332				646,332
School administrative services	994,691				994,691
Central services	224,187				224,187
Administrative information technology	438,891				438,891
Plant operations and maintenance	1,774,708				1,774,708
Pupil transportation	1,523,231				1,523,231
Employee benefits	8,030,636	26,468			8,057,104
Debt service:					
Principal				2,190,000	2,190,000
Interest and other charges				1,202,875	1,202,875
Capital outlay	350,512				350,512
<b>Total expenditures</b>	<b>26,250,198</b>	<b>494,746</b>		<b>3,392,875</b>	<b>30,137,819</b>
Excess (deficiency) of revenues over expenditures	117,690		4,181	(70,321)	51,550
Other financing sources (uses):					
Transfers of interest earned			(4,181)	4,181	
Transfer for canceled appropriations			(764,423)	764,423	
Escrow balance				77	77
Capital leases (non-budgeted)	93,494				93,494
<b>Net change in fund balances</b>	<b>211,184</b>		<b>(764,423)</b>	<b>698,360</b>	<b>145,121</b>
Fund balance - July 1	2,939,428		764,423	75,003	3,778,854
<b>Fund balance - June 30</b>	<b>\$ 3,150,612</b>			<b>\$ 773,363</b>	<b>\$ 3,923,975</b>

See accompanying notes to the basic financial statements.

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
 of Governmental Funds to the Statement of Activities  
 For the Year Ended June 30, 2018

Total net change in fund balances - Governmental Funds (from B-2)	\$	145,121
<p>Amounts reported for Governmental Activities in the Statement of Activities (A-2) are different because:</p>		
<p>Capital outlays are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Capital outlay	\$	158,175
Depreciation expense	<u>(981,408)</u>	(823,233)
<p>Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the Statement of Activities.</p>		
Bond principal payments		2,190,000
Capital lease obligation principal payments		83,550
<p>Proceeds from debt issues are a financing source in the Governmental Funds. They are not revenue in the Statement of Activities; issuing debt increases long-term liabilities in the Statement of Net Position.</p>		
Capital lease obligation proceeds		(93,494)
<p>Governmental Funds report the effect of issuance costs and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of the difference in the treatment of the long-term debt related items.</p>		
Amortization of premiums on bonds		65,541
Amortization of loss on refunding		(109,633)
<p>In the Statement of Activities, interest on long-term debt is accrued, regardless of when due. In the Governmental Funds, interest is reported when due. The accrued interest is an addition in the reconciliation.</p>		
		27,213
<p>Pension contributions are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the contributions are adjusted for actuarial valuation adjustments.</p>		
		(741,083)
<p>OPEB contributions are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the contributions are adjusted for actuarial valuation adjustments.</p>		
		(1,590,961)
<p>In the Statement of Activities, only the gain or loss on the disposal of capital assets is reported, whereas in the Governmental Funds, the proceeds from disposal decrease financial resources. Thus the change in net position will differ from the change in fund balance by the cost of the asset removed.</p>		
		(1,891)
<p>In the Statement of Activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount the difference is an addition to the reconciliation.</p>		
		<u>(9,293)</u>
Change in net position of Governmental Activities	\$	<u><u>(858,163)</u></u>

See accompanying notes to the basic financial statements.

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
Statement of Net Position  
Proprietary Funds  
June 30, 2018

	Business-type Activities - Enterprise Funds				Totals FY 2018
	Major Fund	Non-Major	Major Fund	Non-Major	
	Food Service Fund	Drama Club	Pay-to Play	Summer Camp	
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 200,064	\$ 12,762		\$ 15,750	\$ 228,576
Accounts receivable	21,371				21,371
Interfund accounts receivable	102,707				102,707
Inventories	8,142				8,142
Total current assets	<u>332,284</u>	<u>12,762</u>		<u>15,750</u>	<u>360,796</u>
Noncurrent assets:					
Furniture, machinery & equipment	500,976				500,976
Less: accumulated depreciation	(356,425)				(356,425)
Total noncurrent assets	<u>144,551</u>				<u>144,551</u>
Total assets	<u>476,835</u>	<u>\$ 12,762</u>		<u>\$ 15,750</u>	<u>505,347</u>
<b>LIABILITIES</b>					
Current liabilities:					
Cash deficit			\$ 16,613		16,613
Accounts payable	32,704				32,704
Unearned revenue	15,743				15,743
Total current liabilities	<u>48,447</u>		<u>16,613</u>		<u>65,060</u>
<b>NET POSITION</b>					
Invested in capital assets, net of related debt	144,551				144,551
Unrestricted	283,837	\$ 12,762	(16,613)	\$ 15,750	295,736
Total net position	<u>\$ 428,388</u>	<u>\$ 12,762</u>	<u>\$ (16,613)</u>	<u>\$ 15,750</u>	<u>\$ 440,287</u>

See accompanying notes to the basic financial statements.

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
Statement of Revenues, Expenses, and Changes in Fund Net Position  
Proprietary Fund  
For the Year Ended June 30, 2018

	Business-type Activities - Enterprise Funds				Totals FY 2018
	Major Fund	Non-Major	Major Fund	Non-Major	
	Food Service Fund	Drama Club	Pay-to Play	Summer Camp	
<b>OPERATING REVENUES:</b>					
Local sources:					
Daily sales - reimbursable programs	\$ 253,229				\$ 253,229
Daily sales - non-reimbursable programs	146,053				146,053
Special function/miscellaneous	4,614				4,614
Other		\$ 23,108	\$ 14,180	\$ 3,820	41,108
<b>Total operating revenue</b>	<b>403,896</b>	<b>23,108</b>	<b>14,180</b>	<b>3,820</b>	<b>445,004</b>
<b>OPERATING EXPENSES:</b>					
Salaries	184,159	11,000	18,490	3,990	217,639
Employee benefits	45,342				45,342
Supplies and materials	31,562	10,857	90	525	43,034
Other purchased services (400-500 series)	33,961				33,961
Depreciation	22,106				22,106
Cost of sales - reimbursable	200,366				200,366
Cost of sales - non-reimbursable	59,849				59,849
Miscellaneous other expenses	15,803				15,803
<b>Total operating expenses</b>	<b>593,148</b>	<b>21,857</b>	<b>18,580</b>	<b>4,515</b>	<b>638,100</b>
<b>Operating income (loss)</b>	<b>(189,252)</b>	<b>1,251</b>	<b>(4,400)</b>	<b>(695)</b>	<b>(193,096)</b>
<b>NON-OPERATING REVENUES:</b>					
State sources:					
National school lunch program - state	6,825				6,825
Federal sources:					
National school lunch program	148,045				148,045
Food distribution program	49,244				49,244

See accompanying notes to the basic financial statements.

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
Statement of Revenues, Expenses and Changes in Fund Net Position  
Proprietary Fund  
For the Year Ended June 30, 2018

	Business-type Activities - Enterprise Funds				Totals FY 2018
	Major Fund Food Service Fund	Non-Major Drama Club	Major Fund Pay-to Play	Non-Major Summer Camp	
Total non-operating revenues (expenses)	204,114				204,114
Net income (loss) before transfers	14,862	1,251	(4,400)	(695)	11,018
Total net position - beginning	413,526	11,511	(12,213)	16,445	429,269
Total net position - ending	\$ 428,388	\$ 12,762	\$ (16,613)	\$ 15,750	\$ 440,287

See accompanying notes to the basic financial statements.

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2018

	Business-type Activities - Enterprise Funds				Totals FY 2018
	Major Fund	Non-Major	Major Fund	Non-Major	
	Food Service Fund	Drama Club	Pay-to Play	Summer Camp	
Cash flows from operating activities:					
Receipts from customers	\$ 404,629	\$ 23,108	\$ 14,180	\$ 3,820	\$ 445,737
Payments to suppliers	(275,345)	(10,857)	(90)	(525)	(286,817)
Payments to employees	(184,159)	(11,000)	(18,490)	(3,990)	(217,639)
Payments for employee benefits	(45,342)				(45,342)
Net cash provided (used) by operating activities	(100,217)	1,251	(4,400)	(695)	(104,061)
Cash flows from non-capital financing activities:					
Cash received from state & federal reimbursements	154,682				154,682
Net cash provided by non-capital financing activities	154,682				154,682
Net increase in cash and cash equivalents	54,465	1,251	(4,400)	(695)	50,621
Cash and cash equivalents - July 1	145,599	11,511	(12,213)	16,445	161,342
Cash and cash equivalents - June 30	\$ 200,064	\$ 12,762	\$ (16,613)	\$ 15,750	\$ 211,963

See accompanying notes to the basic financial statements.

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2018

	Business-type Activities - Enterprise Funds				Totals FY 2018
	Major Fund	Non-Major	Major Fund	Non-Major	
	Food Service Fund	Drama Club	Pay-to Play	Summer Camp	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (189,252)	\$ 1,251	\$ (4,400)	\$ (695)	\$ (193,096)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:					
Depreciation	22,106				22,106
Food distribution program	49,244				49,244
Change in assets and liabilities:					
(Increase) decrease in inventory	7,068				7,068
(Increase) decrease in accounts receivable	(1,243)				(1,243)
Increase (decrease) in accounts payable	9,884				9,884
Increase (decreased) in unearned revenue	1,976				1,976
	<u>\$ (100,217)</u>	<u>\$ 1,251</u>	<u>\$ (4,400)</u>	<u>\$ (695)</u>	<u>\$ (104,061)</u>

See accompanying notes to the basic financial statements.

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2018

	Unemployment Trust Fund	Agency Funds	Totals FY 2018
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 243,926	\$ 185,009	\$ 428,935
Interfund receivable - general fund	8,000		8,000
Total assets	<u>\$ 251,926</u>	<u>185,009</u>	<u>436,935</u>
<b>LIABILITIES</b>			
Current liabilities:			
Payroll deductions and withholdings		133,029	133,029
Due to student groups		49,980	49,980
Interfund payable - general fund		2,000	2,000
Total current liabilities		<u>185,009</u>	<u>185,009</u>
<b>NET POSITION</b>			
Unemployment claims	<u>\$ 251,926</u>	<u>None</u>	<u>\$ 251,926</u>

See accompanying notes to the basic financial statements.

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
Statement of Changes in Fiduciary Net Position  
Fiduciary Fund  
For the Year Ended June 30, 2018

	Unemployment Trust Fund
<b>ADDITIONS</b>	
Contributions:	
Employees	\$ 31,990
Employer	8,000
	39,990
Total additions	39,990
<b>DEDUCTIONS</b>	
Unemployment claims	34,798
Quarterly contribution reports	9,535
	44,333
Total deductions	44,333
Change in net position	(4,343)
Net position - beginning of year	256,269
Net position - end of year	\$ 251,926

See accompanying notes to the basic financial statements.

## **NOTES TO THE FINANCIAL STATEMENTS**

**SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

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

**Introduction**

The Swedesboro-Woolwich Consolidated School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials who are responsible for the fiscal control of the District. A Superintendent is appointed by the Board and is responsible for the administrative control of the District.

The financial statements of the Board of Education of Swedesboro-Woolwich Consolidated School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB).

The more significant accounting policies established in (GAAP) and used by the District are discussed below.

**A. Reporting Entity**

The Swedesboro-Woolwich Consolidated School District is a Type II District located in the County of Gloucester, State of New Jersey. As a Type II District, the School District functions, independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in grades PreK-6.

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.

**B. Government-wide Statements**

The School District's basic financial statements include both Government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the Government-wide and fund financial statements categorize primary activities as either Governmental or Business-type. The District's general, special revenue, capital projects, and debt service are classified as Governmental Activities. The District's food service and latchkey programs are classified as Business-type Activities.

In the Government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts:

**SWEDSBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

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

**B. Government-wide Statements (Continued)**

invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

The Government-wide Statement of Activities reports both the gross and net costs of each of the District's functions and Business-type Activities (food service and latchkey). The functions are also supported by general government revenues (property taxes, tuition, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenue, operating and capital grants. Program revenues must be directly associated with the function (regular instruction, vocational programs, student and instruction related services, etc.) or Business-type Activities. Operating grants include operating specific and discretionary (either operating or capital) grants while the capital grants column reflects capital specific grants.

The net costs (by function or Business-type Activity) are normally covered by general revenue (property taxes, tuition, interest income, etc.).

The District does allocate indirect costs such as depreciation expense, on-behalf TPAF Pension contributions, and TPAF Social Security Contributions.

The Government-wide focus is more on the sustainability of the District as an entity and the change in the District's net assets resulting from the current year's activities.

**C. Fund Financial Statements**

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues, and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The District reports the following Governmental Funds:

**GOVERNMENTAL FUNDS**

The focus of the Governmental Funds' measurement (in the fund statements) is upon determination of financial position and change in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the Governmental Funds of the District:

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

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

**SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 governments, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

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

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

**PROPRIETARY FUNDS**

The focus of the Proprietary Funds measurement is upon the determination of operating income, changes in net assets, financial position and cash flows. The generally accepted accounting principles applicable are those similar to business in the private sector. The following are descriptions of the Proprietary Funds of the District:

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

The District's Enterprise Funds are comprised of the Food Service Fund, Drama Club, Pay-to-Play Programs, and Camp Funds.

**Internal Service Fund** - The Internal Service Fund accounts for the financing of services provided by one department to other departments of the School District, or to other governments on a cost-reimbursement basis.

**FIDUCIARY FUNDS**

Fiduciary Funds are used to report assets held by the District in a trustee capacity or as an agent for individuals, private organizations, or other governments and therefore not available to support District programs. The reporting focus is on net position. Changes in net position and are reported using accounting principles similar to Proprietary Funds.

**SWEDSBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

**FIDUCIARY FUNDS (CONTINUED)**

The emphasis in fund financial statements is on the major funds in either the Governmental or Business-type Activities categories. Non-major funds by category are summarized into a single column. GASB No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements.

The District's Fiduciary Funds are presented in the fiduciary fund financial statements by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the Government-wide statements.

The Fiduciary Funds include Student Activity Fund, Payroll, and Payroll Agency Funds which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**D. Basis of Accounting**

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported on the financial statements. It also related to the timing of the measurement made, regardless of the measurement focus applied.

Both Governmental and Business-type Activities in the Government-wide financial statements and the Proprietary and Fiduciary Fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The Governmental Funds financial statements are reported on the modified accrual basis of accounting. Under this method, revenues are recorded when they become both susceptible to accrual; i.e. both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Proceeds of general obligation long-term debt, if any, is recognized when due.

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.

**E. Cash and Cash Equivalents**

Cash and cash equivalents include petty cash, change funds, cash in banks, money market accounts, 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 agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost.

**SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

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

**E. Cash and Cash Equivalents (Continued)**

All other investments are stated at fair value.

For purposes of determining cash equivalents, the District considers all investments with an original maturity of three months or less as cash equivalents.

New Jersey School Districts are limited to the types of investments and types of financial institutions they may invest in. (NJSA 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 the provisions of 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.

NJSA 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 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 of at least 5% 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.

**F. Inventories**

Inventories in the General Fund consist of expendable supplies held for the District's use and are carried at cost using first-in first-out method. Inventories in the Enterprise Fund are valued at cost, which approximates market, using first-in first-out method. Inventory in the Food Service Fund at June 30, 2018, consisted of the following:

Food - commodities	\$	2,932
Supplies		3,360
Food		1,850
		8,142
	\$	8,142

The value of federal donated commodities are reflected in Schedule A (required by Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

**G. Capital Assets**

Capital assets purchased or acquired with an original cost of \$2,000 or more are reported at historical costs or estimated historical cost. Donated capital assets are valued at their estimated fair market value on the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is computed using the straight-line method over the estimated useful lives:

**SWEDSBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

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

**G. Capital Assets (Continued)**

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Site improvements	15-20
Building & improvements	20-50
Machinery & equipment	5-20

GASB No. 34 requires the District to report and depreciate new infrastructure assets. Infrastructure assets include roads, parking lots, underground pipe, etc. Neither their historical costs nor related depreciation has historically been reported in the financial statements. The District has included infrastructure assets in the current fiscal year.

**H. Revenues**

Substantially all Governmental Fund revenue is accrued. 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 monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable." Subsidies and grants to Proprietary Funds, which finance either capital or current operations, are reported as non-operating revenue. In respect to grant revenues, the provider recognizes liabilities and expenses and recipient recognizes receivables and revenue when the applicable eligibility requirements, including requirements are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

**I. Expenditures**

Expenses are recognized when the related fund liability is incurred. Inventory costs reported in the period when inventory items are used, rather than in the period purchased.

**J. 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 in the period in which such services are rendered or in which such events take place. In Governmental Funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as expenditures and fund liability in the fund that will pay for the compensated absences. The remainder of the compensated absence liability is reported in the District-wide Financial Statements as a Governmental Activity.

In Proprietary and similar Trust Funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

**SWEDSBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

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

**K. Interfund Receivables/Payables**

Transfers between Governmental and Business-type Activities on the District-wide statements are reported in the same manner as general revenues. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in Governmental Funds and after non-operating revenues/expenses in the Enterprise Fund. Repayment from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the Statement of Net Position, except for amounts due between Governmental and Business-type Activities or Governmental and Agency Funds, which are presented as internal balances.

**L. Accrued Salaries and Wages**

None of the School District's employees who provide services to the District over the ten month academic year, have the option to have their salaries evenly disbursed during the entire twelve month year.

**M. Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted to the county office for approval and are approved as long as the District budget is within State mandated CAP's, there is no public vote on the budget. If the budget exceeds State mandated CAP's, the voters have an opportunity to approve or reject the budget at the regular election held in November. 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 NJAC 6:23-2(g). Budget amendments/transfers of appropriations must be made by School Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the School Board and under certain circumstances require approval by the County Superintendent of Schools. All budget amendments presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

Formal budgetary integration into the accounting system is employed as a management control device during the year. For Governmental Funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the June state aid payments 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.

**SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

**M. Budgets/Budgetary Control (Continued)**

The accounting records of the Special Revenue Fund are maintained on the grant accounting budgetary basis. The grants 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.

**N. 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 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.

**O. 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.

**P. Tuition Payable**

Tuition charges for the fiscal year were based on rates established by the receiving District. These rates are subject to change when the actual costs have been determined.

**Q. Unearned Revenue**

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are also recorded as unearned revenue.

**R. Accrued Liabilities and Long-Term Obligations**

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

**S. Allocation of Indirect Expenses**

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

**SWEDSBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

**S. Allocation of Indirect Expenses (Continued)**

dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**T. 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.

**U. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Accordingly, actual results could differ from those estimates.

**V. Net Position**

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

**W. Fund Balance Reserves**

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

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

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

**SWEDSBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

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

**W. Fund Balance Reserves (Continued)**

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

**Assigned** - The assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the Business Administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes.

**Unassigned** - The unassigned fund balance classification is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other 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 an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available. The District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

**X. Recent Accounting Pronouncements Not Yet Effective**

In November 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 83, "Certain Asset Retirement Obligations." This statement, which is effective for fiscal periods beginning after June 15, 2018, will not have any effect on the District's financial reporting.

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, "Fiduciary Activities." This statement, which is effective for fiscal periods beginning after December 31, 2018, will not have any effect on the District's financial reporting.

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, "Leases." This statement, which is effective for fiscal periods beginning after December 15, 2019, will not have any effect on the District's financial reporting.

In April 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 88, "Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements." This statement, which is effective for fiscal periods beginning after June 15, 2018. Management has not yet determined the impact of this Statement on the financial statements.

**SWEDSBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

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

**X. Recent Accounting Pronouncements Not Yet Effective (Continued)**

In June 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 89, "Accounting for Interest Costs Incurred Before the End of a Construction Period." This statement, which is effective for fiscal periods beginning after December 15, 2019. Management has not yet determined the impact of this Statement on the financial statements.

In August 2018, the Governmental Accounting Standards Board (GASB) issued Statement No. 90, "Majority Equity Interests-an Amendment of GASB Statements No. 14 and No. 61." This statement which is effective for fiscal periods beginning after December 15, 2018, will not have any effect on the District's financial reporting.

**NOTE 2: CASH AND CASH EQUIVALENTS**

Custodial Credit Risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's policy is based on New Jersey statutes requiring cash to be deposited only in New Jersey banking institutions that participate in the New Jersey Governmental Unit Deposit Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes NJSA 18A:20-37 that are treated as cash equivalents. The carrying amount of the District's cash and cash equivalents at June 30, 2018 and 2017, was \$3,678,411 and \$2,587,628. As of June 30, 2018 and 2017, \$0 of the District's bank balance of \$3,908,976 and \$3,109,321, respectively, was exposed to Custodial Credit Risk.

**NOTE 3: INVESTMENTS**

Investments are stated at fair value which approximates cost. The carrying amount of the District's investments at June 30, 2018 and 2017, was \$1,024,265 and \$1,777,474.

As of June 30, 2018, the District held the following investments:

	Cost	Fair Value
Certificates of Deposits	\$ 910,000	\$ 904,198
GS Financial Sq Federal MMF	116,858	120,067
	\$ 1,026,858	\$ 1,024,265

**Interest Rate Risk** - The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, NJSA 18A:20-37 limits the length of time for most investments to 397 days.

**Credit Risk** - NJSA 18A:20-37 limits District investments to those specified in the Statutes. The type of allowable investments are: Bonds of the United States of America or of the District or the local units in which the District is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

**Concentration of Credit Risk** - The District places no limit on the amount the District may invest in any one issuer.

**SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 4: RECEIVABLES**

Receivables at June 30, 2018, (see Exhibit B-1 and B-4) consisted of intergovernmental and property taxes receivable. All receivables are considered collectible in full. A summary of the principal items of the intergovernmental receivables are as follows:

	Governmental Activities	Business- Type Activities
State aid	\$ 119,799	\$ 520
Other	22,354	9,543
Federal aid	29,324	11,308
	<u>\$ 171,477</u>	<u>\$ 21,371</u>

**NOTE 5: CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the Board of Education by inclusion of funds in the original 1991-1992 capital budget, which was certified for taxes and for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a District may increase the balance in the capital reserve by appropriating funds in the annual General Fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to NJSA 19:60-2. Pursuant to NJAC 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP. The June 30, 2018, LRFP balance does not exceed the capital reserve balance.

Beginning balance, July 1, 2017	\$ 422,829
Withdrawal	(60,000)
Deposits	
Board resolution	400,000
Ending balance June 30, 2018	<u>\$ 762,829</u>

**SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 6: CAPITAL ASSETS**

Activity for capital assets capitalized by the District are summarized below for the fiscal year ended June 30, 2018.

	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Disposals/ Adjustments</u>	<u>Balance June 30, 2018</u>
Governmental activities:				
Capital assets not being depreciated:				
Sites (land)	\$ 10,472,909			\$ 10,472,909
Total capital assets not being depreciated	<u>10,472,909</u>			<u>10,472,909</u>
Land improvements	1,807,105	\$ 95,698		1,902,803
Building & site improvements	36,680,793			36,680,793
Machinery & equipment	1,714,089	62,477	\$ (3,459)	1,773,107
Totals at historical cost	<u>40,201,987</u>	<u>158,175</u>	<u>(3,459)</u>	<u>40,356,703</u>
Less: accumulated depreciation				
Land improvements	(849,799)	(86,194)		(935,993)
Building & building improvements	(9,000,102)	(726,798)		(9,726,900)
Machinery & equipment	(882,134)	(168,416)	1,568	(1,048,982)
Total accumulated depreciation	<u>(10,732,035)</u>	<u>(981,408)</u>	<u>1,568</u>	<u>(11,711,875)</u>
Governmental activities capital assets, net	<u>\$ 39,942,861</u>	<u>\$ (823,233)</u>	<u>\$ (1,891)</u>	<u>\$ 39,117,737</u>
Business-type activities:				
Machinery & equipment	\$ 500,976			\$ 500,976
Less: accumulated depreciation	(334,319)	\$ (22,106)		(356,425)
Business-type capital assets, net	<u>\$ 166,657</u>	<u>\$ (22,106)</u>	None	<u>\$ 144,551</u>

Depreciation was charged to the following governmental programs:

General administration	\$ 73,664
Operations and maintenance	18,697
Educational media	20,893
Instruction	20,546
School administration	3,251
Support administration	5,344
Unallocated	839,013
Total	<u>\$ 981,408</u>

**NOTE 7: GENERAL LONG-TERM DEBT**

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

**SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 7: GENERAL LONG-TERM DEBT (CONTINUED)**

**Permanently Funded Debt as of June 30, 2018, Consisted of the Following:**

\$12,875,000 Refunding Bonds of 2010 dated October 28, 2010, payable in annual installments through February 15, 2028. Interest is paid semi-annually at an interest rate from 2.5% to 4%. The remaining balance as of June 30, 2018, was \$8,810,000.

\$9,105,000 Refunding Bonds of 2013 dated May 2, 2013, payable in annual installments through January 15, 2031. Interest is paid semi-annually at an interest rate from 1% to 3%. The remaining balance as of June 30, 2018, was \$8,465,000.

\$17,920,000 Refunding Bonds of 2015 dated April 22, 2015, payable in annual installments through February 15, 2031. The Refunding Bonds were issued with a net interest cost of 1.542453% to advance refund \$1,605,000 of outstanding 2005 School Refunding Bonds, with an interest rate of 4% and a net interest costs of 2.971221% to advance refund \$15,435,000 of outstanding 2007 School Bonds with an average interest rate of 4.599684%. The net proceeds of \$18,775,499, including a premium of \$1,037,523 and net of payments of \$98,560 in underwriting fees and \$83,464 of issuance costs were used to purchase U.S. Government Securities. The advance refunding met the requirements for an in-substance debt defeasance and the bonds were removed from the District's financial statements. As a result of the advance refunding, the District recognized an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$749,163. Interest is paid semi-annually at an interest rate from 1% to 5%. The remaining balance as of June 30, 2018, was \$16,515,000.

**Long-Term Obligation Activity**

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

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018	Due Within One Year
Compensated absences	\$ 86,192	\$ 9,832	\$ 539	\$ 95,485	
Capital leases	358,589	93,494	83,550	368,533	\$ 109,080
Serial bonds payable	35,980,000		2,190,000	33,790,000	2,260,000
Premium on bond sale	895,518		65,541	829,977	65,541
	<u>\$ 37,320,299</u>	<u>\$ 103,326</u>	<u>\$ 2,339,630</u>	<u>\$ 35,083,995</u>	<u>\$ 2,434,621</u>

**Capital Leases**

The District has a capital lease outstanding for computers. Lease terms are from three years to five year with an interest rates from 2.267% to 4.607%, see Exhibit I-2. The following is a schedule of the future minimum lease payment under the capital lease.

Year Ended June 30,	Principal	Interest	Total
2019	\$ 109,080	\$ 9,702	\$ 118,782
2020	110,031	8,752	118,783
2021	114,163	4,620	118,783
2022	35,259	1,166	36,425
	<u>\$ 368,533</u>	<u>\$ 24,240</u>	<u>\$ 392,773</u>

**SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 7: GENERAL LONG-TERM DEBT (CONTINUED)**

**Bonds Payable**

Principal and interest due on serial bonds outstanding is as follows:

Year Ended June 30,	Principal	Interest	Total
2019	\$ 2,260,000	\$ 1,131,675	\$ 3,391,675
2020	2,345,000	1,044,500	3,389,500
2021	2,465,000	951,775	3,416,775
2022	2,555,000	856,525	3,411,525
2023	2,650,000	757,575	3,407,575
2024-2028	14,515,000	2,554,776	17,069,776
2029-2031	7,000,000	496,550	7,496,550
	<u>\$ 33,790,000</u>	<u>\$ 7,793,376</u>	<u>\$ 41,583,376</u>

**Bonds Authorized but Not Issued**

As of June 30, 2018, the Board has \$0 of bonds authorized but not issued.

**Other**

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

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

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

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

**NOTE 8: PENSION FUNDS**

**Description of Plans** - All eligible employees of the District are covered by the Public Employees' Retirement System, (PERS), or Teachers' Pension and Annuity Fund (TPAF) a cost-sharing, multiple-employer defined benefit pension plan which has been established by state statute and is administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the Systems terminate. The Division issues a

**SWEDSBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 8: PENSION FUNDS (CONTINUED)**

**Description of Plans (Continued)** - publicly available financial report that includes the financial statements and required supplementary information for the Public Employees' Retirement System. The reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295 or can be accessed on the internet at: <http://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

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

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

**Funding Policy** - The contribution policy is set by NJSA 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997, and NJSA 18:66 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for 7.34% of employees' annual compensation, as defined. Subsequent increases will be phased in over 7 years (each July 1) to bring the total pension contribution rate to 7.5% as of July 1, 2018. Employers are required to contribute at an actuarially determined rate in PERS. The actuarially determined contribution includes funding for, cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

The District's contributions to PERS for the years ending June 30, 2018, 2017, and 2016, were \$227,790, \$208,688, and \$203,801, respectively, equal to the required contributions and retro adjustments for each year. The School District's contributions for TPAF for the years ending June 30, 2018, 2017, and 2016, were \$2,425,685, \$1,542,311, and \$1,542,311, respectively, were paid by the State of New Jersey on behalf of the board, equal to the required contributions for each year.

Also, in accordance with NJSA 18A:66-66, the State of New Jersey reimbursed the District for the years ending June 30, 2018, 2017, and 2016; \$769,382, \$732,556, and \$717,818, 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 financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 27.

**SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 8: PENSION FUNDS (CONTINUED)**

**Funding Policy (Continued)** -The Board's total payroll for the years ended June 30, 2018, 2017, and 2016, was \$13,056,446, \$12,682,587, and \$12,581,443, covered payroll was \$10,603,887, \$9,999,571, and \$9,781,086, for TPAF and \$1,693,401, \$1,719,378, and \$1,601,284 for PERS.

For the year ended June 30, 2018, the District recognized pension expense of \$964,344. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions		\$ 442,221
Net difference between expected and actual experience	\$ 77,969	
Net difference between projected and actual earnings on pension plan investments	53,350	
Changes in proportion and differences between District contributions and proportionate share of contributions	178,267	
District contributions subsequent to the measurement date	223,261	
	\$ 532,847	\$ 442,221

\$223,261 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	Amount
2019	\$ 96,083
2020	155,709
2021	37,928
2022	(275,306)
2023	(147,049)
Thereafter	0
	\$ (132,635)

Additional information – Collective balances at June 30, 2017 and 2016, are as follows:

**SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 8: PENSION FUNDS (CONTINUED)**

**Funding Policy (Continued)**

	June 30, 2017	June 30, 2016
Collective deferred outflows of resources	\$ 6,424,455,842	\$ 8,685,338,380
Collective deferred inflows of resources	5,700,625,981	870,133,595
Collective net pension liability	23,278,401,588	29,617,131,759
District's proportion	0.0241000258%	0.0233292810%

**Defined Contribution Retirement Program** - The Defined Contribution Retirement Program (DCRP) is a cost-sharing, multiple-employer defined contribution pension fund which was established on July 1, 2007, under provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (NJAC 43:15C-1 et seq.). The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provision are established by NJSA 43:15C-1 et seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, state statute also requires the return to the normal rate when such surplus pension assets no longer exist. In addition to the employee contributions, the School District's contributes amounts for each pay period to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period. The District's employer contribution of 3% to DCRP for the years ending June 30, 2018, 2017, and 2016, were \$6,831, \$6,967, and \$7,722.

**NOTE 9: POST-EMPLOYMENT BENEFITS**

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

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

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

**SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 9: POST-EMPLOYMENT BENEFITS (CONTINUED)**

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

**Employees Covered by Benefit Terms**

At June 30, 2018, the following employees were covered by the benefit terms:

- **TPAF Participant Retirees**  
As of June 30, 2017, there were 112,966 retirees receiving post-retirement medical benefits and the State contributed \$1.39 billion on their behalf.
- **PERS Participant Retirees**  
The State paid \$238.9 million toward Chapter 126 benefits for 209,913 eligible retired members in Fiscal Year 2017.

**Total OPEB Liability**

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the Board of Education/Board of Trustees. Note that actual numbers will be published in the NJ State's CAFR at: <https://www.nj.gov/treasury/omb/publications/archives.shtml>.

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

Inflation	2.50%
Salary increases	Differs by pension group (e.g. - PERS, TPAF). See Actuarial Assumptions in the Notes to Required Supplementary Information - Note 4.
Discount rate	3.58%

The discount rate was based on the Bond Buyer General Obligation 20-Bond Municipal Bond index.

Mortality rates were based on the RP-2014 headcount-weighted mortality table for healthy and disabled lives with fully generational mortality improvement projections from the central year using Scale MP-2017.

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

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

**SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 9: POST-EMPLOYMENT BENEFITS (CONTINUED)**

	Total OPEB Liability
Balance at 6/30/16	\$ 57,831,784,184
Changes for the year:	
Service cost	2,391,878,884
Interest	1,699,441,736
Changes of benefit terms	
Differences between expected and actual experience	
Changes in assumptions or other inputs	(7,086,599,129)
Contributions - Member	45,748,749
Benefit payments	(1,242,412,566)
	(4,191,942,326)
Net changes	
Balance at 6/30/17	\$ 53,639,841,858

There were no changes in benefit terms during the year.

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

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

	1% Decrease 2.58%	Discount Rate 3.58%	1% Increase 4.58%
Total OPEB Liability (School Retirees)	\$ 63,674,362,200	\$ 53,639,841,858	\$ 45,680,364,953

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	\$ 44,113,584,560	\$ 53,639,841,858	\$ 66,290,599,457

**SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 9: POST-EMPLOYMENT BENEFITS (CONTINUED)**

**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/Board of Trustees recognized OPEB expense of \$1,590,961 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 GASB No. 75 and in which there is a special funding situation.

In accordance with GASB No. 75, the Swedesboro-Woolwich Consolidated Board of Education 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, 2018, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportions	\$ 251,719	
Changes of assumptions or other inputs		\$ 4,493,235
Total	\$ 251,719	\$ 4,493,235

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

Year ended June 30,	Amount
2019	\$ (496,665)
2020	(496,665)
2021	(496,665)
2022	(496,665)
2023	(496,665)
Thereafter	(1,758,191)
	\$ (4,241,516)

**NOTE 10: DEFERRED COMPENSATION**

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

**SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 11: COMPENSATED ABSENCES**

The District accounts for compensated absences using the termination method (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences." A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the 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 policies. In the event of termination, an employee is reimbursed for accumulated vacation pay at their current rate of pay. Payment of accumulated sick days is available to employees only when they reach the statutory retirement requirements and have 15 years of service with the District. Accumulated sick days are paid for certified and noncertified employees according to the following schedule with a maximum payment of \$8,000.

- Ten (10) dollars per day for the first 50 days
- Twenty (20) dollars per day for the next 50 days
- Fifty (50) dollars per day for the next 50 days
- Hundred (100) dollars per day for days in excess of 150 days

For the District-wide *Statement of Net Position*, the liabilities whose average maturities are greater than one year should be reported in two components - the amount due within one year and the amount due in more than one year. The liability for vested compensated absences in the Governmental Fund at June 30, 2018, is \$95,485. The liability for vested compensated absences in the Food Service Fund at June 30, 2018, is \$0.

**NOTE 12: LABOR CONTRACTS**

As of June 30, 2018, there are the following collective bargaining units in the Swedesboro-Woolwich Consolidated Board of Education. Contracts are continually being negotiated and the following table shows their current status.

	Category	Expiration	Covers
Education Association	Teachers	6/30/2019	All teachers, teaching assistants, nurse, social workers, etc., excluding administrators
Administrator's Association	Administrators	6/30/2018	Principals, Vice-Principals, supervisor of curriculum, and supervisor of special education

**NOTE 13: EMPLOYEE BENEFITS**

The District established and maintains a cafeteria plan for health benefits required by NJSA 18A:16-19.1 as amended by P.L. 2011, c.78, s.51. The District entered into a pre-tax benefits plan with USBAFlex. The medical care reimbursement plan maximum amount for staff was \$2,500 and \$5,000 for dependent care.

**SWEDSBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 14: RISK MANAGEMENT**

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

**Property and Liability Insurance:**

The District maintains commercial insurance coverage for property, liability, and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section (Exhibit J-20) of this Comprehensive Annual Financial Report. During the current fiscal year end the District did not incur claims in excess of coverage.

**New Jersey Unemployment Compensation Insurance:**

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

Fiscal Year	Interest Earned	Employee Contributions	Employer Contributions	Amount Reimbursed	NJ 927	Ending Balance
2017-2018		\$ 31,990	\$ 8,000	\$ 34,798	\$ 9,535	\$ 251,926
2016-2017		31,341	104,000	7,821	9,252	256,269
2015-2016	\$74	32,283		1,896	9,385	138,001

**NOTE 15: FUND BALANCE APPROPRIATED**

Restrictions of fund balances of Governmental Funds are established to either (1) satisfy legal covenants that require a portion of the fund balance to be segregated or (2) identify the portion of the fund balance that is not appropriate for future expenditures.

The District uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the District does not have a formal fund balance spending policy therefore the default spending order requires committed, assigned and then unassigned to be used/spent first when expenditures are made.

The District follows the State of New Jersey's minimum fund balance policy for New Jersey Public School Districts (NJSA 18A:7F-7). Pursuant to that policy, an undesignated fund balance of 2% of the General Fund budget or \$250,000, whichever is greater may be maintained.

Specific classifications of fund balance are summarized below:

**Non-Spendable Fund Balance** - The District had no non-spendable fund balance at June 30, 2018.

**SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 15: FUND BALANCE APPROPRIATED (CONTINUED)**

**Restricted Fund Balance:**

**Capital Reserve Account** - Of the \$762,829 balance in the capital reserve account at June 30, 2018, \$0 has been designated for utilization in the 2018-2019 budget. These funds are restricted for future capital outlay expenditures for projects in the School District's long range facilities plan.

**Maintenance Reserve Account** - Of the \$650,000 balance in the maintenance reserve account at June 30, 2018, \$100,000 has been designated for utilization in the 2018-2019 budget. These funds are restricted for required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (NJSA 18A:7G-9) as amended by P.L. 2004, c.73 (S1701).

**Excess Surplus** - At June 30, 2018, excess surplus created in FY 2017, of \$900,000, will be utilized for expenditures in the 2018-2019 budget, while excess surplus created in FY 2018 of \$883,060 is restricted and will be utilized for budget expenditures in 2019-2020.

**Debt Service Fund** - At June 30, 2018, there was \$773,363 fund balance of which \$4,682 has been designated for utilization in the 2018-2019 budget.

**Committed Fund Balance** - The District had no committed fund balance at June 30, 2018.

**Assigned Fund Balance** - At June 30, 2018, the Board has assigned \$49,231 of General Fund balance that has been appropriated and included as anticipated revenue for the 2018-2019 budget. The District also has \$69,319 that was assigned for other purposes as of the year end. This represents encumbrances resulting from issuing purchase orders as a result of normal purchasing activities approved by District officials.

**Unassigned Fund Balance** - At June 30, 2018, the District has (\$163,827) of unassigned fund balance in the General Fund.

**NOTE 16: CALCULATION OF EXCESS SURPLUS**

The designation of Reserve Fund Balance - Excess surplus is a required calculation pursuant NJSA 18A:7F-7, as amended. New Jersey School Districts are required to reserve General Fund, fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2018, is \$1,783,060.

**NOTE 17: DEFICIT FUND BALANCES**

The District has a deficit fund balance of \$163,827 (Exhibit B-1) in the General Fund as of June 30, 2018, as reported in the fund statements (modified accrual basis). NJSA 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for

**SWEDSBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 17: DEFICIT FUND BALANCES (CONTINUED)**

school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the state is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payments on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the General Fund balance deficit does not alone indicate that the District is facing financial difficulties.

**NOTE 18: ECONOMIC DEPENDENCY**

The District is heavily reliant on state aid and local tax levy to fund the District operations. State sources funded approximately 36% of the District's 2017-2018 Governmental Fund revenue, while local tax levy accounted for approximately 61%.

**NOTE 19: INTERFUND RECEIVABLES AND PAYABLES**

The interfund balances remaining on the balance sheet at June 30, 2018.

	From	To
General fund	\$ 2,000	\$ 110,707
Capital projects fund		41
Debt service fund	41	
Enterprise funds:		
Food service fund	102,707	
Agency funds:		
Payroll agency		2,000
Unemployment trust	8,000	
	\$ 112,748	\$ 112,748

Interfunds are the result of prior year amounts which were created to cover cash flow needs as well as interest earnings. These interfunds are expected to be liquidated within the next fiscal year.

**NOTE 20: TAX ABATEMENTS**

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

**SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 20: TAX ABATEMENTS (CONTINUED)**

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

The Township of Woolwich and Borough of Swedesboro did not have any tax abatements for the year ended December 31, 2017.

**NOTE 21: COMMITMENTS AND CONTINGENCIES**

The School District participates in federal 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.

It is the opinion of the administration and legal counsels, that there exists no litigation or contingent liability that may be pending against the Swedesboro-Woolwich Consolidated School District that would have a material or adverse effect on the Board or the financial position of the District.

**NOTE 22: SUBSEQUENT EVENTS**

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2018 and January 22, 2019, the date that the financial statements were 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.

**NOTE 23: CHANGE IN ACCOUNTING PRINCIPLE**

During the year beginning July 1, 2017, the District adopted the Governmental Accounting Standards Board (GASB) Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" whose primary objective is to improve accounting and financial reporting for postemployment benefits other than pensions (OPEB). These statements establish standards for measuring and recognizing liabilities, deferred outflows of resources and deferred inflows of resources, and expense/expenditures for OPEB.

The effect of this change was to decrease fiscal year ended June 30, 2017, net position by \$40,643,177 which is the prior period adjustment of net OPEB liability. Financial statements for the fiscal year ended June 30, 2017, have not been restated, and the cumulative effect of the change totaling \$40,643,177 is shown as a one-time debit to net position in the fiscal year ended June 30, 2018, Statement of Activities.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

## **BUDGETARY COMPARISON SCHEDULES**

SWEDESBORO-WOOLWICH CONSOLIDATED 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
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 15,647,409		\$ 15,647,409	\$ 15,647,409	
Tuition from other LEA's within state	120,000		120,000	153,428	\$ 33,428
Interest on investments	2		2	15,753	15,751
Miscellaneous	39,376		39,376	66,022	26,646
<b>Total - local sources</b>	<b>15,806,787</b>		<b>15,806,787</b>	<b>15,882,612</b>	<b>75,825</b>
State sources:					
Equalization aid	4,556,502	\$ 230,112	4,786,614	4,786,614	
Special education aid	1,016,623		1,016,623	1,016,623	
Security aid	142,549		142,549	142,549	
PARCC readiness	17,670		17,670	17,670	
Supplemental enrollment growth aid	963,615		963,615	963,615	
Underadequacy aid	4,684		4,684	4,684	
Per pupil growth aid	17,670		17,670	17,670	
Professional learning community aid	17,030		17,030	17,030	
Host district support aid	244		244	244	
Transportation aid	250,973		250,973	250,973	
Extraordinary aid				60,125	60,125
Non-public transportation aid				21,460	21,460
Teachers' pension and annuity fund (on-behalf non-budgeted)				1,472,435	1,472,435
TPAF post-retirement (on-behalf non-budgeted)				951,014	951,014
TPAF long-term disability insurance (on-behalf non-budgeted)				2,236	2,236
Reimbursed TPAF social security contributions (non-budgeted)				769,382	769,382
<b>Total - state sources</b>	<b>6,987,560</b>	<b>230,112</b>	<b>7,217,672</b>	<b>10,494,324</b>	<b>3,276,652</b>
Federal sources:					
Medicaid reimbursement	25,252		25,252	17,764	(7,488)
<b>Total - federal sources</b>	<b>25,252</b>		<b>25,252</b>	<b>17,764</b>	<b>(7,488)</b>
<b>Total revenues</b>	<b>22,819,599</b>	<b>230,112</b>	<b>23,049,711</b>	<b>26,394,700</b>	<b>3,344,989</b>

SWEDESBORO-WOOLWICH CONSOLIDATED 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
EXPENDITURES:					
Current expense:					
Regular programs - instruction:					
Salaries of teachers:					
Kindergarten	703,138	(50,828)	652,310	651,423	887
Grades 1-5	4,229,962	(306,977)	3,922,985	3,920,066	2,919
Grades 6-8	958,115	(14,978)	943,137	943,137	
Regular programs - home instruction:					
Salaries of teachers	2,600		2,600	2,004	596
Purchased professional - educational services	10,000	(5,501)	4,499	2,981	1,518
Regular programs - undistributed instruction:					
Other salaries for instruction	23,674		23,674	22,450	1,224
Purchased professional - educational services	1,232,120	(826,275)	405,845	352,542	53,303
Other purchased services (400-500 series)	12,000	(1,882)	10,118	927	9,191
General supplies	429,951	18,550	448,501	382,660	65,841
Textbooks	3,000	(1,000)	2,000	2,000	
Miscellaneous expenditures	1,618	1,519	3,137	2,236	901
Total regular programs	7,606,178	(1,187,372)	6,418,806	6,282,426	136,380
Special education:					
Learning and/or language disabilities:					
Salaries of teachers	772,763	(219,953)	552,810	552,495	315
Other salaries for instruction		106,854	106,854	105,437	1,417
General supplies	4,150		4,150	178	3,972
Total learning and/or language disabilities	776,913	(113,099)	663,814	658,110	5,704
Multiple disabilities:					
Salaries of teachers	248,207	111,452	359,659	355,945	3,714
Other salaries for instruction		148,758	148,758	134,917	13,841
General supplies	4,000		4,000	1,267	2,733
Total multiple disabilities	252,207	260,210	512,417	492,129	20,288
Resource room:					
Salaries of teachers	893,509	301,544	1,195,053	1,185,019	10,034
Other salaries for instruction		25,302	25,302	25,302	
General supplies	18,438	(2,000)	16,438	11,123	5,315
Total resource room	911,947	324,846	1,236,793	1,221,444	15,349
Autism					
Salaries of teachers	279,110	(92,062)	187,048	187,047	1
Other salaries for instruction		128,890	128,890	124,769	4,121
General supplies	9,024	(1,000)	8,024	1,345	6,679
Total autism	288,134	35,828	323,962	313,161	10,801
Preschool disabilities - part-time:					
Salaries of teachers	153,922	53,138	207,060	187,535	19,525
Other salaries for instruction		71,519	71,519	71,118	401
General supplies	4,450	(1,000)	3,450	545	2,905
Total preschool disabilities - part-time	158,372	123,657	282,029	259,198	22,831
Preschool disabilities - full-time:					
Other salaries for instruction		15,110	15,110	15,109	1
General supplies	3,880	(1,000)	2,880		2,880
	3,880	14,110	17,990	15,109	2,881

SWEDESBORO-WOOLWICH CONSOLIDATED 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
Home instruction:					
Salaries of teachers	10,000	(10,000)			
Total home instruction	10,000	(10,000)			
Total special education	2,401,453	635,552	3,037,005	2,959,151	77,854
Basic skills/remedial:					
Salaries of teachers	198,925	172,057	370,982	370,974	8
Total basic skills/remedial	198,925	172,057	370,982	370,974	8
Bilingual:					
Salaries of teachers	60,400	45,938	106,338	106,337	1
Total bilingual	60,400	45,938	106,338	106,337	1
School sponsored co-curricular activities:					
Salaries	35,000	19,820	54,820	53,870	950
Total school sponsored co-curricular activities	35,000	19,820	54,820	53,870	950
Before/after school program:					
Salaries of teacher tutors	26,500	(14,000)	12,500	2,100	10,400
Total other instructional programs	26,500	(14,000)	12,500	2,100	10,400
Community service programs - operations:					
Purchased services	3,500		3,500		3,500
Total community service programs	3,500		3,500		3,500
Total other instructional programs	324,325	223,815	548,140	533,281	14,859
Total - instruction	10,331,956	(328,005)	10,003,951	9,774,858	229,093
Undistributed expenditures:					
Instruction					
Tuition to other LEA's within state-regular	10,000		10,000	5,563	4,437
Tuition to county special services and regional day schools	83,880		83,880	54,510	29,370
Tuition to private schools for the handicapped-state	247,738	(44,500)	203,238	65,426	137,812
Tuition other	10,000	9,500	19,500	14,930	4,570
Total tuition	351,618	(35,000)	316,618	140,429	176,189
Health services:					
Salaries	344,330	11,240	355,570	346,757	8,813
Purchased professional/technical services	14,020	(200)	13,820	9,415	4,405
Other purchased services (400-500 series)		50	50	18	32
Supplies and materials	4,600	50	4,650	4,433	217
Other objects	440	450	890	644	246
Total health services	363,390	11,590	374,980	361,267	13,713

SWEDESBORO-WOOLWICH CONSOLIDATED 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
Related services:					
Salaries of teachers	279,103	(9,758)	269,345	266,135	3,210
Purchased professional - educational services	550,654	(38,500)	512,154	502,519	9,635
Other purchased services (400-500 series)	2,000	(2,000)			
General supplies	31,100	(18,505)	12,595	1,106	11,489
<b>Total related services</b>	<b>862,857</b>	<b>(68,763)</b>	<b>794,094</b>	<b>769,760</b>	<b>24,334</b>
Guidance services:					
Salaries of other professional staff	239,277	3,548	242,825	242,641	184
Supplies and materials	2,450		2,450	1,406	1,044
<b>Total guidance services</b>	<b>241,727</b>	<b>3,548</b>	<b>245,275</b>	<b>244,047</b>	<b>1,228</b>
Child study team:					
Salaries of other professional staff	372,099	1,427	373,526	373,209	317
Salaries of secretarial and clerical assistants	63,590		63,590	63,590	
Other salaries	15,600	27,554	43,154	43,152	2
Purchased professional - educational services	21,475	(200)	21,275	13,250	8,025
Purchased professional - technical services	55,170		55,170	45,132	10,038
Other purchased services (400-500 series)	3,000	(1,856)	1,144	1,144	
Supplies and materials		1,200	1,200	1,105	95
<b>Total child study team services</b>	<b>530,934</b>	<b>28,125</b>	<b>559,059</b>	<b>540,582</b>	<b>18,477</b>
Improvement of instructional services/ other support services - instructional staff:					
Salaries of supervisors of instruction	275,074	(66,501)	208,573	183,196	25,377
Other salaries	62,250		62,250	57,925	4,325
Purchased professional - educational services	25,425		25,425	12,710	12,715
Other purchased services (400-500 series)	9,000	(162)	8,838	8,838	
Supplies and materials	1,950	1,555	3,505	3,500	5
<b>Total improvement of instructional services/ other support services - instructional staff</b>	<b>373,699</b>	<b>(65,108)</b>	<b>308,591</b>	<b>266,169</b>	<b>42,422</b>
Educational media services/school library:					
Salaries	133,943	(50,396)	83,547	83,461	86
Purchased professional - technical services	7,500		7,500	6,768	732
Supplies and materials	7,443	2,900	10,343	8,814	1,529
Other objects	250		250		250
<b>Total educational media services/school library</b>	<b>149,136</b>	<b>(47,496)</b>	<b>101,640</b>	<b>99,043</b>	<b>2,597</b>
Instructional staff training:					
Other salaries	12,310	29,116	41,426	36,292	5,134
Purchased professional - educational services	14,400		14,400	11,850	2,550
Other purchased services (400-500 series)	16,073	6,640	22,713	22,713	
<b>Total instructional staff training</b>	<b>42,783</b>	<b>35,756</b>	<b>78,539</b>	<b>70,855</b>	<b>7,684</b>

SWEDESBORO-WOOLWICH CONSOLIDATED 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
Support services general administration:					
Salaries	242,016	1,000	243,016	243,016	
Legal services	46,000	51,470	97,470	94,392	3,078
Audit fees	22,000	(2,100)	19,900	19,600	300
Other professional services	16,000	(5,500)	10,500	9,085	1,415
Communications/telephone	134,000	(14,420)	119,580	118,523	1,057
BOE other purchases services	4,400	(750)	3,650	3,202	448
Other purchased services (400-500 series)	114,000	30,500	144,500	144,431	69
Supplies and materials	3,000	(50)	2,950	2,604	346
Miscellaneous expenditures	12,500	(1,000)	11,500	11,479	21
Total support services general administration	593,916	59,150	653,066	646,332	6,734
Support services school administration:					
Salaries of principals/assistant principals	547,081	85,834	632,915	632,914	1
Salaries of other professional staff		72,919	72,919	72,917	2
Salaries of secretarial and clerical assistants	226,672	(3,385)	223,287	223,284	3
Other purchased services (400-500 series)	11,700	1,709	13,409	13,409	
Supplies and materials	46,162	(2,848)	43,314	40,376	2,938
Other objects	18,300	(4,978)	13,322	11,791	1,531
Total support services school administration	849,915	149,251	999,166	994,691	4,475
Central services:					
Salaries	205,141	1,072	206,213	206,213	
Other purchased services (400-500 series)	1,750	886	2,636	2,636	
Supplies and materials	6,000	9,250	15,250	14,248	1,002
Other objects	2,000		2,000	1,090	910
Total central services	214,891	11,208	226,099	224,187	1,912
Administration information technology:					
Salaries	261,497		261,497	261,496	1
Purchased technical services	166,659	8,500	175,159	174,327	832
Other purchased services (400-500 series)	3,900	(2,758)	1,142	1,142	
Supplies and materials	20,000	(13,797)	6,203	1,926	4,277
Other objects	2,000		2,000		2,000
Total administration information technology	454,056	(8,055)	446,001	438,891	7,110
Required maintenance:					
Salaries	204,426	(35,097)	169,329	169,328	1
Cleaning, repair, and maintenance services	171,697	(16,290)	155,407	134,787	20,620
General supplies	12,500		12,500	4,206	8,294
Other objects	2,500	200	2,700	2,630	70
Total required maintenance	391,123	(51,187)	339,936	310,951	28,985

SWEDESBORO-WOOLWICH CONSOLIDATED 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
Custodial services:					
Salaries	271,732	4,211	275,943	273,758	2,185
Salaries non-instructional aides	107,018	(4,615)	102,403	97,388	5,015
Purchased professional - technical services	13,150		13,150	2,593	10,557
Cleaning, repair, and maintenance services	321,363	6,000	327,363	324,082	3,281
Other purchased property services	135,000	(3,653)	131,347	131,041	306
Insurance	91,000		91,000	86,488	4,512
General supplies	38,000		38,000	18,282	19,718
Natural gas	91,500		91,500	68,826	22,674
Electricity	450,000	(20,610)	429,390	376,043	53,347
Gasoline	3,000		3,000	2,957	43
Other objects	2,000		2,000		2,000
<b>Total custodial services</b>	<b>1,523,763</b>	<b>(18,667)</b>	<b>1,505,096</b>	<b>1,381,458</b>	<b>123,638</b>
Care & upkeep grounds:					
Cleaning, repair, and maintenance services	81,000	(3,800)	77,200	59,864	17,336
General supplies	7,000		7,000	4,439	2,561
<b>Total care &amp; upkeep grounds</b>	<b>88,000</b>	<b>(3,800)</b>	<b>84,200</b>	<b>64,303</b>	<b>19,897</b>
Security:					
Purchased professional - technical services	18,000		18,000	14,461	3,539
Cleaning, repair, and maintenance services	4,000		4,000	2,649	1,351
General supplies	8,000	(4,597)	3,403	886	2,517
<b>Total security</b>	<b>30,000</b>	<b>(4,597)</b>	<b>25,403</b>	<b>17,996</b>	<b>7,407</b>
<b>Total operation &amp; maintenance of plant services</b>	<b>2,032,886</b>	<b>(78,251)</b>	<b>1,954,635</b>	<b>1,774,708</b>	<b>179,927</b>
Student transportation services:					
Salaries for pupil transportation (between home and school) - regular	21,961		21,961	21,960	1
Other purchased professional/technical service	750		750		750
Aid in lieu - nonpublic	75,000	(2,200)	72,800	68,144	4,656
Aid in lieu - choice	1,800	2,200	4,000	4,000	
Contracted services (other than between home and school) - vendors	4,000		4,000	3,794	206
Contracted services (between home and school) - joint agreements	1,200,000	33,000	1,233,000	1,232,113	887
Contracted services (special education students) - joint agreements	280,000		280,000	192,613	87,387
General supplies	700		700	407	293
Other objects	250		250	200	50
<b>Total student transportation services</b>	<b>1,584,461</b>	<b>33,000</b>	<b>1,617,461</b>	<b>1,523,231</b>	<b>94,230</b>

SWEDESBORO-WOOLWICH CONSOLIDATED 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
Unallocated benefits:					
Social security contributions	201,000	400	201,400	186,302	15,098
Other retirement regular	269,500	(25,350)	244,150	239,168	4,982
Unemployment compensation	8,000		8,000	8,000	
Workmen's compensation	145,000	18,000	163,000	162,121	879
Health benefits	4,064,598	490,805	4,555,403	4,173,388	382,015
Tuition reimbursement	50,000		50,000	29,939	20,061
Other employee benefits	35,500	10,060	45,560	36,651	8,909
<b>Total unallocated benefits</b>	<b>4,773,598</b>	<b>493,915</b>	<b>5,267,513</b>	<b>4,835,569</b>	<b>431,944</b>
Teachers' pension and annuity fund (on-behalf non-budgeted)				1,472,435	(1,472,435)
TPAF post-retirement (on-behalf non-budgeted)				951,014	(951,014)
TPAF long-term disability insurance (on-behalf non-budgeted)				2,236	(2,236)
Reimbursed TPAF social security contributions (non-budgeted)				769,382	(769,382)
<b>Total non-budgeted</b>				<b>3,195,067</b>	<b>(3,195,067)</b>
<b>Total personal services - employee benefits</b>	<b>4,773,598</b>	<b>493,915</b>	<b>5,267,513</b>	<b>8,030,636</b>	<b>(2,763,123)</b>
<b>Total undistributed expenditures</b>	<b>13,419,867</b>	<b>522,870</b>	<b>13,942,737</b>	<b>16,124,828</b>	<b>(2,182,091)</b>
<b>Total expenditures - current expense</b>	<b>23,751,823</b>	<b>194,865</b>	<b>23,946,688</b>	<b>25,899,686</b>	<b>(1,952,998)</b>
<b>CAPITAL OUTLAY:</b>					
Equipment:					
Regular programs - instruction:					
Grades 1-5	12,000	(12,000)			
Grades 6-8		5,120	5,120		5,120
Administration information technology	20,450	18,650	39,100	39,100	
Custodial services	34,713	13,650	48,363	34,713	13,650
<b>Total equipment</b>	<b>67,163</b>	<b>25,420</b>	<b>92,583</b>	<b>73,813</b>	<b>18,770</b>
Facilities acquisition and construction services:					
Architect/engineering services	11,250	(3,561)	7,689	7,688	1
Construction services	75,000	13,388	88,388	88,388	
SDA Assessment for debt service	87,129		87,129	87,129	
<b>Total facilities acquisition and construction services</b>	<b>173,379</b>	<b>9,827</b>	<b>183,206</b>	<b>183,205</b>	<b>1</b>
Assets acquired under capital leases (non-budgeted)					
Support services - students regular				93,494	(93,494)
<b>Total capital outlay</b>	<b>240,542</b>	<b>35,247</b>	<b>275,789</b>	<b>350,512</b>	<b>(74,723)</b>
<b>Total expenditures</b>	<b>23,992,365</b>	<b>230,112</b>	<b>24,222,477</b>	<b>26,250,198</b>	<b>(2,027,721)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(1,172,766)</b>		<b>1,172,766</b>	<b>144,502</b>	<b>1,317,268</b>

SWEDESBORO-WOOLWICH CONSOLIDATED 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
Other financing sources (uses):					
Prior year receivables canceled					
Capital leases (non-budgeted)				93,494	(93,494)
Total other financing sources (uses)				93,494	(93,494)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,172,766)		1,172,766	237,996	1,223,774
Fund balances - July 1	3,617,261		3,617,261	3,617,261	
Fund balances - June 30	\$ 2,444,494		\$ 4,790,027	\$ 3,855,257	\$ 1,223,774
<b>Recapitulation:</b>					
<b>Restricted fund balance:</b>					
Capital reserve				\$ 762,829	
Maintenance reserve				650,000	
Excess surplus - designated for subsequent year's expenditures				900,000	
Excess surplus - current year				883,060	
<b>Assigned fund balance:</b>					
Designated for subsequent year's expenditures				49,231	
Year-end encumbrances				69,319	
<b>Unassigned fund balance</b>				540,818	
				3,855,257	
Reconciliation to Governmental Fund statements (GAAP):					
Last state aid payment not recognized on GAAP basis				(704,645)	
Fund balance per Governmental Funds (GAAP)				\$ 3,150,612	

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Federal sources	\$ 356,900	\$ 105,924	\$ 462,824	\$ 460,921	\$ 1,903
Local sources		44,969	44,969	40,638	4,331
Total revenues	<u>\$ 356,900</u>	<u>\$ 150,893</u>	<u>\$ 507,793</u>	<u>\$ 501,559</u>	<u>\$ 6,234</u>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of teachers	\$ 93,000	\$ 1,754	\$ 94,754	\$ 93,918	\$ 836
General supplies		54,079	54,079	48,681	5,398
Other purchased services (400-500 series)	245,400	54,020	299,420	299,420	
Total Instruction	<u>338,400</u>	<u>109,853</u>	<u>448,253</u>	<u>442,019</u>	<u>6,234</u>
Support services:					
Personal services - employee benefits		26,468	26,468	26,468	
Purchased professional - technical services	18,500	3,572	22,072	22,072	
Other purchased services (400-500 series)		11,000	11,000	11,000	
Total support services	<u>18,500</u>	<u>41,040</u>	<u>59,540</u>	<u>59,540</u>	
Total expenditures	<u>\$ 356,900</u>	<u>\$ 150,893</u>	<u>\$ 507,793</u>	<u>\$ 501,559</u>	<u>\$ 6,234</u>

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

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
 Required Supplementary Information  
 Budget-to-GAAP Reconciliation  
 Note to RSI  
 For the Fiscal Year Ended June 30, 2018

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

	General Fund	Special Revenue Fund
<b>Sources/inflows of resources:</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule.	[C-1] \$ 26,394,700	[C-2] \$ 501,559
<b>Difference - budget to GAAP</b>		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(6,813)
State aid payment recognized for budgetary purposes, not recognized for GAAP statements.	(704,645)	
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	677,833	
<b>Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - Governmental Funds.</b>	[B-2] \$ <u>26,367,888</u>	[B-2] \$ <u>494,746</u>
<b>Uses/outflows of resources:</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	[C-1] \$ 26,250,198	[C-2] \$ 501,559
<b>Difference - budget to GAAP:</b>		
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.		(6,813)
<b>Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - Governmental Funds.</b>	[B-2] \$ <u>26,250,198</u>	[B-2] \$ <u>494,746</u>

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
Schedule of the District's Proportionate Share of the Net Pension Liability - PERS  
Last Five Fiscal Years

	Fiscal Year Ended June 30,				
	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.0241000258%	0.0233292810%	0.0237051833%	0.0213760411%	0.0206578924%
District's proportionate share of the net pension liability (asset)	\$ 5,610,101	\$ 6,909,464	\$ 5,321,339	\$ 4,002,180	\$ 3,948,134
District's covered-employee payroll	1,757,633	1,601,284	1,676,600	1,587,945	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	319.19%	431.50%	317.39%	252.04%	N/A
Plan fiduciary net position as a percentage of the total pension liability	48.10%	40.13%	47.92%	52.08%	48.72%
Measurement Date	06/30/17	06/30/16	06/30/15	06/30/14	06/30/13
N/A - Not available					

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
 Schedule of District Contributions - PERS  
 Last Five Fiscal Years

	Fiscal Year Ended June 30,				
	2018	2017	2016	2015	2014
Contractually required contribution	\$ 223,261	\$ 207,254	\$ 203,801	\$ 176,221	\$ 155,653
Contributions in relation to the contractually required contribution	223,261	207,254	203,801	176,221	155,653
Contribution deficiency (excess)	None	None	None	None	None
District's covered-employee payroll	\$ 1,757,633	\$ 1,601,284	\$ 1,676,600	\$ 1,587,945	N/A
Contributions as a percentage of covered-employee payroll	12.70%	12.94%	12.16%	11.10%	N/A
Measurement Date	06/30/17	06/30/16	06/30/15	06/30/14	06/30/13

N/A Not available

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
 Schedule of the District's Proportionate Share of the Net Pension Liability - TPAF  
 Last Five Fiscal Years

	Fiscal Year Ended June 30,				
	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.0912713622%	0.0879321253%	0.0880003313%	0.0866725117%	0.0835205482%
District's proportionate share of the net pension liability (asset)	\$ 61,538,444	\$ 69,173,008	\$ 55,619,967	\$ 46,323,637	\$ 42,210,628
District's covered-employee payroll	10,271,323	9,781,086	9,098,846	8,885,377	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	599.13%	707.21%	611.29%	521.35%	N/A
Plan fiduciary net position as a percentage of the total pension liability	25.41%	22.33%	28.71%	33.64%	33.76%
Measurement date	06/30/17	06/30/16	06/30/15	06/30/14	06/30/13

The data in the above schedule represents the allocation of the State of New Jersey's obligation on behalf of the District.

The Teachers' Pension and Annuity Fund (TPAF) On-behalf Payments is a Cost Sharing, Multi-Employer Defined Benefit Plan with a Special Funding Situation – 100% Legal Obligation of the State of New Jersey (State).

Since the State is the only entity with a legal obligation, the District's proportionate share percentage determined under paragraph 48 of GASB No. 68 is zero percent. Accordingly, the District did not recognize any portion of the TPAF collective net pension liability on the Statement of Net Position (A-1). Also on the A-1, and for the same reasons, the District did not recognize any portion of TPAF collective deferred outflows of resources and TPAF deferred inflows of resources.

N/A Not available

**SCHEDULE RELATED TO ACCOUNTING AND REPORTING FOR POSTEMPLOYMENT  
BENEFITS OTHER THAN PENSIONS**

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
 Schedule of Changes in the Total OPEB Liability and Related Ratios

Last Fiscal Year

	<u>Fiscal Year Ended</u> <u>2018</u>
Total OPEB Liability	
Service cost	\$ 2,607,405
Interest	1,220,648
Changes of benefit terms	
Differences between expected and actual experience	
Changes of assumptions or other inputs	(5,631,021)
Member contributions	32,403
Benefit payments	<u>(879,990)</u>
Net change in total OPEB liability	(2,650,555)
Total OPEB liability - beginning	<u>40,643,177</u>
Total OPEB liability - ending	<u><u>\$ 37,992,622</u></u>
Covered employee payroll	\$ 12,028,956
Total OPEB liability as a percentage of covered employee payroll	315.84%

**Notes to Schedule:**

*Changes of benefit terms:*

There were no changes in benefit terms during the year.

*Changes of assumptions:*

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following is the discount rate used in the period:

2018	3.58%
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**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART III**

**SWEDSBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2018**

**NOTES RELATED TO PENSIONS**

**NOTE 1: CONTRIBUTIONS**

The contribution policy for PERS is set by NJSA 15A and requires contributions by active members and contributing employers. The District's contribution amount was based on an actuarially determined rate which includes the normal cost and unfunded accrued liability.

**NOTE 2: 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. The total pension liability for the June 30, 2016, measurement date was determined by an actuarial valuation as of July 1, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.25%
Salary increases:	
Through 2026	1.65 – 4.15% based on age
Thereafter	2.65 – 5.15% based on age
Investment rate of return	7.00%

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 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.

Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pension and Benefits financial report at: <http://www.state.nj.us/treasury/pensions/gasb-notices.shtml>.

**SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2018**

**NOTES RELATED TO OTHER POST-EMPLOYMENT BENEFITS**

**NOTE 3: CONTRIBUTIONS**

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

**NOTE 4: ACTUARIAL ASSUMPTIONS**

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

Inflation rate	2.50%
Salary increases (TPAF):	
Through 2026	1.55 – 4.55% based on years of service
Thereafter	2.00 – 5.45% based on years of service
Salary increases (PERS):	
Through 2026	2.15 – 4.15% based on age
Thereafter	3.15 – 5.15% based on age

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

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

Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report at: <http://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>.

## **OTHER SUPPLEMENTARY INFORMATION**

**SPECIAL REVENUE FUND**

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2018

	Total Brought Forward Ex. E-1a	Title II, Part A Teacher & Principal Training & Recruiting	Title I Part A	IDEA-Part B - Basic	IDEA Preschool	Totals	
						FY 2018	FY 2017
<b>REVENUES:</b>							
Federal sources	\$ 15,002	\$ 28,140	\$ 118,359	\$ 282,137	\$ 17,283	\$ 460,921	\$ 450,129
Local sources	40,638					40,638	4,585
<b>Total revenues</b>	<b>\$ 55,640</b>	<b>\$ 28,140</b>	<b>\$ 118,359</b>	<b>\$ 282,137</b>	<b>\$ 17,283</b>	<b>\$ 501,559</b>	<b>\$ 454,714</b>
<b>EXPENDITURES:</b>							
Instruction:							
Salaries of teachers	\$ 1,950		\$ 91,968			\$ 93,918	\$ 86,455
Purchased professional - technical services							2,374
Purchased professional - educational services							29,929
General supplies	48,681					48,681	5,575
Other purchased services (400-500 series)				\$ 282,137	\$ 17,283	299,420	281,873
<b>Total instruction</b>	<b>50,631</b>		<b>91,968</b>	<b>282,137</b>	<b>17,283</b>	<b>442,019</b>	<b>406,206</b>
Support services:							
Salaries							
Personal services - employee benefits	77		26,391			26,468	22,211
Purchased professional - educational services							3,005
Purchased professional - technical services	2,932	\$ 19,140				22,072	23,292
Other purchased services (400-500 series)	2,000	9,000				11,000	
<b>Total support services</b>	<b>5,009</b>	<b>28,140</b>	<b>26,391</b>			<b>59,540</b>	<b>48,508</b>
<b>Total expenditures</b>	<b>\$ 55,640</b>	<b>\$ 28,140</b>	<b>\$ 118,359</b>	<b>\$ 282,137</b>	<b>\$ 17,283</b>	<b>\$ 501,559</b>	<b>\$ 454,714</b>

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
Special Revenue Fund  
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
For the Fiscal Year Ended June 30, 2018

	SHIF Wellness	Title III	Title IV	PTO Donation	Ann Green Grant	Verizon	Total Carried Forward
REVENUES:							
Federal sources		\$ 5,499	\$ 9,503				\$ 15,002
Local sources	\$ 1,670			\$ 35,706	\$ 1,773	\$ 1,489	40,638
Total revenues	<u>\$ 1,670</u>	<u>\$ 5,499</u>	<u>\$ 9,503</u>	<u>\$ 35,706</u>	<u>\$ 1,773</u>	<u>\$ 1,489</u>	<u>\$ 55,640</u>
EXPENDITURES:							
Instruction:							
Salaries of teachers	\$ 950	\$ 1,000					\$ 1,950
General supplies	720	4,422	\$ 4,571	\$ 35,706	\$ 1,773	\$ 1,489	48,681
Total instruction	<u>1,670</u>	<u>5,422</u>	<u>4,571</u>	<u>35,706</u>	<u>1,773</u>	<u>1,489</u>	<u>50,631</u>
Support services:							
Salaries							
Personal services - employee benefits		77					77
Purchased professional/technical services			2,932				2,932
Other purchased services (400-500 series)			2,000				2,000
Total support services		<u>77</u>	<u>4,932</u>				<u>5,009</u>
Total expenditures	<u>\$ 1,670</u>	<u>\$ 5,499</u>	<u>\$ 9,503</u>	<u>\$ 35,706</u>	<u>\$ 1,773</u>	<u>\$ 1,489</u>	<u>\$ 55,640</u>

## **CAPITAL PROJECTS FUND**

SWEDESBORO-WOOLWICH CONSOLIDATED DISTRICT  
 Capital Projects Fund  
 Summary Schedule of Project Expenditures  
 June 30, 2018

Project Title/Issue	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Canceled Appropriations June 30, 2018
			Prior Years	Current Year	
Construction of Charles G. Harker School	12/13/05	\$ 31,875,000	\$ 31,110,577	None	\$ 764,423

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
 Capital Projects Fund  
 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
 Budgetary Basis  
 For the Fiscal Year Ended June 30, 2018

	FY 2018
Revenues & other financing sources	
Interest earned	\$ 4,181
Total revenues	4,181
Excess (deficiency) or revenues over (under) expenditures	4,181
Other financing sources (uses):	
Transfer to debt service fund	(4,181)
Canceled appropriations transfer to debt service fund	(764,423)
Fund balance - beginning	764,423
Fund balance - ending	None

## **PROPRIETARY FUNDS**

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
Enterprise Funds  
Combining Schedule of Net Position  
For the Fiscal Year Ended June 30, 2018

	Business-type Activities				Totals	
	Food Service Fund	Drama Club	Pay-to Play	Summer Camp	FY 2018	FY 2017
<b>ASSETS</b>						
Current assets:						
Cash and cash equivalents	\$ 200,064	\$ 12,762		\$ 15,750	\$ 228,576	\$ 173,555
Accounts receivable:						
State	520				520	509
Federal	11,308				11,308	11,132
Other	9,543				9,543	8,300
Interfund accounts receivable - general fund	102,707				102,707	102,707
Inventory	8,142				8,142	15,209
Total current assets	<u>332,284</u>	<u>12,762</u>		<u>15,750</u>	<u>360,796</u>	<u>311,412</u>
Non-current assets						
Machinery and equipment	500,976				500,976	500,976
Less: accumulated depreciation	(356,425)				(356,425)	(334,319)
Total non-current assets	<u>144,551</u>				<u>144,551</u>	<u>166,657</u>
Total assets	<u>476,835</u>	<u>12,762</u>		<u>15,750</u>	<u>505,347</u>	<u>478,069</u>
<b>LIABILITIES AND NET POSITION</b>						
Current liabilities:						
Cash deficit			\$ 16,613		16,613	12,213
Accounts payable	32,704				32,704	22,820
Unearned revenue	15,743				15,743	13,767
Total current liabilities	<u>48,447</u>		<u>16,613</u>		<u>65,060</u>	<u>48,800</u>
Net Position:						
Invested in capital assets, net of related debt	144,551				144,551	166,657
Unrestricted	283,837	12,762	(16,613)	15,750	295,736	262,612
Total net position	<u>\$ 428,388</u>	<u>\$ 12,762</u>	<u>\$ (16,613)</u>	<u>\$ 15,750</u>	<u>\$ 440,287</u>	<u>\$ 429,269</u>

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
Enterprise Funds  
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position  
For the Fiscal Year Ended June 30, 2018

	Business-type Activities				Totals	
	Food Service Fund	Drama Club	Pay-to Play	Summer Camp	FY 2018	FY 2017
<b>OPERATING REVENUES:</b>						
Local sources:						
Daily sales-reimbursable programs:	\$ 253,229				\$ 253,229	\$ 267,584
Daily sales non-reimbursable programs	146,053				146,053	120,334
Special function/miscellaneous	4,614				4,614	22,099
Program fees		\$ 23,108	\$ 14,180	\$ 3,820	41,108	51,139
Total operating revenue	403,896	23,108	14,180	3,820	445,004	461,156
<b>OPERATING EXPENSES:</b>						
Salaries	184,159	11,000	18,490	3,990	217,639	223,907
Employee benefits	45,342				45,342	51,379
Supplies and materials	31,562	10,857	90	525	43,034	38,024
Other purchased professional services	33,961				33,961	35,133
Depreciation	22,106				22,106	24,924
Cost of sales - reimbursable	200,366				200,366	192,181
Cost of sales - non-reimbursable	59,849				59,849	56,978
Miscellaneous other expenses	15,803				15,803	14,854
Total operating expenses	593,148	21,857	18,580	4,515	638,100	637,380
Operating income (loss)	(189,252)	1,251	(4,400)	(695)	(193,096)	(176,224)
<b>NON-OPERATING REVENUES:</b>						
State sources:						
National school lunch program - state	6,825				6,825	5,957
Federal sources:						
National school lunch program	148,045				148,045	139,055
Food distribution program	49,244				49,244	51,240
Loss on disposal of capital assets						(1,700)
Total non-operating revenues (expenses)	204,114				204,114	194,552
Net income (loss) before transfers	14,862	1,251	(4,400)	(695)	11,018	18,328

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
Enterprise Funds  
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position  
For the Fiscal Year Ended June 30, 2018

	Business-type Activities				Totals	
	Food Service Fund	Drama Club	Pay-to Play	Summer Camp	FY 2018	FY 2017
Net income (loss)	14,862				11,018	18,328
Total net position - July 1	413,526	11,511	(12,213)	16,445	429,269	410,941
Total net position - June 30	<u>\$ 428,388</u>	<u>\$ 12,762</u>	<u>\$ (16,613)</u>	<u>\$ 15,750</u>	<u>\$ 440,287</u>	<u>\$ 429,269</u>

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
Enterprise Funds  
Combining Schedule of Cash Flows  
For the Fiscal Year Ended June 30, 2018

	Business-type Activities				Totals	
	Food Service	Drama	Pay-to	Summer	FY 2018	FY 2017
	Fund	Club	Play	Camp		
Cash flows from operating activities:						
Receipts from customers	\$ 404,629	\$ 23,108	\$ 14,180	\$ 3,820	\$ 445,737	\$ 457,545
Payments to suppliers	(275,345)	(10,857)	(90)	(525)	(286,817)	(266,155)
Payments to employees	(184,159)	(11,000)	(18,490)	(3,990)	(217,639)	(223,907)
Payments for employee benefits	(45,342)				(45,342)	(51,379)
Net cash provided (used) by operating activities	(100,217)	1,251	(4,400)	(695)	(104,061)	(83,896)
Cash flows from non-capital financing activities:						
Cash received from state reimbursements	6,814				6,814	5,908
Cash received from federal reimbursements	147,868				147,868	138,224
Transfer to/from general fund						(701)
Net cash provided by non-capital financing activities	154,682				154,682	143,431
Cash flows from investing activities:						
Purchase of capital assets						(14,391)
Interest on investments						
Net cash provided by investing activities						(14,391)
Net increase in cash and cash equivalents	54,465	1,251	(4,400)	(695)	50,621	45,144
Cash and cash equivalents - July 1	145,599	11,511	(12,213)	16,445	161,342	116,198
Cash and cash equivalents - June 30	\$ 200,064	\$ 12,762	\$ (16,613)	\$ 15,750	\$ 211,963	\$ 161,342

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
Enterprise Funds  
Combining Schedule of Cash Flows  
For the Fiscal Year Ended June 30, 2018

	Business-type Activities				Totals	
	Food Service Fund	Drama Club	Pay-to Play	Summer Camp	FY 2018	FY 2017
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ (189,252)	\$ 1,251	\$ (4,400)	\$ (695)	\$ (193,096)	\$ (176,224)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:						
Depreciation	22,106				22,106	24,924
Food distribution program	49,244				49,244	51,240
Change in assets and liabilities:						
(Increase) decrease in inventory	7,068				7,068	(3,045)
(Increase) decrease in accounts receivable	(1,243)				(1,243)	(3,644)
Increase (decrease) in accounts payable	9,884				9,884	22,820
Increase (decrease) in unearned revenue	1,976				1,976	33
	<u>\$ (100,217)</u>	<u>\$ 1,251</u>	<u>\$ (4,400)</u>	<u>\$ (695)</u>	<u>\$ (104,061)</u>	<u>\$ (83,896)</u>

## FIDUCIARY FUNDS

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
Combining Statement of Fiduciary Net Position  
For the Fiscal Year Ended June 30, 2018

	Unemployment Trust Fund	Agency Funds	Totals	
			FY 2018	FY 2017
<b>ASSETS</b>				
Cash and cash equivalents	\$ 243,926	\$ 185,009	\$ 428,935	\$ 436,303
Interfund receivables:				
General fund	8,000		8,000	1,418
Total assets	<u>\$ 251,926</u>	<u>185,009</u>	<u>436,935</u>	<u>437,721</u>
<b>LIABILITIES</b>				
Payroll deductions and withholdings		133,029	133,029	126,586
Due to student groups		49,980	49,980	52,792
Interfund payables:				
General fund		2,000	2,000	2,074
Total liabilities		<u>185,009</u>	<u>185,009</u>	<u>181,452</u>
<b>NET POSITION</b>				
Held in trust for:				
Scholarships				
Unemployment claims	\$ 251,926		251,926	256,269
Total net position	<u>\$ 251,926</u>	<u>None</u>	<u>\$ 251,926</u>	<u>\$ 256,269</u>

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
Combining Statement of Changes in Fiduciary Net Position  
For the Fiscal Year Ended June 30, 2018

	Unemployment Trust Fund	Totals	
		FY 2018	FY 2017
ADDITIONS:			
Contributions:			
Employees	\$ 31,990	\$ 31,990	\$ 31,341
Employer	8,000	8,000	104,000
	39,990	39,990	135,341
Total additions	39,990	39,990	135,341
DEDUCTIONS:			
Unemployment claims	34,798	34,798	7,821
Quarterly contribution reports	9,535	9,535	9,252
	44,333	44,333	17,073
Total deductions	44,333	44,333	17,073
Change in net position	(4,343)	(4,343)	118,268
Net position - beginning of year	256,269	256,269	138,001
Net position - end of year	\$ 251,926	\$ 251,926	\$ 256,269

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
 Student Activity Agency Fund  
 Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2018

	<u>Balance</u> <u>July 1, 2017</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2018</u>
ACTIVITIES:				
Margaret Clifford - Grade Pre-K	\$ 4,499	\$ 8,333	\$ 7,952	\$ 4,880
Charles Stratton - Grades 1-2	16,807	23,689	26,980	13,516
Charles Harker - Grades 3-5	22,873	39,041	34,882	27,032
Walter Hill School - Grade 6	10,687	34,624	40,759	4,552
	<u>\$ 54,866</u>	<u>\$ 105,687</u>	<u>\$ 110,573</u>	<u>\$ 49,980</u>

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
 Payroll Agency Fund  
 Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2018

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
<b>ASSETS</b>				
Cash and cash equivalents	\$ 125,168	\$ 14,311,450	\$ 14,301,589	\$ 135,029
Interfund accounts receivable	1,418		1,418	
Total assets	<u>\$ 126,586</u>	<u>\$ 14,311,450</u>	<u>\$ 14,303,007</u>	<u>\$ 135,029</u>
<b>LIABILITIES</b>				
Employees' net pay		\$ 7,987,464	\$ 7,987,464	
Payroll deductions and withholdings	\$ 126,586	6,321,745	6,315,302	\$ 133,029
Interfund payable		2,241	241	2,000
Total liabilities	<u>\$ 126,586</u>	<u>\$ 14,311,450</u>	<u>\$ 14,303,007</u>	<u>\$ 135,029</u>

## **LONG-TERM DEBT**

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
 General Long-Term Debt Account Group  
 Schedule of Serial Bonds  
 June 30, 2018

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2017	(Refunded)/ Issued	Retired	Balance June 30, 2018	
			Date	Amount						
New School Project	11/29/07	\$ 21,975,000				\$ 860,000		\$ 860,000		
Refunding Bonds of 2010	10/28/10	12,875,000	02/15/19	825,000	2.500%					
			02/15/20	810,000	2.750%					
			02/15/21	945,000	3.000%					
			02/15/22	930,000	3.000%					
			02/15/23	915,000	3.250%					
			02/15/24	905,000	3.250%					
			02/15/25	890,000	3.250%					
			02/15/26	880,000	3.500%					
			02/15/27	865,000	3.500%					
			02/15/28	845,000	3.625%	9,645,000			835,000	\$ 8,810,000
Refunding Bonds of 2013	05/02/13	9,105,000	01/15/19	260,000	3.000%					
			01/15/20	315,000	3.000%					
			01/15/21	455,000	3.000%					
			01/15/22	510,000	3.000%					
			01/15/23	565,000	3.000%					
			01/15/24	625,000	3.000%					
			01/15/25	680,000	3.000%					
			01/15/26	745,000	2.375%					
			01/15/27	805,000	2.500%					
			01/15/28	875,000	3.000%					
			01/15/29	890,000	3.000%					
			01/15/30	875,000	3.000%					
			01/15/31	865,000	3.000%	8,670,000			205,000	8,465,000
			Refunding Bonds of 2015	04/22/15	17,920,000	02/15/19	1,175,000	5.000%		
02/15/20	1,220,000	5.000%								
02/15/21	1,065,000	5.000%								
02/15/22	1,115,000	5.000%								
02/15/23	1,170,000	3.000%								
02/15/24	1,210,000	2.250%								
02/15/25	1,235,000	3.000%								
02/15/26	1,275,000	3.000%								
02/15/27	1,320,000	3.000%								
02/15/28	1,360,000	3.000%								
02/15/29	1,410,000	3.000%								
02/15/30	1,450,000	4.000%								
02/15/31	1,510,000	4.000%				16,805,000			290,000	16,515,000
								\$ 35,980,000	None	\$ 2,190,000

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
 Schedule of Obligations Under Capital Leases  
 Debt Service Fund  
 For the Fiscal Year Ended June 30, 2018

Purpose	Date of Lease	Term of Lease	Amount of Original Issue		Interest Rate	Amount	Issued	Retired	Amount
			Principal	Interest		Outstanding July 1, 2017		Outstanding June 30, 2018	
Copiers	04/28/16	5 years	\$ 301,287	\$ 33,721	3.990%	\$ 256,420		\$ 57,717	\$ 198,703
275 Chromebooks	03/15/17	4 years	102,169	4,261	2.267%	102,169		25,833	76,336
250 Chromebooks	04/16/18	4 years	93,494	4,261	2.267%		\$ 93,494		93,494
						<u>\$ 358,589</u>	<u>\$ 93,494</u>	<u>\$ 83,550</u>	<u>\$ 368,533</u>

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
 Budgetary Comparison Schedule  
 Debt Service Fund  
 For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 2,821,060		\$ 2,821,060	\$ 2,821,060	
State sources:					
Debt service aid type II	501,494		501,494	501,494	
Total revenues	<u>3,322,554</u>		<u>3,322,554</u>	<u>3,322,554</u>	
<b>EXPENDITURES:</b>					
Regular debt service:					
Interest	1,202,875		1,202,875	1,202,875	
Redemption of principal	2,190,000		2,190,000	2,190,000	
Total regular debt service	<u>3,392,875</u>		<u>3,392,875</u>	<u>3,392,875</u>	
Total expenditures	<u>3,392,875</u>		<u>3,392,875</u>	<u>3,392,875</u>	
Excess of revenues over expenditures	<u>(70,321)</u>		<u>(70,321)</u>	<u>(70,321)</u>	
<b>Other financing sources (uses):</b>					
Transfer from capital projects:					
Interest earned				4,181	\$ 4,181
Escrow balance				77	(77)
Canceled Appropriations				764,423	764,423
Net changes in fund balance	(70,321)		(70,321)	698,360	4,181
Fund balance - July 1	75,003		75,003	75,003	
Fund balance - June 30	<u>\$ 4,682</u>		<u>\$ 4,682</u>	<u>\$ 773,363</u>	<u>\$ 4,181</u>

**STATISTICAL SECTION  
(Unaudited)**

**SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
STATISTICAL SECTION**

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	113-118
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	119-124
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	125-129
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	130-131
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	132-136

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
Net Position By Component  
Last Ten Fiscal Years  
For the Fiscal Year Ended June 30, 2018  
Unaudited

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 6,757,984	\$ 8,114,903	\$ (4,895,336)	\$ (4,886,612)	\$ (5,242,056)	\$ (4,679,880)	\$ 1,207,384	\$ 2,180,877	\$ 3,734,685	\$ 5,072,738
Restricted	3,595,545	1,973,560	1,849,755	2,543,875	4,265,673	4,223,547	4,167,437	4,239,889	3,824,305	4,018,483
Unrestricted	(104,435)	(276,220)	153,599	212,208	(355,847)	(236,780)	(4,015,981)	(4,053,115)	(45,553,212)	(47,943,606)
<b>Total governmental activities net position</b>	<b>\$ 10,249,094</b>	<b>\$ 9,812,244</b>	<b>\$ (2,891,982)</b>	<b>\$ (2,130,530)</b>	<b>\$ (1,332,230)</b>	<b>\$ (693,114)</b>	<b>\$ 1,358,840</b>	<b>\$ 2,367,651</b>	<b>\$ (37,994,222)</b>	<b>\$ (38,852,385)</b>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ 167,851	\$ 148,588	\$ 190,237	\$ 164,144	\$ 140,058	\$ 180,004	\$ 207,029	\$ 178,890	\$ 166,657	\$ 144,551
Unrestricted	110,817	137,660	151,252	232,230	220,170	241,921	295,619	232,051	262,612	295,736
<b>Total business-type activities net position</b>	<b>\$ 278,668</b>	<b>\$ 286,247</b>	<b>\$ 341,489</b>	<b>\$ 396,374</b>	<b>\$ 360,227</b>	<b>\$ 421,925</b>	<b>\$ 502,648</b>	<b>\$ 410,941</b>	<b>\$ 429,269</b>	<b>\$ 440,287</b>
<b>District-wide activities</b>										
Invested in capital assets, net of related debt	\$ 6,925,835	\$ 8,263,491	\$ (4,705,099)	\$ (4,722,468)	\$ (5,101,998)	\$ (4,499,876)	\$ 1,414,413	\$ 2,359,767	\$ 3,901,342	\$ 5,217,289
Restricted	3,595,545	1,973,560	1,849,755	2,543,875	4,265,673	4,223,547	4,167,437	4,239,889	3,824,305	4,018,483
Unrestricted	6,382	(138,560)	304,851	444,438	(135,677)	5,140	(3,720,362)	(3,821,064)	(45,290,600)	(47,647,870)
	\$ 10,527,762	\$ 10,098,491	\$ (2,550,494)	\$ (1,734,156)	\$ (972,003)	\$ (271,189)	\$ 1,861,488	\$ 2,778,592	\$ (37,564,953)	\$ (38,412,098)

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
Changes In Net Assets/Net Position  
Last Ten Fiscal Years  
For the Fiscal Year Ended June 30, 2018  
Unaudited

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>EXPENSES:</b>										
Governmental activities:										
Instruction										
Regular	\$ 4,655,580	\$ 5,587,068	\$ 5,301,777	\$ 8,583,362	\$ 9,391,723	\$ 8,794,027	\$ 6,082,739	\$ 6,441,003	\$ 6,331,564	\$ 6,245,255
Special education	1,866,016	2,275,185	2,256,695	3,379,436	3,553,357	3,135,830	3,114,214	3,100,061	3,102,061	3,394,357
Other special education				1,440,282			298,067	329,415	371,209	370,974
Other instruction	420,391	454,514	326,702		1,494,101	468,794	67,245	75,616	101,815	162,307
Support services:										
Tuition	642,958	650,502	727,438	381,069	530,201	654,628				
Student and instruction and related services	1,887,454	1,998,323	2,080,981	2,276,266	2,360,036	2,929,323	2,418,838	2,358,652	2,539,137	2,546,117
General administration	470,329	563,886	463,837	571,133	589,492	1,162,711	613,366	635,017	606,641	694,163
School administrative services	520,107	548,340	508,506	676,861	735,173	676,387	714,690	785,907	812,391	997,942
Central services	179,061	187,066	189,615	230,840	258,735	206,895	232,050	205,775	206,739	229,531
Administrative information technology	191,740	195,849	202,725	241,744	292,456	281,624	378,528	443,897	441,795	438,891
Plant operations and maintenance	1,735,252	1,770,847	1,869,741	1,969,498	2,059,852	2,195,486	1,963,095	1,854,248	1,866,348	1,793,405
Pupil transportation	1,319,378	1,272,954	1,288,722	1,232,954	1,341,755	1,496,836	1,622,666	1,578,937	1,576,049	1,523,231
Unallocated benefits	3,649,704	4,072,609	4,032,393			2,029,225	6,797,171	7,384,989	8,772,800	10,398,441
Interest on long-term debt	2,232,261	2,134,114	1,948,984	1,915,124	1,660,505	1,592,650	1,357,193	1,374,812	1,297,274	1,219,754
Capital outlay						262,580	120,297	205,587	171,931	192,337
Transfer of funds to charter school							8,599	8,817		
Unallocated depreciation	454,261	448,180	1,350,454	137,734	112,937	142,709	827,661	815,760	855,336	839,013
Total governmental activities expenses	<u>20,224,491</u>	<u>22,159,438</u>	<u>22,548,570</u>	<u>23,036,303</u>	<u>24,380,323</u>	<u>26,029,703</u>	<u>26,616,419</u>	<u>27,598,493</u>	<u>29,053,090</u>	<u>31,045,718</u>
Business-type activities:										
Food service	512,557	524,108	545,104	487,788	552,173	560,403	566,915	603,028	583,407	593,148
Other enterprise funds				318,516	320,962	279,035	307,349	66,049	53,973	44,952
Total business-type activities expense	<u>512,557</u>	<u>524,108</u>	<u>545,104</u>	<u>806,304</u>	<u>873,135</u>	<u>839,438</u>	<u>874,264</u>	<u>669,077</u>	<u>637,380</u>	<u>638,100</u>
Total district expenses	<u>\$ 20,737,048</u>	<u>\$ 22,683,546</u>	<u>\$ 23,093,674</u>	<u>\$ 23,842,607</u>	<u>\$ 25,253,458</u>	<u>\$ 26,869,141</u>	<u>\$ 27,490,683</u>	<u>\$ 28,267,570</u>	<u>\$ 29,690,470</u>	<u>\$ 31,683,818</u>
<b>REVENUES:</b>										
Governmental activities:										
Operating grants and contributions	\$ 2,069,249	\$ 2,424,966	\$ 2,443,919	\$ 1,841,204	\$ 2,187,418	\$ 2,045,001	\$ 448,009	\$ 478,797	\$ 454,714	\$ 494,746
Total governmental activities program revenues	<u>2,069,249</u>	<u>2,424,966</u>	<u>2,443,919</u>	<u>1,841,204</u>	<u>2,187,418</u>	<u>2,045,001</u>	<u>448,009</u>	<u>478,797</u>	<u>454,714</u>	<u>494,746</u>

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
Changes In Net Assets/Net Position  
Last Ten Fiscal Years  
For the Fiscal Year Ended June 30, 2018  
Unaudited

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Business-type activities:										
Charges for services:										
Food service	375,341	393,232	387,598	349,491	369,352	368,087	399,751	408,809	410,017	403,896
Enterprise Funds				371,304	297,136	354,020	326,102	63,638	51,139	41,108
Operating grants and contributions	112,333	137,910	134,656	139,999	170,101	178,860	180,710	207,254	196,252	204,114
Total business-type activities program revenues	487,674	531,143	522,254	860,794	836,590	900,966	906,563	679,701	657,408	649,118
Total district program revenues	\$ 2,556,923	\$ 2,956,108	\$ 2,966,173	\$ 2,701,998	\$ 3,024,007	\$ 2,945,967	\$ 1,354,572	\$ 1,158,498	\$ 1,112,122	\$ 1,143,864
Net (expense) revenues										
Governmental activities	\$ (18,155,242)	\$ (19,734,472)	\$ (20,104,651)	\$ (21,195,099)	\$ (22,192,905)	\$ (23,984,702)	\$ (26,168,410)	\$ (27,119,696)	\$ (28,598,376)	\$ (30,550,972)
Business-type activities	(24,883)	7,034	(22,850)	54,490	(36,545)	61,528	32,299	10,624	20,028	11,018
Total district-wide net expenses	\$ (18,180,125)	\$ (19,727,438)	\$ (20,127,501)	\$ (21,140,609)	\$ (22,229,451)	\$ (23,923,174)	\$ (26,136,111)	\$ (27,109,072)	\$ (28,578,348)	\$ (30,539,954)
General revenues and other changes in net position										
Governmental activities:										
Property taxes levied for government purposes	\$ 10,321,781	\$ 10,840,502	\$ 12,402,141	\$ 12,827,192	\$ 13,306,662	\$ 13,920,834	\$ 14,646,864	\$ 15,039,801	\$ 15,340,597	\$ 15,647,409
Taxes levied for debt service	2,384,573	2,718,046	2,834,937	2,821,785	2,884,871	2,889,554	2,828,133	2,761,433	3,096,102	2,821,060
Unrestricted grants and contributions	5,592,466	5,613,375	5,409,335	6,543,041	7,594,320	7,584,115	9,472,595	9,834,767	10,188,091	10,992,542
Tuition received							66,974	210,694	178,598	153,428
Investment earnings	187,737	90,663	20,993	11,565	15,782	9,581	12,130	17,168	18,632	19,934
Miscellaneous income	15,653	18,259	45,092	85,790	117,495	220,058	142,007	194,275	65,529	60,327
Prior period adjustments/receivables canceled					(12,913)				(4,731)	
Debt issued			(12,875,000)							
Debt refinanced			11,989,000		(790,000)					
Cost of issuance on refunding bonds							(182,025)			
Fixed asset disposals and adjustments		4,118	(12,421,923)	(343,108)	(124,156)			(28,780)	(3,138)	(1,891)
Compensated absences	(6,712)	12,660	(4,150)	10,275	(856)	(323)				
Transfers	84,429			11				99,149		
Total governmental activities	18,579,926	19,297,622	7,400,425	21,956,551	22,991,205	24,623,819	26,986,678	28,128,507	28,879,680	29,692,809
Business-type activities:										
Investment earnings	1,291	545		407	547	169	407	120		
Fixed asset disposals and adjustments			78,091				55,404	(452)	(1,700)	
Other							(7,386)	(2,850)		
Transfers	(50,000)			(11)	(149)			(99,149)		
Total business-type activities	(48,709)	545	78,091	396	398	169	48,425	(102,331)	(1,700)	
Total district-wide activities	\$ 18,531,217	\$ 19,298,168	\$ 7,478,516	\$ 21,956,947	\$ 22,991,603	\$ 24,623,988	\$ 27,035,103	\$ 28,026,176	\$ 28,877,980	\$ 29,692,809
Change in net position										
Governmental activities	\$ 424,684	\$ (436,850)	\$ (12,704,226)	\$ 761,453	\$ 798,299	\$ 639,116	\$ 818,268	\$ 1,008,811	\$ 281,304	\$ (858,163)
Business-type activities	(73,591)	7,580	55,241	54,886	(36,147)	61,697	80,724	(91,707)	18,328	11,018
Total district-wide	\$ 351,092	\$ (429,270)	\$ (12,648,985)	\$ 816,338	\$ 762,152	\$ 700,814	\$ 898,992	\$ 917,104	\$ 299,632	\$ (847,145)

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
Fund Balances - Governmental Funds  
Last Ten Fiscal Years  
For the Fiscal Year Ended June 30, 2018  
Unaudited

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General fund										
Reserved	\$ 2,706,593	\$ 1,365,332								
Unreserved	(54,975)	(111,274)								
Restricted			\$ 1,049,210	\$ 2,004,503	\$ 3,257,674	\$ 3,388,825	\$ 2,790,692	\$ 2,913,475	\$ 2,974,745	\$ 3,195,889
Assigned			522,896	427,071	374,725	579,138	619,479	708,440	110,850	118,550
Unrestricted			(50,121)	(32,458)	(96,683)	(139,930)	(204,031)	(178,326)	(146,167)	(163,827)
Total general fund	<u>\$ 2,651,618</u>	<u>\$ 1,254,058</u>	<u>\$ 1,521,985</u>	<u>\$ 2,399,116</u>	<u>\$ 3,535,716</u>	<u>\$ 3,828,034</u>	<u>\$ 3,206,140</u>	<u>\$ 3,443,589</u>	<u>\$ 2,939,428</u>	<u>\$ 3,150,612</u>
All other governmental funds										
Reserved	\$ 345,314	\$ 37,330								
Restricted										
Capital projects fund			\$ 1,256,059	\$ 1,091,131	\$ 984,620	\$ 771,734	\$ 764,423	\$ 764,423	\$ 764,423	
Assigned										
Capital projects fund					16,834					
Unrestricted, reported in:										
Capital projects fund	1,393,791	1,299,382								
Debt service fund	30,516		44,886	48,241	6,544	62,987	58,611	72,490	75,003	\$ 773,363
Total all other governmental funds	<u>\$ 1,769,621</u>	<u>\$ 1,336,712</u>	<u>\$ 1,300,945</u>	<u>\$ 1,139,372</u>	<u>\$ 1,007,998</u>	<u>\$ 834,721</u>	<u>\$ 823,034</u>	<u>\$ 836,913</u>	<u>\$ 839,426</u>	<u>\$ 773,363</u>

Note: 2011 reflects the change to GASB 54.

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
Changes in Fund Balances - Governmental Funds  
Last Ten Fiscal Years  
Unaudited

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>REVENUES:</b>										
Tax levy	\$ 12,706,354	\$ 13,558,548	\$ 15,237,078	\$ 15,648,977	\$ 16,191,533	\$ 16,810,388	\$ 17,474,997	\$ 17,801,234	\$ 18,436,699	\$ 18,468,469
Tuition charges							66,974	210,694	178,598	153,428
Interest earnings	81	48	42	27	23	14	12,130	17,168	18,632	19,934
Miscellaneous	49,067	46,759	68,474	93,586	133,254	229,626	157,623	204,314	70,114	99,847
State sources	7,299,599	6,740,117	7,157,494	7,817,117	9,406,098	8,580,774	9,472,595	9,819,582	10,162,140	10,969,006
Federal sources	360,842	1,295,189	697,220	567,128	375,640	1,048,342	432,393	483,943	476,080	478,685
<b>Total revenue</b>	<b>20,415,944</b>	<b>21,640,660</b>	<b>23,160,308</b>	<b>24,126,835</b>	<b>26,106,548</b>	<b>26,669,143</b>	<b>27,616,712</b>	<b>28,536,935</b>	<b>29,342,263</b>	<b>30,189,369</b>
<b>EXPENDITURES:</b>										
Instruction:										
Regular	4,655,580	5,587,068	5,301,777	5,360,467	5,886,399	5,764,402	6,165,115	6,419,895	6,392,792	6,282,426
Special	1,866,016	2,275,185	2,256,695	2,427,209	2,452,659	2,499,764	3,113,329	3,100,001	3,111,196	3,394,357
Other special	420,391	454,514	326,702	440,984	387,092	468,794	365,397	404,896	371,679	370,974
Other									101,815	162,307
Undistributed:										
Tuition	642,958	650,502	727,438	381,069	530,201	654,628				
Student & instruction related services	1,887,454	1,998,323	2,080,981	2,093,777	2,147,227	2,259,779	2,542,540	2,338,363	2,516,886	2,525,224
General administration	470,329	563,886	463,837	463,112	471,364	543,947	579,810	578,954	556,137	646,332
School administrative services	520,107	548,341	508,506	506,538	536,551	676,387	710,154	781,466	815,890	994,691
Central services	179,061	187,066	189,615	194,343	198,992	206,895	232,050	205,775	214,739	224,187
Administration information technology	191,740	195,849	202,725	205,246	249,895	281,624	378,528	443,897	441,795	438,891
Plant operations & maintenance	1,735,252	1,770,847	1,869,741	1,842,824	1,932,166	2,124,131	1,953,931	1,835,431	1,849,262	1,774,708
Student transportation	1,319,378	1,272,954	1,288,722	1,232,954	1,341,755	1,496,836	1,622,666	1,578,937	1,576,049	1,523,231
Employee benefits	3,649,704	4,072,609	4,032,393	4,534,560	5,187,622	5,770,194	6,767,859	7,179,009	7,938,010	8,057,104
Capital outlay	38,534	4,118	121,403	242,780	184,521	316,849	382,297	428,266	456,074	350,512
Debt service expenditures										
Principal	745,000	1,390,000	1,590,000	1,625,000	1,785,000	1,935,000	1,900,000	2,150,000	2,315,000	2,190,000
Interest and other charges	2,396,765	2,158,153	1,924,089	1,881,546	1,809,878	1,550,873	1,553,875	1,232,336	1,284,025	1,202,875
Transfer of funds to charter school							8,599	8,817		
<b>Total expenditures</b>	<b>20,718,269</b>	<b>23,129,414</b>	<b>22,884,624</b>	<b>23,432,409</b>	<b>25,101,320</b>	<b>26,550,103</b>	<b>28,276,150</b>	<b>28,686,043</b>	<b>29,941,349</b>	<b>30,137,819</b>
Excess (deficiency) of revenues over (under) expenditures	(302,326)	(1,488,754)	275,684	694,426	1,005,227	119,040	(659,438)	(149,108)	(599,086)	51,550
Other financing sources (uses)										
Prior period adjustments/canceled/other									(4,731)	77
Capital leases (non-budgeted)				182,707			25,857	301,287	102,169	93,494
Transfers in	239,944	69,268	6,212	3,754	6,700	1,217	(2,168)	103,130	4,682	768,604
Transfers out					(6,700)	(1,217)	2,168	(3,981)	(4,682)	(768,604)
<b>Total other financing sources (uses)</b>	<b>239,944</b>	<b>69,268</b>	<b>6,212</b>	<b>186,460</b>			<b>25,857</b>	<b>400,436</b>	<b>97,438</b>	<b>93,571</b>
<b>Net change in fund balance</b>	<b>\$ (62,382)</b>	<b>\$ (1,419,486)</b>	<b>\$ 281,897</b>	<b>\$ 880,886</b>	<b>\$ 1,005,227</b>	<b>\$ 119,040</b>	<b>\$ (633,581)</b>	<b>\$ 251,328</b>	<b>\$ (501,648)</b>	<b>\$ 145,121</b>
Debt service as a percentage of noncapital expenditures	15.19%	15.34%	15.44%	15.12%	14.43%	13.29%	12.38%	14.43%	12.21%	11.39%

Source: District records

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
 General Fund Other Local Revenue by Source  
 Last Ten Fiscal Years  
 Unaudited

Fiscal Year Ended June 30,	Tuition	Interest on Investments	Prior Year Refunds	Rentals	Sale of Assets	Columbia Gas Easement	Contributions	Miscellaneous	Annual Totals
2009		\$ 32,222						\$ 15,515	\$ 47,737
2010		21,395						18,259	39,654
2011		14,780					\$ 15,450	29,642	59,872
2012		11,576	\$ 55,921					16,248	83,746
2013		15,782						117,495	133,277
2014	\$ 71,147	9,581						148,897	229,626
2015			29,713	\$ 3,200	\$ 1,950	\$ 100,870	3,200	3,074	142,007
2016			26,856	6,400		100,870		60,149	194,275
2017			193	6,900			20,000	38,436	65,529
2018			11,613	6,579				47,830	66,022

Source: District records

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years  
Unaudited

Borough of Swedesboro

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Regular	Qualified Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utility	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate
2009	3,807,000	59,875,100			13,925,600	902,800	1,000,700	79,511,200	1,369,051	80,880,251	163,114,497	1.554
2010	2,670,600	69,283,500			13,489,600	902,800	1,000,700	87,347,200	1,122,898	88,470,098	187,421,942	1.855
2011	2,218,200	72,847,700			13,511,400	902,800	1,000,700	90,480,800	1,123,014	91,603,814	193,463,770	2.296
2012	2,511,200	147,909,300		24,700	35,840,600	1,695,500	1,122,400	189,103,700	2,399,420	191,503,120	202,130,113	1.144
2013	2,146,800	148,633,300		24,700	35,797,600	1,695,500	1,122,400	189,420,300	2,354,496	191,774,796	197,364,832	1.197
2014	1,962,600	148,474,600		24,700	34,901,000	1,695,500	1,122,400	188,180,800	1,833,117	190,013,917	192,277,907	1.279
2015	1,516,500	146,211,800		25,300	34,204,500	1,663,900	1,122,400	184,744,400	1,703,659	186,448,059	181,333,040	1.324
2016	1,311,500	135,324,200		25,300	30,020,200	3,273,800	2,749,500	172,704,500	1,774,301	174,478,801	176,331,228	1.354
2017	1,225,500	136,021,000		25,300	29,592,200	3,273,800	2,330,700	172,468,500	0	172,468,500	178,468,138	1.384
2018	1,200,000	135,946,700		25,300	29,555,400	3,273,800	2,330,700	172,331,900	0	172,331,900	176,570,879	1.408

Township of Woolwich

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Regular	Qualified Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utility	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate
2009	25,487,400	497,155,600	15,019,100	4,972,000	42,973,100		12,611,300	598,218,500	1,276,729	599,495,229	1,049,583,006	1.865
2010	23,310,900	516,194,900	14,172,700	4,975,600	45,169,800		12,611,300	616,435,200	1,409,722	617,844,922	1,192,512,488	1.908
2011	20,088,000	526,066,000	14,063,400	4,954,300	21,996,900	23,006,100	8,741,400	618,916,100	1,543,335	620,459,435	1,244,290,405	2.117
2012	17,200,900	534,786,500	14,280,800	4,979,500	24,187,900	23,097,100	8,741,400	627,274,100	1,279,782	628,553,882	1,207,715,607	2.126
2013	15,110,900	543,765,600	14,130,200	4,968,700	25,146,400	21,639,600	7,701,100	632,462,500	1,369,350	633,831,850	1,150,834,822	2.187
2014	19,999,300	905,097,600	20,677,300	4,291,500	55,082,700	45,953,200	22,229,800	1,073,331,400	2,303,228	1,075,634,628	1,099,949,222	1.325
2015	17,421,300	923,944,400	18,481,400	4,344,600	51,771,100	44,073,200	22,229,800	1,082,265,800	1,901,162	1,084,166,962	1,110,614,108	1.390
2016	13,276,400	943,474,000	20,072,500	4,317,800	50,503,300	43,425,600	21,054,900	1,096,124,500	1,870,892	1,097,995,392	1,163,596,438	1.408
2017	13,795,200	956,623,700	19,670,300	4,242,400	51,386,700	42,884,800	32,501,500	1,121,104,600	1,810,647	1,122,915,247	1,193,338,953	1.423
2018	15,861,400	966,313,300	18,471,800	4,235,100	52,004,500	42,292,600	32,501,500	1,131,680,200	1,719,044	1,133,399,244	1,234,884,068	1.415

Source: Municipal tax assessor

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
Direct and Overlapping Property Tax Rates  
Per \$100 of Assessed Valuation  
Last Ten Fiscal Years  
Unaudited

Borough of Swedesboro

Fiscal Year Ended June 30,	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Overlapping Rates			Total Direct & Overlapping Tax Rate
				Regional School	Municipality	Gloucester County	
2009	1.492	0.062	1.554	1.337	1.420	1.194	5.505
2010	1.646	0.209	1.855	1.304	1.739	1.251	6.149
2011	1.933	0.363	2.296	1.403	1.563	1.251	6.513
2012	0.717	0.427	1.144	0.713	0.745	0.615	3.217
2013	0.982	0.215	1.197	0.785	0.775	0.610	3.367
2014	0.929	0.198	1.279	0.870	0.802	0.655	3.606
2015	0.981	0.234	1.324	0.867	0.833	0.642	3.666
2016	1.134	0.210	1.354	0.905	0.918	0.709	3.886
2017	1.090	0.232	1.384	0.950	0.919	0.748	4.001
2018	1.193	0.215	1.408	0.888	0.971	0.738	4.005

Township of Woolwich

Fiscal Year Ended June 30,	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Overlapping Rates			Total Direct & Overlapping Tax Rate
				Regional School	Municipality	Gloucester County	
2009	1.515	0.350	1.865	0.903	0.660	1.177	4.605
2010	1.526	0.382	1.908	0.943	0.705	1.190	4.746
2011	1.723	0.394	2.117	1.029	0.705	1.148	4.999
2012	1.743	0.383	2.126	1.090	0.705	1.088	5.009
2013	1.797	0.390	2.187	1.207	0.735	1.076	5.205
2014	1.097	0.228	1.325	0.767	0.486	0.662	3.240
2015	1.797	0.222	1.390	0.798	0.506	0.678	3.372
2016	1.190	0.218	1.408	0.848	0.548	0.745	3.549
2017	1.184	0.239	1.423	0.883	0.558	0.768	3.632
2018	1.199	0.216	1.415	0.911	0.557	0.785	3.668

Source: Gloucester County Board of Taxation - Abstract of Ratables.

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
Principal Property Taxpayers  
Current and Nine Years Ago  
Unaudited

Borough of Swedesboro

Taxpayer	2018		2009	
	Taxable Assessed Value	% of Total District Net Assessed Valuation	Taxable Assessed Value	% of Total District Net Assessed Valuation
Swedesboro Development LLC	3,789,200	2.20%		
D&D Properties of Swedesboro, Inc.	2,823,500	1.64%	862,700	1.07%
R & R Real Estate, LLC	1,703,100	0.99%	1,047,300	1.29%
Taxpayer #1	1,660,000	0.96%	985,200	1.22%
Russo Rentals LLC	1,505,600	0.87%	583,300	0.72%
Botto Sons LLC	1,389,700	0.81%	1,050,600	1.30%
Swedesboro Housing LTD Partnership	1,275,000	0.74%	909,000	1.12%
Gi Advo Propco LLC	1,176,300	0.68%		
Bank of America	974,900	0.57%	649,400	0.80%
Racoon Creek LLC	950,000	0.55%	528,800	0.65%
Taxpayer #2			546,300	0.68%
NJ Bell Telephone Company			1,122,898	1.39%
<b>Total</b>	<b>17,247,300</b>	<b>10.01%</b>	<b>8,285,498</b>	<b>10.24%</b>

Source: Municipal tax assessor

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
Principal Property Taxpayers  
Current and Nine Years Ago  
Unaudited

Township of Woolwich

Taxpayer	2018		2009	
	Taxable Assessed Value	% of Total District Net Assessed Valuation	Taxable Assessed Value	% of Total District Net Assessed Valuation
Pond View @ Westbrook LLC	20,251,500	1.79%		
Liberty Venture I LP	15,225,310	1.34%		
Westbrook at Weatherby, LLC	12,250,000	1.08%	12,631,800	2.11%
Columbia Gas Transmissions	7,678,100	0.68%	3,925,000	0.65%
USF Propco II LLC	7,300,000	0.64%	4,845,700	0.81%
JMJ Warehouse Associates	5,700,000	0.50%	3,549,400	0.59%
Liberty Property LTD Partnership	5,694,700	0.50%	4,150,000	0.69%
RAAB Family Partnership LP	3,665,400	0.32%		
Gi Advo Propco LLC	3,196,200	0.28%		
Appleseed NJ LLC, CVS #3194-01	3,185,000	0.28%		
Columbia NJ Commodore Ind.			9,000,000	1.50%
Auburn Chase, LLC			3,239,600	0.54%
K Hovnanian @ Woolwich, LLC			2,034,100	0.34%
High Hill Associates, LP			2,000,000	0.33%
Swedesboro, Inc.			1,992,900	0.33%
<b>Total</b>	<b>84,146,210</b>	<b>7.42%</b>	<b>47,368,500</b>	<b>7.90%</b>

Source: Municipal tax assessor

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
Property Tax Levies and Collections  
Last Ten Fiscal Years  
Unaudited

Consolidated - Constituent Municipalities

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year		Collections in Subsequent Year
		Amount	Percent of Levy	
2009	\$ 12,444,309	\$ 12,444,309	100%	
2010	12,829,369	12,829,369	100%	
2011	13,722,452	13,722,452	100%	
2012	15,326,530	15,326,530	100%	
2013	15,001,669	15,001,669	100%	
2014	10,736,076	10,736,076	100%	
2015	16,660,377	16,660,377	100%	
2016	17,413,403	17,413,403	100%	
2017	17,913,313	17,913,313	100%	
2018	18,468,469	18,468,469	100%	

## EXHIBIT J-9a

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
Property Tax Levies and Collections  
Last Ten Fiscal Years  
Unaudited

Borough of Swedesboro

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year		Collections in Subsequent Year
		Amount	Percent of Levy	
2009	\$ 1,266,834	\$ 1,266,834	100%	
2010	1,651,894	1,651,894	100%	
2011	1,938,813	1,938,813	100%	
2012	2,192,169	2,192,169	100%	
2013	1,634,313	1,634,313	100%	
2014	2,554,204	2,554,204	100%	
2015	2,404,193	2,404,193	100%	
2016	2,342,599	2,342,599	100%	
2017	2,454,678	2,454,678	100%	
2018	2,437,490	2,437,490	100%	

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

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
Property Tax Levies and Collections  
Last Ten Fiscal Years  
Unaudited

Township of Woolwich

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year		Collections in Subsequent Year
		Amount	Percent of Levy	
2009	\$ 11,177,475	\$ 11,177,475	100%	
2010	11,177,475	11,177,475	100%	
2011	11,783,639	11,783,639	100%	
2012	13,134,361	13,134,361	100%	
2013	13,367,356	13,367,356	100%	
2014	8,181,872	8,181,872	100%	
2015	14,256,184	14,256,184	100%	
2016	15,070,804	15,070,804	100%	
2017	15,458,635	15,458,635	100%	
2018	16,030,979	16,030,979	100%	

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

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years  
Unaudited

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income	Per Capita*
	General Obligation Bonds	Capital Leases	Bond Anticipation Notes			
2009	\$ 48,114,000			\$ 48,114,000	10.17%	4,230
2010	46,724,000			46,724,000	9.49%	3,946
2011	46,020,000			46,020,000	8.49%	3,568
2012	44,395,000	\$ 107,271		44,502,271	7.69%	3,342
2013	43,400,000	68,785		43,468,785	7.16%	3,190
2014	41,465,000	14,515		41,479,515	6.44%	2,921
2015	40,445,000	16,740		40,461,740	5.88%	2,744
2016	38,295,000	309,897		38,604,897	5.29%	2,589
2017	35,980,000	358,589		36,338,589	4.86%	2,433
2018	33,790,000	368,533		34,158,533	N/A	N/A

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

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

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
Ratios of General Bonded Debt Outstanding  
Last Ten Fiscal Years  
Unaudited

Combined

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property*	Per Capita**
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2009	\$ 48,114,000		\$ 48,114,000	7.07%	\$ 4,230
2010	46,724,000		46,724,000	6.62%	3,946
2011	46,020,000		46,020,000	6.46%	3,568
2012	44,395,000		44,395,000	5.41%	3,334
2013	43,400,000		43,400,000	5.26%	3,185
2014	41,465,000		41,465,000	3.28%	2,920
2015	40,445,000		40,445,000	3.18%	2,743
2016	38,295,000		38,295,000	3.01%	2,568
2017	35,980,000		35,980,000	2.78%	2,409
2018	33,790,000		33,790,000	2.59%	2,243

EXHIBIT J-11a

Borough of Swedesboro

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property*	Per Capita**
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2009	\$ 5,719,595		\$ 5,719,595	7.07%	\$ 2,541
2010	5,852,455		5,852,455	6.62%	2,467
2011	5,920,271		5,920,271	6.46%	2,284
2012	10,367,305		10,367,305	5.41%	3,980
2013	10,081,104		10,081,104	5.26%	3,873
2014	6,225,209		6,225,209	3.28%	2,397
2015	5,934,836		5,934,836	3.18%	2,283
2016	5,250,924		5,250,924	3.01%	2,015
2017	4,790,408		4,790,408	2.78%	1,845
2018	4,459,643		4,459,643	2.59%	1,719

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
Ratios of General Bonded Debt Outstanding  
Last Ten Fiscal Years  
Unaudited

Township of Woolwich

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property*	Per Capita**
	General Obligation Bonds	Deductions			
2009	\$ 42,394,405		\$ 42,394,405	7.07%	\$ 4,647
2010	40,871,545		40,871,545	6.62%	4,316
2011	40,099,729		40,099,729	6.46%	3,891
2012	34,027,695		34,027,695	5.41%	3,177
2013	33,318,896		33,318,896	5.26%	3,023
2014	35,239,791		35,239,791	3.28%	3,037
2015	34,510,164		34,510,164	3.18%	2,842
2016	33,044,076		33,044,076	3.01%	2,686
2017	31,189,592		31,189,592	2.78%	2,527
2018	29,330,357		29,330,357	2.59%	2,352

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

N/A information not available at the completion of the CAFR.

\*See J-6 for property tax data.

\*\*Population data can be found in J-14.

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
 Direct and Overlapping Governmental Activities Debt  
 As of December 31, 2017  
 Unaudited

<b>Governmental Unit</b>	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Municipality:			
Swedesboro	\$ 4,814,379	100.00%	\$ 4,814,379
Woolwich	31,746,889	100.00%	31,746,889
Gloucester County general obligation debt:			
Swedesboro	225,453,500	0.67%	1,499,445
Woolwich	225,453,500	4.83%	10,881,962
Regional high school district: (Kingsway)			
Swedesboro	36,589,000	6.32%	2,313,201
Woolwich	36,589,000	43.71%	15,992,753
Subtotal, overlapping debt			<u>67,248,629</u>
District's direct debt			<u>33,790,000</u>
Total direct and overlapping debt			<u><u>\$ 101,038,629</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the Gloucester County Board of Taxation. Debt outstanding provided by each governmental unit.

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
 Legal Debt Margin Information  
 Last Ten Fiscal Years  
 Unaudited

**Legal Debt Margin Calculation**

	Equalized Valuation Basis	Swedesboro	Woolwich	Total
	2017	\$ 175,098,456	\$ 1,253,939,280	\$ 1,429,037,736
	2016	174,492,614	1,219,917,954	1,394,410,568
	2015	176,481,198	1,163,243,659	1,339,724,857
		\$ 526,072,268	\$ 3,637,100,893	\$ 4,163,173,161
Average equalized valuation of taxable property		\$ 175,357,423	\$ 1,212,366,964	\$ 1,387,724,387
Debt limit (2.5% of average equalized value)		4,383,936	30,309,174	34,693,110
Total net debt applicable to limit				33,790,000
Legal debt margin				\$ 903,110

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	\$ 30,970,514	\$ 33,513,877	\$ 34,224,425	\$ 33,876,636	\$ 32,952,997	\$ 32,267,566	\$ 32,181,062	\$ 32,787,118	\$ 33,770,036	\$ 34,693,110
Total net debt applicable to limit	48,114,000	46,724,000	46,020,000	44,395,000	43,400,000	41,465,000	40,445,000	38,295,000	35,980,000	33,790,000
Legal debt margin	\$ (17,143,486)	\$ (13,210,123)	\$ (11,795,575)	\$ (10,518,364)	\$ (10,447,003)	\$ (9,197,434)	\$ (8,263,938)	\$ (5,507,882)	\$ (2,209,964)	\$ 903,110
Total net debt applicable to the limit as a percentage of debt limit	155.35%	139.42%	134.47%	131.05%	131.70%	128.50%	125.68%	116.80%	106.54%	97.40%

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
Demographic and Economic Statistics  
Last Ten Fiscal Years  
Unaudited

Borough of Swedesboro

Fiscal Year Ended June 30,	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2009	2,251	\$ 93,650,604	\$ 41,604	10.20%
2010	2,372	98,582,692	41,561	10.90%
2011	2,592	108,884,736	42,008	10.60%
2012	2,605	113,283,635	43,487	10.80%
2013	2,603	115,945,429	44,543	8.30%
2014	2,597	117,797,323	45,359	5.30%
2015	2,600	121,290,000	46,650	4.80%
2016	2,606	127,652,304	48,984	5.00%
2017	2,597	129,865,582	50,006 *	4.60%
2018	2,594	N/A *	50,006 *	N/A

Township of Woolwich

Fiscal Year Ended June 30,	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2009	9,123	\$ 379,553,292	\$ 41,604	6.90%
2010	9,469	393,541,109	41,561	7.30%
2011	10,305	432,892,440	42,008	7.10%
2012	10,710	465,745,770	43,487	7.30%
2013	11,022	490,952,946	44,543	4.60%
2014	11,605	526,391,195	45,359	4.80%
2015	12,143	566,470,950	46,650	3.80%
2016	12,304	602,699,136	48,984	3.40%
2017	12,341	617,124,046	50,006	3.10%
2018	12,472	N/A	50,006 *	N/A

\* Estimated

N/A information not available at the completion of the CAFR.

Source: Data regarding School District population was provided by the Department of Education.

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
Principal Employers  
Current and Nine Years Ago  
Unaudited

Employer	2018		2009	
	Employees	Percentage of Total Municipal Employment	Employees	Percentage of Total Municipal Employment
Inspira Health	1,825	1.26%		
Underwood Memorial Hospital			1,860	1.29%
Kennedy Memorial Hospital	1,675	1.16%	1,200	0.83%
Washington Township School District	1,586	1.10%	1,594	1.11%
Rowan University	1,483	1.03%	1,300	0.90%
County of Gloucester	1,368	0.95%	1,600	1.11%
Missa Bay, LLC	950	0.66%	750	0.52%
Monroe Township School District	814	0.56%	775	0.54%
U.S. Foodservices	725	0.50%	800	0.56%
Exxon Mobil Research & Engineering	540	0.37%		
LaBrea Bakery	525	0.36%		
Direct Group			850	0.59%
US Postal Service			700	0.49%
<b>Total</b>	<b>11,491</b>	<b>7.96%</b>	<b>11,429</b>	<b>7.94%</b>

Source: Gloucester County Economic Development Office.

Note: The information provided is for the County of Gloucester, information at the municipal level is not readily available.

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
 Full-time Equivalent District Employees by Function/Program  
 Last Ten Fiscal Years  
 Unaudited

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Instruction										
Regular	96	103	103	103	108	107	101	100	91	89
Special education	37	40	42	42	44	42	36	35	42	45
Other special education	35	35	35	35	35	35	36	36	32	29
Other instruction	3	3	3	3	3	3	1	1	2	3
Support services:										
Student & instruction related services	14	15	15	15	16	16	16	17	15	17
General administration	4	3	3	4	6	6	8	9	8	8
School administrative services	10	13	13	14	14	14	13	12	13	14
Other administrative services	1	1	1	1	1	1	1	1	1	1
Central services	4	3	3	3	3	3	3	3	3	3
Administrative information technology	3	3	3	3	4	4	3	4	4	4
Plants operations and maintenance	9	9	9	9	9	9	16	16	15	14
Other support							5	6	6	6
Total	<u>216</u>	<u>228</u>	<u>230</u>	<u>232</u>	<u>243</u>	<u>240</u>	<u>239</u>	<u>240</u>	<u>232</u>	<u>233</u>

Source: Employee salary list

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
Operating Statistics  
Last Ten Fiscal Years  
Unaudited

Fiscal Year Ended June 30,	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary				
2009	1,582	\$ 17,537,970	\$ 11,086	-6.67%	133	11.90:1	1,597.9	1,530.9	6.32%	95.81%
2010	1,706	19,577,144	11,475	3.51%	136	12.54:1	1,705.9	1,632.0	6.76%	95.67%
2011	1,781	19,249,132	10,808	-5.82%	154	11.56:1	1,745.8	1,673.1	2.34%	95.84%
2012	1,740	19,683,083	11,312	4.66%	154	11.30:1	1,728.3	1,659.0	-1.00%	95.99%
2013	1,756	21,321,922	12,142	7.34%	155	11.41:1	1,755.8	1,677.7	1.59%	95.55%
2014	1,760	22,747,381	12,925	6.44%	152	11.62:1	1,759.6	1,691.9	0.22%	96.15%
2015	1,754	24,439,978	13,934	7.81%	138	12.71:1	1,751.3	1,679.4	-0.47%	95.90%
2016	1,732	24,875,441	14,362	3.07%	136	12.74:1	1,718.3	1,649.9	-1.88%	96.02%
2017	1,703	25,886,250	15,200	5.84%	135	12.74:1	1,695.1	1,632.3	-1.35%	96.30%
2018	1,685	26,394,432	15,664	3.05%	134	12.58:1	1,675.1	1,608.6	-1.18%	96.03%

Source: District records

Note: Enrollment based on June District count.  
Teaching staff information from In-District Staff List

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
 School Building Information  
 Last Ten Fiscal Years  
 Unaudited

District Buildings	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Governor Charles G Harker School (2008):</b>										
Square feet	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,748	100,748
Capacity (students)	720	720	720	720	720	720	720	720	720	720
Enrollment	661	708	708	728	735	765	785	784	773	721
<b>Governor Charles C. Stratton School (2004):</b>										
Square feet	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	90,274	90,274
Capacity (students)	620	620	620	620	620	620	620	620	620	620
Enrollment	571	524	524	508	494	505	480	442	403	439
<b>Walter H. Hill School (1922)</b>										
Square feet	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	71,374	71,374
Capacity (students)	407	407	407	407	407	407	407	407	407	407
Enrollment	179	224	224	230	250	259	249	263	259	269
<b>Margaret C. Clifford School (1996)</b>										
Square feet	43,151	43,151	43,151	43,151	43,151	43,151	43,151	43,151	45,424	45,424
Capacity (students)	262	262	262	262	262	262	262	262	262	262
Enrollment	231	256	256	274	243	231	240	243	268	256

Source: District records per Long Range Facilities Plan. Enrollment records at June 30.

Number of Schools at June 30, 2018:

Elementary = 4

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
 General Fund  
 Schedule of Required Maintenance Expenditures by School Facility  
 For the Fiscal Year Ended June 30, 2018

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

* School Facilities	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Totals
Walter H. Hill School	\$ 121,042	\$ 129,129	\$ 143,794	\$ 142,440	\$ 113,157	\$ 156,143	\$ 143,974	\$ 73,006	\$ 95,058	\$ 79,864	\$ 1,197,621
Margaret C. Clifford School	95,559	101,944	113,522	112,453	89,335	106,461	116,866	81,700	62,732	62,753	943,325
Governor Charles C. Stratton School	191,118	203,888	227,043	224,905	178,669	205,825	227,639	78,420	81,254	68,849	1,687,612
Charles G. Harker School	229,342	244,666	272,452	269,886	214,403	241,312	271,000	72,245	112,938	99,485	2,027,730
<b>Total</b>	<b>\$ 637,061</b>	<b>\$ 679,628</b>	<b>\$ 756,811</b>	<b>\$ 749,684</b>	<b>\$ 595,564</b>	<b>\$ 709,742</b>	<b>\$ 759,479</b>	<b>\$ 305,371</b>	<b>\$ 351,982</b>	<b>\$ 310,951</b>	<b>\$ 5,856,287</b>

\* School facilities as defined under EFCFA.  
 (NJAC 6A:26-1.2 and NJAC 6:24-1.3)

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
Insurance Schedule  
June 30, 2018  
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
School package policy - Utica National Insurance Company		
Property - blanket buildings & contents	\$ 73,397,876	
Commercial general liability		
General aggregate limit	3,000,000	
Products - complete operations aggregate limit	3,000,000	
Personal and advertising - injury limit	1,000,000	
Each occurrence limit	1,000,000	
Damage to premises	1,000,000	
Medical expense - any one person	10,000	
Legal liability - each loss	1,000,000	
Legal liability - aggregate limit	3,000,000	
Employee benefit program liability - each loss	1,000,000	\$ 1,000
Employee benefit program liability - aggregate limit	3,000,000	
Commercial automobile liability		
Bodily injury and property damage	1,000,000	1,000
Commercial umbrella liability	4,000,000	10,000
Workers' compensation - Educational Risk Insurance Consortium South		
Bodily injury - by accident - each accident	2,000,000	None
Bodily injury - by disease - each employee	2,000,000	None
Bodily injury - by disease - aggregate limit	2,000,000	None
Public employees' faithful performance bonds - The Ohio Casualty Insurance Company		
Employee bond - Christopher J. DeStratis, Business Administrator/ Board Secretary	225,000	None

Source: District records

## **SINGLE AUDIT SECTION**

# PETRONI & ASSOCIATES LLC

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EXHIBIT K-1

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

### Independent Auditor's Report

The Honorable President and  
Members of the Board of Education  
Swedesboro-Woolwich Consolidated School District  
15 Frederick Boulevard  
Woolwich, New Jersey 08085

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the Governmental Activities, the Business-type Activities, each major fund, and the aggregate remaining fund information of the Swedesboro-Woolwich Consolidated School District, in the County of Gloucester, State of New Jersey, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Swedesboro-Woolwich Consolidated School District's basic financial statements, and have issued our report thereon dated January 22, 2019.

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

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

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

combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

### ***Compliance and Other Matters***

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

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Swedesboro-Woolwich Consolidated Board of Education in a separate report entitled, "Auditor's Management Report," on January 22, 2019.

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

PETRONI & ASSOCIATES LLC



Nick L. Petroni  
Certified Public Accountant  
Licensed Public School Accountant #542  
Glassboro, New Jersey

January 22, 2019

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EXHIBIT K-2

**REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM; REPORT ON  
INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
REQUIRED BY *UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES,  
AUDIT REQUIREMENTS FOR FEDERAL AWARDS (UNIFORM GUIDANCE),  
AND NEW JERSEY OMB'S CIRCULAR 15-08***

## **Independent Auditor's Report**

The Honorable President and  
Members of the Board of Education  
Swedesboro-Woolwich Consolidated School District  
15 Frederick Boulevard  
Woolwich, New Jersey 08085

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

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

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

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

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

Our responsibility is to express an opinion on compliance for each of the Swedesboro-Woolwich Consolidated School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), *New Jersey State Aid/Grant Compliance Supplement*, *Audits of States, Local Governments, and Non-Profit Organizations* and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of

New Jersey, and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards the Uniform Guidance and New Jersey OMB's Circular 15-08, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Swedesboro-Woolwich Consolidated School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### ***Opinion on Each Major State Program***

In our opinion, the Swedesboro-Woolwich Consolidated School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2018.

### ***Report on Internal Control Over Compliance***

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

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

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

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

***Report on Schedules of Expenditures of Federal Awards and of State Financial Assistance Required by Uniform Guidance and NJ OMB's Circular 15-08***

We have audited the financial statements Swedesboro-Woolwich Consolidated School District as of and for the year ended June 30, 2018, and have issued our report thereon dated January 22, 2019, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by Uniform Guidance and NJ OMB's Circular 15-08 and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards and state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.

PETRONI & ASSOCIATES LLC



Nick L. Petroni  
Certified Public Accountant  
Licensed Public School Accountant #542  
Glassboro, New Jersey

January 22, 2019

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2018

Federal Grantor/Pass-Through/Grantor/Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2017	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2018			MEMO Cumulative Total Expenditures
					From	To							(Accounts Receivable)	Deferred Revenue	Due to Grantor	
U.S. Department of Education																
Passed-through State Department of Education:																
General Fund:																
Medical Assistance Program	93.778	1705NJ5MAP	n/a	\$ 17,764	07/1/17	06/30/18			\$ 17,764	\$ (17,764)						\$ 17,764
U.S. Department of Education																
Passed-through State Department of Education:																
Special Revenue Fund:																
Title I - Part A	84.010	S010A170030	ESEA512018	118,929	07/1/17	06/30/18			91,968	(118,359)			\$ (26,391)			118,359
Title I - Part A	84.010	S010A160030	NCLB512017	108,159	07/1/16	06/30/17	\$ (44,409)		44,409							108,159
Subtotal							(44,409)		136,377	(118,359)			(26,391)			226,518
Title II A, Teacher & Principal Training	84.367	S367A170029	ESEA512018	28,140	07/1/17	06/30/18			28,140	(28,140)						28,140
Title II A, Teacher & Principal Training	84.367	S367A160029	NCLB512017	23,292	07/1/16	06/30/17	(3,042)		3,042							23,292
Subtotal							(3,042)		31,182	(28,140)						51,432
Title III	84.365	S365A170030	ESEA512018	6,335	07/1/17	06/30/18				(5,499)			(5,499)			5,499
Title III	84.365	S365A160030	NCLB512017	8,223	07/1/16	06/30/17	(6,876)		6,876							6,876
Subtotal							(6,876)		6,876	(5,499)			(5,499)			12,375
Title IV-Student Support & Academic Enrichment	84.424	S424A170031	ESEA512018	10,000	07/1/17	06/30/18			6,570	(9,503)			(2,933)			9,503
Special Education Cluster																
IDEA Part B, Basic Regular	84.027A	H027A170100	IDEA512018	282,137	07/1/17	06/30/18			282,137	(282,137)						282,137
IDEA Part B, Basic Regular	84.027A	H027A160100	IDEA512017	294,399	07/1/16	06/30/17	(11,480)		11,480							294,399
IDEA Part B, Preschool	84.173	H173A170114	IDEA512018	17,283	07/1/17	06/30/18			17,283	(17,283)						17,283
IDEA Part B, Preschool	84.173	H173A160114	IDEA512017	17,403	07/1/16	06/30/17	(579)		579							17,403
Total Special Education Cluster							(12,059)		311,479	(299,420)						611,222
Total Special Revenue Fund							(66,386)		492,484	(460,921)			(34,823)			911,050
U.S. Department of Agriculture																
Passed-through State Department of Education:																
Enterprise Fund:																
Child Nutrition Cluster																
Food Distribution Program	10.555	171NJ304N1099	N/A	49,244	07/1/17	06/30/18			49,244	(46,312)			\$ 2,932			46,312
Food Distribution Program	10.555	171NJ304N1099	N/A	51,240	07/1/16	06/30/17	8,145			(8,145)						51,240
National School Lunch Program	10.555	171NJ304N1099	N/A	148,045	07/1/17	06/30/18			136,737	(148,045)			(11,308)			148,045
National School Lunch Program	10.555	171NJ304N1099	N/A	139,055	07/1/16	06/30/17	(11,132)		11,132							139,055
Total Enterprise Fund/Child Nutrition Cluster							(2,987)		197,113	(202,502)			(11,308)	2,932		384,652
Total Federal Financial Awards							\$ (69,373)		\$ 707,361	\$ (681,187)			\$ (46,131)	\$ 2,932		\$ 1,313,466

The accompanying notes to the schedules of awards and financial assistance are an integral part of this schedule.

SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
Schedule of Expenditures of State Financial Assistance  
For the Fiscal Year Ended June 30, 2018

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2017			Cash Received	Budgetary Expenditures	Adjustments/Repayment of Prior Year's Expenditures	Balance at June 30, 2018			MEMO	
			From	To	Deferred Revenue (Accounts Receivable)	Due to Grantor	Carryover/ (Walkover) Amount				(Accounts Receivable)	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education															
General Fund:															
State Aid Public:															
Equalization Aid	18-495-034-5120-078	\$ 4,786,614	07/1/17	06/30/18				\$ 4,786,614	\$ (4,786,614)					\$ 467,305	\$ 4,786,614
Special Education Categorical Aid	18-495-034-5120-089	1,016,623	07/1/17	06/30/18				1,016,623	(1,016,623)					99,251	1,016,623
Security Aid	18-495-034-5120-084	142,549	07/1/17	06/30/18				142,549	(142,549)					13,917	142,549
Supplemental Enrollment Growth Aid	18-495-034-5120-094	963,615	07/1/17	06/30/18				963,615	(963,615)					94,076	963,615
Under Adequacy Aid	18-495-034-5120-096	4,684	07/1/17	06/30/18				4,684	(4,684)					457	4,684
Per Pupil Growth Aid	18-495-034-5120-097	17,670	07/1/17	06/30/18				17,670	(17,670)					1,725	17,670
PARCC Readiness	18-495-034-5120-098	17,670	07/1/17	06/30/18				17,670	(17,670)					1,725	17,670
Professional Learning Community Aid	18-495-034-5120-101	17,030	07/1/17	06/30/18				17,030	(17,030)					1,663	17,030
Host District Support Aid	18-495-034-5120-102	244	07/1/17	06/30/18				244	(244)					24	244
Transportation Aid	18-495-034-5120-014	250,973	07/1/17	06/30/18				250,973	(250,973)					24,502	250,973
Extraordinary Special Education Aid	18-495-034-5120-044	60,125	07/1/17	06/30/18					(60,125)		\$ (60,125)			60,125	60,125
Extraordinary Special Education Aid	17-495-034-5120-044	55,243	07/1/16	06/30/17	\$ (55,243)			55,243						55,243	55,243
Reimbursement for Nonpublic Transportation	n/a	21,460	07/1/17	06/30/18					(21,460)			(21,460)		21,460	21,460
Reimbursement for Nonpublic Transportation	n/a	13,050	07/1/16	06/30/17	(13,050)			13,050						13,050	13,050
Lead Testing for Schools	17-495-034-5120-104	5,772	07/1/16	06/30/17				5,772		\$ (5,772)				5,772	5,772
Reimbursed TPAF Social Security Contributions	18-495-034-5094-003	769,382	07/1/17	06/30/18				731,168	(769,382)			(38,214)		769,382	769,382
Reimbursed TPAF Social Security Contributions	17-495-034-5094-003	732,556	07/1/16	06/30/17	(36,042)			36,042						732,556	732,556
On-Behalf TPAF Pension	18-495-034-5094-002	1,472,435	07/1/16	06/30/17				1,472,435	(1,472,435)					1,472,435	1,472,435
On-Behalf TPAF Post Retirement Contribution	18-495-034-5094-001	951,014	07/1/16	06/30/17				951,014	(951,014)					951,014	951,014
On-Behalf TPAF Long-Term Disability Insurance	18-495-034-5094-004	2,236	07/1/16	06/30/17				2,236	(2,236)					2,236	2,236
<b>Total General Fund</b>					<b>(104,335)</b>			<b>10,484,632</b>	<b>(10,494,324)</b>	<b>(5,772)</b>	<b>(119,799)</b>			<b>704,645</b>	<b>11,300,945</b>
Debt Service Fund:															
Debt Service Aid Type II															
Debt Service Aid Type II	18-495-034-5120-075	501,494	07/1/17	06/30/18				501,494	(501,494)						501,494
State Department of Agriculture															
Enterprise Fund:															
National School Lunch Program (State Share)	18-100-010-3350-023	6,825	07/1/17	06/30/18				6,305	(6,825)			(520)			6,825
National School Lunch Program (State Share)	17-100-010-3350-023	5,957	07/1/16	06/30/17	(509)			509						5,957	5,957
<b>Total Enterprise Fund</b>					<b>(509)</b>			<b>6,814</b>	<b>(6,825)</b>			<b>(520)</b>			<b>12,782</b>
<b>Total State Financial Assistance</b>					<b>\$ (104,844)</b>			<b>\$ 10,992,940</b>	<b>\$ (11,002,643)</b>	<b>(5,772)</b>	<b>\$ (120,319)</b>			<b>\$ 704,645</b>	<b>\$ 11,815,221</b>
Less: On-Behalf TPAF Pension System Contributions								<u>\$ (2,425,685)</u>							
Total for State Financial Assistance - Major Program Determination								<u>\$ (8,576,958)</u>							

The accompanying notes to the schedules of awards and financial assistance are an integral part of this schedule.

**SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF  
AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2018**

**NOTE 1: GENERAL**

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include federal and state activity of the Board of Education, Swedesboro-Woolwich Consolidated School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, is included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

**NOTE 2: BASIS OF ACCOUNTING**

The accompanying Schedules of Expenditures of Awards and Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the Food Service Fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of 2 CFR 200 – *Uniform Administrative Requirements, Costs Principles, Audit Requirements for Federal Awards, Audits of States, Local Governments, and Non-Profit Organizations, New Jersey State Aid/Grant Compliance Supplement*, and New Jersey OMB's Circular 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

The General Fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of one or more deferred June state aid payments in the current budget year, which is mandated pursuant to NJSA 18A:22-44-.2. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of one or more June state aid payments in the subsequent year. The Special Revenue Fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The Special Revenue Fund also recognizes one or more June state aid payments in the current budget year, consistent with NJSA 18A:22-4-.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$26,812) for the General Fund and (\$6,813) for the Special Revenue Fund. See Note 1 (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented (See Exhibit B-2 and B-5):

**SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF AWARDS  
AND FINANCIAL ASSISTANCE  
JUNE 30, 2018**

**NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

	Federal	State	Total
General fund	\$ 17,764	\$ 10,467,512	\$ 10,485,276
Special revenue fund	460,921		460,921
Debt service fund		501,494	501,494
Food service fund	197,289	6,825	204,114
Total financial assistance	<u>\$ 675,974</u>	<u>\$ 10,975,831</u>	<u>\$ 11,651,805</u>

**NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 5: FOOD DISTRIBUTION PROGRAM**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. Non-monetary assistance is reported in the schedule at the market value of the commodities received and disbursed. At June 30, 2018, Swedesboro-Woolwich Consolidated School District has food commodities inventory was \$2,932.

**NOTE 6: OTHER**

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2018. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2018.

**NOTE 7: ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT MAJOR PROGRAM DETERMINATION**

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are excluded from State single audit major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's financial statements and the amounts subject to State single audit and major program determination.

**NOTE 8: INDIRECT COST RATE**

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

**NOTE 9: ADJUSTMENTS TO THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**

The adjustment for Lead testing for Schools Aid in the amount of \$5,772 is to realize the amount expended in the prior fiscal year.

**SWEDSBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Section I – Summary of Auditor’s Results**

**Financial Statements:**

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

1. Material weakness(es) identified?        Yes   X   No
2. Significant deficiencies identified that are not considered to be material weaknesses?        Yes   X   None reported

Noncompliance material to basic financial statements noted?        Yes   X   No

**Federal awards**

**N/A**

**State awards**

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

Auditee qualified as low-risk auditee?        Yes   X   No

Internal control over major programs:

1. Material weakness(es) identified?        Yes   X   No
2. Significant deficiencies identified that are not considered to be material weaknesses?        Yes   X   None reported

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

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular 15-08?        Yes   X   No

**SWEDESBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

***Section I – Summary of Auditor’s Results***

Identification of major programs:

<b>GMIS Numbers</b>	<b>Name of State Program</b>
	State Aid Public:
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Categorical Aid
495-034-5120-084	Security Aid
495-034-5120-094	Supplemental Enrollment Growth Aid
495-034-5120-096	Under Adequacy Aid
495-034-5120-097	Per Pupil Growth Aid
495-034-5120-098	PARCC Readiness Aid
495-034-5120-101	Professional Learning Community Aid
495-034-5120-102	Host District Support

***Section II – Financial Statement Findings***

No matters reported.

***Section III – Federal and State Financial Assistance Findings and Questioned Costs***

**FEDERAL AWARDS**

N/A

**STATE AWARDS**

No matters reported.

**SWEDSBORO-WOOLWICH CONSOLIDATED SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Status of Prior Year Findings**

N/A

**Findings**

N/A

**Condition**

N/A

**Current Status**

N/A