

EAST AMWELL TOWNSHIP
BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

OF THE

**EAST AMWELL TOWNSHIP BOARD OF EDUCATION
EAST AMWELL TOWNSHIP, NEW JERSEY
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Prepared by

**EAST AMWELL TOWNSHIP BOARD OF EDUCATION
DEPARTMENT OF ADMINISTRATION**

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INTRODUCTORY SECTION

BOARD OF EDUCATION EAST AMWELL SCHOOL DISTRICT

September 30, 2014

Honorable President and Members
of the East Amwell School District
Hunterdon County, New Jersey

Dear Board Members:

The comprehensive annual financial report of the East Amwell School District for the Fiscal Year ended June 30, 2014 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds 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 general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the U. S. Office of Management and Budget Circular A-133, "Audits of State, Local Government, and Non-Profit Organizations," and New Jersey OMB's Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

East Amwell School District is an independent reporting entity within the criteria adopted by the GASB (Governmental Account Standards Board) as established by Statement No. 14. All funds and accounting groups of the District are included in this report. The East Amwell Board of Education and its one school constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K-8, including both regular and special education. Enrollment in the integrated preschool program for the 2013-14 school year was 26. Resident enrollment as of June 30, 2014 totaled 418 students.

The following details the changes in student enrollment of the District over the last fifteen years.

<u>FISCAL YEAR</u>	<u>STUDENT ENROLLMENT</u>	<u>% CHANGE</u>
2013-14	418	-1.5%
2012-13	433	-3.7%
2011-12	450	-7.6%
2010-11	487	-2.8%
2009-10	501	+2.7%
2008-09	488	-.2%
2007-08	489	-1.0%
2006-07	494	+1.6%
2005-06	486	+1.0%
2004-05	481	+2.1%
2003-04	471	-2.5%
2002-03	483	+ .02%
2001-02	475	-.01%
2000-01	480	-3.40%
1999-00	497	0%

2. ECONOMIC CONDITION AND OUTLOOK

East Amwell Township is located in southern Hunterdon County and encompasses 28.7 square miles with 47 miles of roads, including the Rt. 31-202 corridor. The Township has a population of 4,013 persons, as reported in the 2010 Census. East Amwell is rural in character, with the Village of Ringoes as its primary population and business center.

The East Amwell Township Elementary School, located on a 32-acre site with outdoor playground equipment and ball fields, is the only school building. The school was constructed in 1938, with additions in 1950, 1963, 1978, 1988, and 1998. With the K-8 organizational structure, the present facility has a functional capacity of 558 students. Two soccer fields on the school property are shared with the Township Recreation Committee.

The school district is governed by a nine member Board of Education elected by the district to serve alternating three-year terms. As of June 30, 2014 the District employed a Superintendent, Principal, Board Secretary/School Business Administrator, 46 full-time certificated, 6 part-time certificated, 17 full-time non-certificated, and 1

part-time non-certificated staff. Hunterdon Central Regional High School provides transportation for all students, with the exception of some out-of-district placements, which may be provided by the Hunterdon County Education Services Commission.

The future outlook for District financing continues to depend primarily upon the ability and willingness of the Governor and State Legislature to provide funding for education. The availability of tax revenues to the State and its distribution among all New Jersey School Districts, however, will have a profound impact on the education provided to East Amwell students and to the local property taxes.

3. **MAJOR INITIATIVES:**

Test Results

Students continue to score above the state mandated tests. The Grade Three New Jersey Assessment of Skills and Knowledge (NJASK3) was administered in May 2014. Total student scores are as follows: 70.4 percent of the students scored proficient or advanced proficient in Language Arts Literacy; 86.4 percent scored proficient or advanced proficient in Mathematics. The Grade Four New Jersey Assessment of Skills and Knowledge (NJASK4) was administered in May 2013. Total student scores are as follows: 75.0 percent of the students scored proficient or advanced proficient in Language Arts Literacy; 75.0 percent scored proficient or advanced proficient in Mathematics. Grade Eight New Jersey Assessment of Skills and Knowledge (NJASK8) was administered in April 2014. Total student scores are as follows: 97.7 percent of the students scored proficient or advanced proficient in Language Arts Literacy; 93.4 percent scored proficient or advanced proficient in Mathematics.

Curriculum

During the 2013 - 2014 school year the Math curriculum was reviewed it will be rewritten during the 2014-2015 school year.

Professional Development

Professional Development activities in the 2013-14 school year included Big Ideas and Go Math Training, Genesis, Danielson Teacher Evaluation training, iPad training, Access for ELL, and Right-to-Know, These activities were conducted in response to staff surveys assessing professional development needs. In addition to the requested topics, staff participated in mandatory training through consultants and web-based offerings.

Synergistics

The Synergistics Learning system is a technology-assisted learning system divided into workstations where pairs of students explore a variety of content areas providing multi-sensory experiences through audio, video, software, text, and hands-on activities. Modules include Career Exploration, Podcasting, CSI (Crime Scene

Investigation), Design Challenge, Mechanical Drawing, Film, Photography, Garage Band, Bridge Building, Solar Cars, Flight Technology, and Personal Finance.

Synergistics, located in the Technology Lab, provides a well-balanced program for a broad range of student interests as well as an introduction to the applied technology program at Hunterdon Central High School.

Smart Classrooms

All classrooms are equipped with BrightLink 455Wi Interactive Projector. This high-performance projector + pen combination integrates interactive functionality in one machine, without the constraints or expense of an interactive whiteboard. With ultra-short throw distance, extraordinary size flexibility, and fully-loaded projector technologies, BrightLink redefines a true all-in-one solution able to engage your learning community.

Google Sites

All teachers use Google Sites as a simple and clear format of communicating with school families. Homework, activities and a calendar are maintained by staff using Sites. Their personal homepage will enable better communicating, allowing for high achievement of students.

iPad

All staff members have received iPads for use in their classroom. This innovative and resource driven classroom tool will be used in small groups, classroom activities and in rolling carts to capitalize on the far reaching effect that apps have on the learning process of students.

Library/Media Center

The Library/Media Center is equipped with DESTINY, a complete library automation solution accessible from five networked student/teacher workstations. PC student workstations provide further access to the Internet and resources such as World Book Online, MS Office Suite, and search engines such as EPSCO Host. The regional high school uses the same solution increasing compatibility between resources.

The Computer Lab located in the Media Center consists of 25 flat panel OS10.5 iMac computers. Each computer is networked, internet ready and is imaged with MS Office Suite, The iLife Education package, Desktop Publishing capabilities and educational on-line subscription software. The TV studio is part of the Computer Lab where morning announcements are broadcasted every morning. The Computer Lab is also the hub for the school's website, email servers and Alert Now school family communication system.

Network Administration

Computer systems analysis/design, remote access support for data servers, and high-level technical support for both PC and Mac platforms were provided by an outside vendor. This support is supplemented and coordinated on-site by a part-time District Technology Coordinator. The Three-Year Technology Plan is reviewed and updated annually.

Student Information System

In 2013-14 the District introduced GENESIS as the new student information system. The system has many features, including a parent portal and allows the District to comply with federal and state reporting with greater ease.

Long-Range Facilities Plan

The 2005 Long Range Facilities Plan included enrollment projections that verified the existing functional capacity of 558 and classified the facility "In Good Condition." The plan has recently been updated to reflect numerous projects to be completed in the future.

4. INTERNAL ACCOUNT CONTROLS:

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

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

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

5. **BUDGETARY CONTROLS:**

In addition to internal account controls, the District maintains budgetary control. 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. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2013.

6. **ACCOUNTING SYSTEM AND REPORTS:**

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Account 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. **FINANCIAL INFORMATION AT FISCAL YEAR-END:**

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the General Fund and Special Revenue Fund revenues for the fiscal year ended June 30, 2014 and the amount and percentage of increases in relation to prior year revenues.

REVENUE	AMOUNT	Percentage of Total	INC (DEC) FROM Prior Year	Percentage Increase Decrease
LOCAL SOURCES:				
Tax Levy:				
General	\$6,551,669	81.70%	\$96,822	1.50 %
Debt Service	217,513	2.71%	3,813	1.78%
Other Revenues	331,809	4.14%	13,855	4.36%
STATE AID	735,613	9.17%	107,185	17.06%
FEDERAL AID	<u>182,159</u>	<u>2.27%</u>	<u>(11,780)</u>	-6.07%
TOTAL	<u>\$8,018,763</u>	<u>100.00%</u>	<u>\$ 209,895</u>	2.69%

The following schedule presents a summary of General Fund and Special Revenue Fund expenditures for the fiscal year ended June 30, 2014 and the percentage of increases and decreases in relation to the prior year amounts.

EXPENDITURES	AMOUNT	Percentage Of Total	INC (DEC) From Prior Year	Percentage of Increase (Decrease)
Current Expense	\$6,909,449	92.30%	(80,629)	-1.15%
Capital Outlay	175,185	2.34%	110,621	
Special Projects	183,694	2.45%	(11,812)	-6.04%
Debt Service				
Principal	175,000	2.34%	10,000	6.06%
Interest	<u>42,513</u>	<u>.57%</u>	<u>(6,187)</u>	-12.70%
Total	<u>\$7,485,841</u>	<u>100.00%</u>	<u>\$(21,993)</u>	-0.29%

Notes: Excludes "on behalf" payments, lease purchase acquisitions and Capital Projects.

8. DEBT ADMINISTRATION:

The district issued bank qualified (callable) 20-year bonds totaling \$2,745,000 aggregate principal in January, 1998 at the per annum interest rate of 4.90%. Principal payment dates began January 15, 1999 and interest payment dates began in July. In April 2007, the balance of the bonds of \$1,885,000 was refinanced resulting in an aggregate budgetary savings of \$71,917.92. Principal payment dates continue each January 15 until maturity on January 15, 2018 or earlier redemption. Interest payment dates continue each January 15 and July 15 until maturity on January 15, 2018 or earlier redemption.

9. CASH MANAGEMENT:

The investment policy of the District is guided in large part by State statute as detailed in "Notes to the Financial Statements," Notes 1 and 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

10. 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.

11. OTHER INFORMATION:Independent Audit

State statute requires an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of William M. Colantano, Jr., CPA, PSA, RMA was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1996 and the related OMB Circular A-133 and New Jersey OMB's Circular 04-04. The auditor's report on the general purpose financial statements and combined and individual fund statements schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

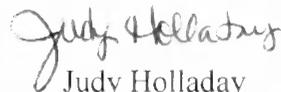
12. ACKNOWLEDGEMENTS:

We would like to express our appreciation to the members of the East Amwell 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 business office.

Respectfully submitted,

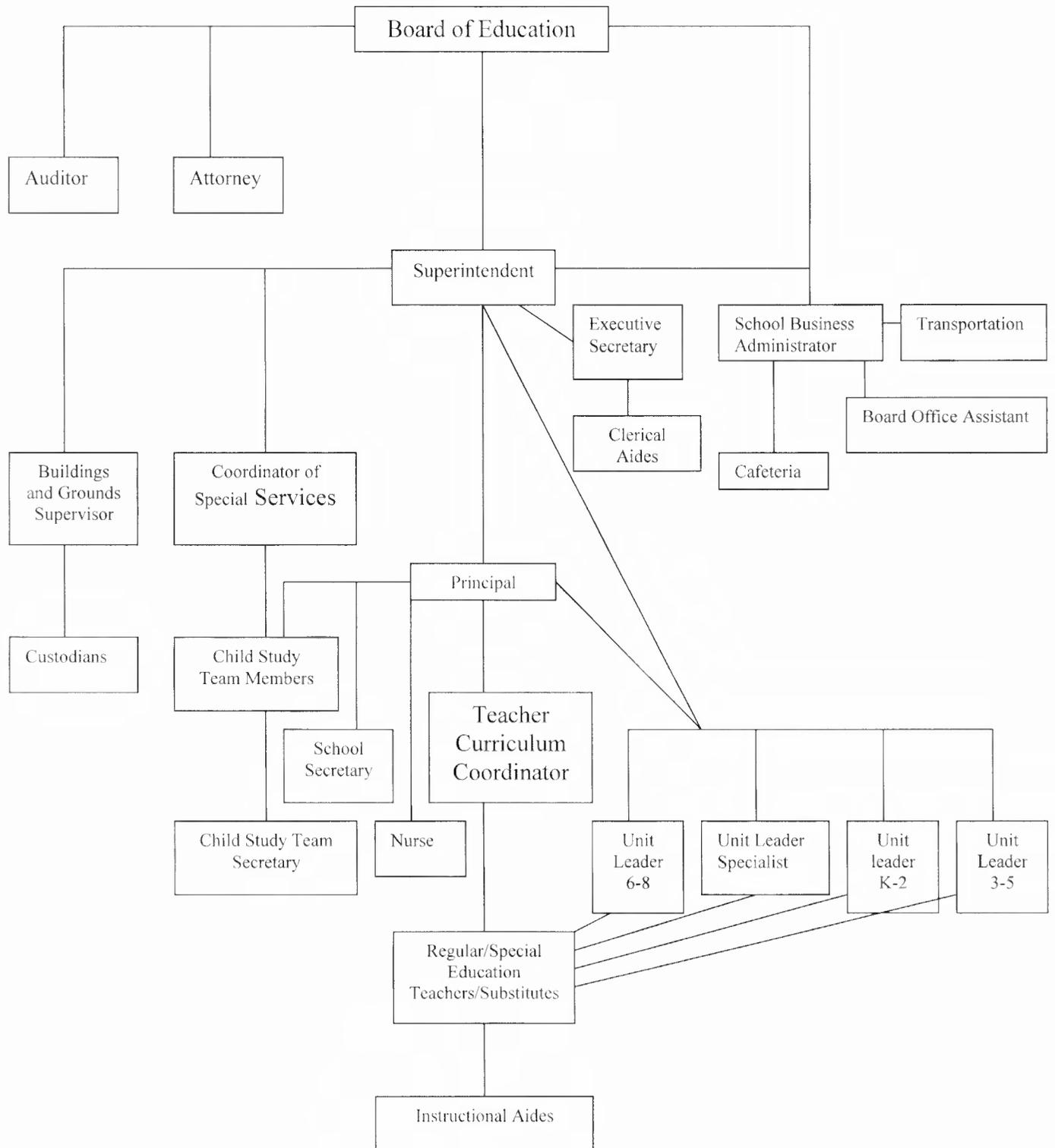


Edward F. Stoloski
Superintendent



Judy Holladay
SBA/Board Secretary

1110 ORGANIZATIONAL CHART



EAST AMWELL TOWNSHIP BOARD OF EDUCATION
 43 WERTSVILLE ROAD, PO BOX 680
 RINGOES, NJ 08551
 JUNE 30, 2014

ROSTER OF OFFICIALS

<u>Members of the Board of Education</u>		<u>Term Expires</u>
Charles Miles Jr.	President	2016
Anne Kenyon	Vice President	2015
Carole Ammann		2014
John Bedard		2014
Daniel Connelly		2014
Doreen Kraycirik		2014
Carole McGee		2015
Charles Miller		2016
Kimberly Williard		2015
 <u>Other Officials</u>		
Edward Stoloski	Superintendent	
Judy Holladay	Board Secretary/ School Business Administrator	

EAST AMWELL TOWNSHIP BOARD OF EDUCATION
JUNE 30, 2013

CONSULTANTS AND ADVISORS

AUDIT FIRM

William M. Colantano, Jr.
Certified Public Accountant
100 Route 31 North
Washington, NJ 07882-1530

ATTORNEY

Fogarty & Hara
Counselors at Law
16-00 Route 208 South
Fair Lawn, NJ 07410

OFFICIAL DEPOSITORY

Hopewell Valley Bank

FINANCIAL SECTION

Certified Public Accountant
Public School Accountant
Registered Municipal Accountant

100 Route 31 North
Washington, NJ 07882 - 1530
Fax # (908) 689-8388
(908) 689-5002

INDEPENDENT AUDITOR'S REPORT

September 30, 2014

Honorable President and
Members of the Board of Education
East Amwell Township School District
County of Hunterdon, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the East Amwell Township School District (the District) in the County of Hunterdon, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Board'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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe 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 District, as of June 30, 2014, 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 District's basic financial statements. The combining and individual non-major fund financial statements and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the schedule of state financial assistance as required by NJ OMB 04-04 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, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, the schedule of and the schedule of state financial assistance as required by NJ OMB 04-04 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 Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the schedule of state financial assistance as required by NJ OMB 04-04 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 September 30, 2014 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.



William M. Colantano, Jr.
Public School Accountant
No. CS 0128

REQUIRED SUPPLEMENTARY INFORMATION-PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED

The discussion and analysis of East Amwell Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2014. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2014 are as follows:

- In total, net position increased \$722,878, which represents a 22.82 percent increase from 2013.
- General revenues accounted for \$8,191,314 in revenue or 92.16 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for or \$696,895 or 7.84 percent to total revenues of \$8,888,209. Due to the sharing of services of the Child Study Team, the Superintendent, and the Business Administrator with the Milford Board of Education, the District experienced a savings of approximately \$90,000. Additionally, unanticipated tuition students were received. The District has continued to enjoy the benefits received from local grants, including Exxon Mobile, who provided funds toward the furthering of science, technology and math programs. Unanticipated extraordinary aid funded technology infrastructure upgrades.
- Total assets of governmental activities increased by \$542,593 as cash and cash equivalents increased by \$484,366, receivables and other assets decreased by \$42,393 and capital assets increased by \$100,620.
- The School District had \$8,165,331 in expenses; only \$696,895 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$8,191,314 were adequate to provide for these programs.
- Among major funds, the General Fund had \$8,283,730 in revenues and \$7,760,931 in expenditures and other financing uses of \$650,000. The General Fund's balance decreased \$127,201 from 2013. This decrease was anticipated by the Board of Education. It is a result of a withdrawal from Capital Reserve of \$650,000 for a front entrance building addition and security vestibule project. A transfer of \$550,000 to Capital Reserve was made for future projects, including a new roof and window upgrades. At year end, the balance of the capital reserve account was \$656,442.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED

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 East Amwell Township School District as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Position and Statement of Activities* provide information about the activities of the whole school district, presenting both an aggregate view of the school district's finances and a 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 East Amwell Township school district, the General Fund is by far the most significant fund.

Reporting the School District as a Whole

While this document contains several funds used by the School District to provide programs and activities, the view of the school district as a whole looks at all financial transactions and asks the question, "How did we do financially during the fiscal year?" 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 companies. This basis of accounting considers 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 position. 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 reports governmental activities and business-type activities.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
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- Business-type activity is a service that is provided on a charge for goods or services basis to recover the expenses of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the school district's major funds. The school district uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the school district's most significant funds. The school district's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

The school district's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the school district's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund

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

The School District as a Whole

The Statement of Net Position provides the perspective of the school district as a whole.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
EAST AMWELL TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS
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Table 1 provides a summary of the school district's net position for 2014 compared to 2013.

TABLE 1
Net Position

	6/30/2014	6/30/2013	Variance	
			Dollars	Percent
Current & Other Assets	\$2,107,759	\$1,663,941	\$443,818	26.67
Capital Assets	3,052,268	2,952,095	(100,173)	3.39
Total Assets	5,160,027	\$4,616,036	543,991	11.78
Long-Term Liabilities	1,175,836	\$1,327,651	(151,815)	(11.43)
Other Liabilities	94,241	121,313	(27,072)	(22.32)
Total Liabilities	1,270,077	1,448,964	(178,887)	(12.35)
NET POSITION				
Net Investment in Capital Assets	2,262,268	1,987,095	275,173	13.85
Restricted	1,481,079	1,081,120	399,959	36.99
Unrestricted	146,603	98,857	47,746	48.30
Total Net Position	\$3,889,950	\$3,167,072	\$722,878	22.82

Total assets increased \$543,991. Cash and cash equivalents increased by \$449,779 receivables and other assets decreased by \$5,961 and capital assets increased by \$100,173. Unrestricted net assets, the part of net assets that can be used to finance day-to-day activities without constraints established by grants or legal requirements, of the school district increased by \$47,746 due to tuition revenues realized that exceeded original budget estimates and shared service agreements cost savings.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
EAST AMWELL TOWNSHIP

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MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
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Table 2 shows the changes in net position from fiscal year 2013.

TABLE 2
Changes in Net Position

	Fiscal Year Ending		Variance	
	6/30/14	6/30/13	Dollars	Percent
REVENUES				
Program Revenues:				
Charges for Services	\$ 477,201	\$ 377,282	\$ 99,919	26.48
Operating Grants	219,694	227,631	(7,937)	(3.49)
General Revenues:				
Property Taxes	6,769,182	6,668,547	100,635	1.51
Unrestricted Grants	1,401,575	1,419,554	(17,979)	(1.27)
Other	20,557	14,900	5,657	37.97
Total Revenues	8,888,209	8,707,914	180,295	2.07
PROGRAM EXPENSES				
Instruction:				
Regular	3,601,495	3,738,010	(136,515)	(3.65)
Special	953,478	1,153,246	(199,768)	(17.32)
Other	184,343	84,510	99,833	118.13
Support Services:				
Tuition	41,300	41,300	0	0.00
Student and Instructional Staff	1,214,838	1,113,104	101,734	9.14
General & Business Admin	621,351	606,134	15,217	2.51
School Administration	235,075	235,065	10	0.00
Maintenance	777,315	797,049	(19,734)	(2.48)
Transportation	386,857	382,429	4,428	1.16
Food Services	108,591	138,443	(29,852)	(21.56)
Interest on Long-Term Debt	40,688	42,039	(1,351)	(0.98)
Total Expenses	8,165,331	\$8,331,329	(165,998)	(1.99)
Special Items:				
Insurance Proceeds – Storm Damage		60,970	(60,970)	(100.00)
Increase (Decrease) in Net Position	\$ 722,878	\$ 437,555	\$285,323	65.21

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
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Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the school district operations. Property taxes made up 77.10 percent of revenues for governmental activities for the East Amwell School district for fiscal year 2014.

Instruction comprises 58.04 percent of district expenses. Support services expenses comprise 40.13 percent of the expenses. 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. That is, it identifies the cost of these services supported by tax revenue and unrestricted state entitlements.

TABLE 3
Cost of Government Services

	Total Cost of Services		Net Cost of Services	
	<u>6/30/2014</u>	<u>6/30/2013</u>	<u>6/30/2014</u>	<u>6/30/2013</u>
Instruction	\$4,739,316	\$4,975,766	\$4,339,864	\$4,598,181
Support Services:				
Tuition	41,300	41,300	41,300	41,300
Student & Inst.Related Services	1,214,838	1,113,104	1,107,800	1,058,016
General & Business Admin	621,351	606,134	545,358	554,924
School Administration	235,075	235,065	235,075	235,065
Plant Operations & Mtn	777,315	797,049	771,612	784,368
Pupil Transportation	386,857	382,429	386,857	381,929
Food Service	108,591	138,443	(118)	30,594
Interest on Long Term Debt	40,688	42,039	40,688	42,039
Total Expenses	<u>\$8,165,331</u>	<u>\$8,331,329</u>	<u>\$7,468,436</u>	<u>\$7,726,416</u>

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

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

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
EAST AMWELL TOWNSHIP

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MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
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General administration, school administration and business include expenses associated with administrative and financial supervision of the district.

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

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

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

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

The dependence upon tax revenues is apparent. For all activities local tax revenue support is 76.16 percent. The community, as a whole, is the primary support for the East Amwell Township School District.

The School District's Funds

Information about the school district's major funds starts in the section entitled fund financial statements. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$8,684,937 and expenditures of \$8,217,651. The net positive change in fund balance for the year was most significant in the Capital Projects Fund, an increase of \$594,487.

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.

During the course of the fiscal 2014 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 total program budgets but provide flexibility for program management.

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EAST AMWELL TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS
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For the General Fund, budget basis revenues were \$211,923 over original budgeted estimates of \$7,405,845. The difference can be attributed to excess tuition revenue for special needs students brought into the district, additional Pre-K parent paid tuition, unanticipated extraordinary and other state aid, and other miscellaneous unanticipated revenues.

The cafeteria service is currently managed by a food service company. The food service operation realized a net profit of \$149 in fiscal year 2014.

Capital Assets

At the end of the fiscal year 2014 the school district had \$3,052,268 invested in land, buildings, furniture and equipment, and vehicles.

Table 4 provides a summary of the School District's capital assets net of depreciation at 6/30/14 with comparisons to 6/30/13.

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

	<u>2014</u>	<u>2013</u>	Variance	
			<u>Dollars</u>	<u>Percent</u>
Land	\$ 462,026	\$ 462,026		
Construction in Progress	64,972	11,879	\$ 53,093	446.95
Land Improvements	58,685	64,789	(6,104)	(9.42)
Buildings & Improvements	2,324,387	2,311,268	13,119	.57
Furniture & Equipment	142,198	102,133	40,065	39.23
Total	\$3,052,268	\$2,952,095	\$100,173	3.39

*Undefined

Overall capital assets increased \$100,173 from fiscal year 2013 to fiscal year 2014. Increases in capital assets were offset by depreciation expenses for the year. The District expended

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MANAGEMENT'S DISCUSSION AND ANALYSIS
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preliminary costs on a \$650,000 building addition project to create a security vestibule in the front entrance and renovate various offices.

Debt Administration

At June 30, 2014, the school district had \$1,175,836 in long-term liabilities. Of this amount \$364,636 is for compensated absences, and the balance \$790,000 for bonds for school construction.

At June 30, 2014, the school district's overall legal debt margin was \$22,610,572 and the unvoted debt margin was \$21,820,572.

**TABLE 5
Outstanding Debt at Year End**

	<u>6/30/14</u>	<u>6/30/13</u>	Variance	
			<u>Dollars</u>	<u>Percent</u>
General Obligation Bonds	\$790,000	\$965,000	\$(175,000)	(18.13)
Compensated Absences	364,636	337,211	27,425	8.13
Unamortized Bond Premiums	21,200	25,440	(4,240)	(16.67)
	\$1,175,836	\$1,327,651	\$(151,815)	(11.43)

For the Future

The East Amwell Township School District is in very good financial condition. East Amwell Township is primarily a residential community, with very few ratables. The financial burden, therefore, is focused on homeowners. While the District chose to move their Board election to November, tax levy increases have been held below the 2% allowable cap.

Concerns include not only the increased reliance on local property taxes and increasing costs for special education students, but also the safety and security of our students. Over the past few years, reserves have accumulated and we will be able to address some of our facility needs with these funds.

The East Amwell Township School District has committed itself to financial excellence for many years. The school district plans to continue its sound fiscal management to meet the challenge of the future.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
EAST AMWELL TOWNSHIP

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MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED

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 Judy Holladay, School Business Administrator/Board Secretary at East Amwell Township Board of Education, 43 Wertsville Road, Ringoes, NJ 08551 or email at jholladay@eastamwell.org.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2014

	Govern- mental Activities	Business- Type Activities	Total
ASSETS			
Cash & Cash Equivalents	\$ 255,093	\$ 989	\$ 256,082
Investments	251,505		251,505
Receivables, Net	114,446	2,411	116,857
Internal Balances	1,000	(1,000)	
Inventory		2,236	2,236
Restricted Assets:			
Capital Reserve Account-Cash	656,442		656,442
Maintenance Reserve Account-Cash	155,000		155,000
Emergency Reserve Account-Cash	75,150		75,150
Capital Projects Fund-Cash	594,487		594,487
Capital Assets, Net (Note 4):			
Land and Construction in Progress	526,998		526,998
Other Capital Assets, Net of Depreciation	2,521,244	4,026	2,525,270
Total Assets	<u>5,151,365</u>	<u>8,662</u>	<u>5,160,027</u>
LIABILITIES			
Accounts Payable	24,221	17	24,238
Due to Other Funds	1,433		1,433
Accrued Interest	16,477		16,477
Unearned Revenue	50,245	1,848	52,093
Long-Term Liabilities (Note 5):			
Due Within One Year	205,770		205,770
Due Beyond One Year	970,066		970,066
Total Liabilities	<u>1,268,212</u>	<u>1,865</u>	<u>1,270,077</u>
NET POSITION			
Net Investment in Capital Assets	2,258,242	4,026	2,262,268
Restricted For:			
Capital Reserve	656,442		656,442
Maintenance Reserve	155,000		155,000
Emergency Reserve	75,150		75,150
Capital Projects Fund	594,487		594,487
Unrestricted	<u>143,832</u>	<u>2,771</u>	<u>146,603</u>
TOTAL NET POSITION	<u>\$ 3,883,153</u>	<u>\$ 6,797</u>	<u>\$ 3,889,950</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
			Charges for Services	Operating Grants & Contribution	Capital Grants & Contribution	Governmental Activities	Business-Type Activities	Total
Governmental Activities:								
Instruction:								
Regular	\$ 2,579,540	\$ 1,021,955	\$ 111,586	\$ 58,092		\$ (3,431,817)		\$ (3,431,817)
Special Education	678,580	274,898	140,369	71,351		(741,758)		(741,758)
Other Special Instruction	52,025	17,577		18,054		(51,548)		(51,548)
Other Instruction	83,497	31,244				(114,741)		(114,741)
Support Services:								
Tuition	41,300			-		(41,300)		(41,300)
Students & Instruction Related Services	899,297	315,541	70,841	36,197		(1,107,800)		(1,107,800)
General & Business Administration Services	474,317	147,034	75,993			(545,358)		(545,358)
School Administration Services	162,875	72,200				(235,075)		(235,075)
Plant Operations & Maintenance	655,455	121,860	5,703			(771,612)		(771,612)
Pupil Transportation	386,857					(386,857)		(386,857)
Interest on Long-Term Debt	40,688					(40,688)		(40,688)
Total Governmental Activities	6,054,431	2,002,309	404,492	183,694	\$ -	(7,468,554)	\$ -	(7,468,554)
Business-Type Activities:								
Food Service	108,591		72,709	36,000			118	118
Total Business-Type Activities	108,591	-	72,709	36,000	-	-	118	118
Total Primary Government	\$ 6,163,022	\$ 2,002,309	\$ 477,201	\$ 219,694	\$ -	(7,468,554)	118	(7,468,436)
General Revenues, Transfers & Special Items								
						6,551,669		6,551,669
						217,513		217,513
						1,401,575		1,401,575
						7,481	31	7,512
						13,045		13,045
						<u>8,191,283</u>	<u>31</u>	<u>8,191,314</u>
						722,729	149	722,878
						<u>3,160,424</u>	<u>6,648</u>	<u>3,167,072</u>
						<u>\$ 3,883,153</u>	<u>\$ 6,797</u>	<u>\$ 3,889,950</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

FUND FINANCIAL STATEMENTS

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

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Govern- mental Funds
ASSETS					
Cash & Cash Equivalents	\$ 255,093				\$ 255,093
Investments	251,505				251,505
Receivables from Other Governments:					
State	43,354				43,354
Federal		\$ 63,582			63,582
Local	4,164				4,164
Due from Other Funds	24,315				24,315
Other Receivables	3,346				3,346
Restricted Cash & Equivalents	886,592		\$ 594,487		1,481,079
TOTAL ASSETS	<u>\$ 1,468,369</u>	<u>\$ 63,582</u>	<u>\$ 594,487</u>	<u>\$ -</u>	<u>\$ 2,126,438</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 24,221				\$ 24,221
Due to Other Funds	2,033	\$ 22,715			24,748
Unearned Revenue	9,378	40,867			50,245
Total Liabilities	<u>35,632</u>	<u>63,582</u>	<u>\$ -</u>	<u>\$ -</u>	<u>99,214</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014
(Continued)

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Govern- mental Funds
LIABILITIES AND FUND BALANCES (Cont'd)					
Fund Balances:					
Restricted Fund Balance:					
Excess Surplus	\$ 121,281				\$ 121,281
Excess Surplus-Designated for Subsequent Year's Expenditures	100,729				100,729
Capital Projects Fund			\$ 594,487		594,487
Committed Fund Balance:					
Capital Reserve Account	656,442				656,442
Maintenance Reserve Account	155,000				155,000
Emergency Reserve Account	75,150				75,150
Assigned Fund Balance:					
Year-End Encumbrances	110,787				110,787
Designated for Subsequent Year's Expenditures	3,654				3,654
Unassigned Fund Balance	209,694				209,694
Total Fund Balances	<u>1,432,737</u>	<u>\$ -</u>	<u>594,487</u>	<u>\$ -</u>	<u>2,027,224</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,468,369</u>	<u>\$ 63,582</u>	<u>\$ 594,487</u>	<u>\$ -</u>	

Amounts Reported for Governmental Activities in the Statement of Net Assets
(A-1) are Different Because:

Capital assets used in government activities are not financial resources & therefore are not reported in the funds. The cost of the assets is and the accumulated depreciation is

\$ 6,471,303
3,423,061

3,048,242

Long-term liabilities, including bonds payable, are not due & payable in the current period & therefore are not reported as liabilities in the funds

(1,175,836)

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due

(16,477)

Total Net Position of Governmental Activities

\$ 3,883,153

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Govern- mental Funds
REVENUES					
Local Sources:					
Local Tax Levy	\$ 6,551,669			\$ 217,513	\$ 6,769,182
Tuition Charges-Individuals	111,586				111,586
Tuition Charges-Other LEAs	132,935				132,935
Interest on Investments	7,481				7,481
Miscellaneous	78,484	\$ 1,323			79,807
Total	6,882,155	1,323	\$ -	217,513	7,100,991
State Sources	1,401,575	212			1,401,787
Federal Sources		182,159			182,159
Total Revenues	8,283,730	183,694	-	217,513	8,684,937
EXPENDITURES					
Current:					
Instructional:					
Regular Instruction	2,524,077	51,325			2,575,402
Special Education Instruction	604,865	66,281			671,146
Other Special Instruction	35,438	16,587			52,025
Other Instruction	83,497				83,497
Support Service & Undistributed Costs:					
Tuition	41,300				41,300
Student & Instruction Related Services	807,583	34,347			841,930
General & Business Administrative Services	444,415				444,415
School Administrative Services	162,875				162,875
Plant Operations & Maintenance	652,233				652,233
Pupil Transportation	386,857				386,857
Unallocated Benefits	1,842,606	12,122			1,854,728

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Govern- mental Funds
EXPENDITURES (Cont'd)					
Capital Outlay	\$ 174,002	\$ 3,032	\$ 55,513		\$ 232,547
Debt Service:					
Principal				\$ 175,000	175,000
Interest & Other Charges	1,183			42,513	43,696
Total Expenditures	<u>7,760,931</u>	<u>183,694</u>	<u>55,513</u>	<u>217,513</u>	<u>8,217,651</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>522,799</u>	<u>-</u>	<u>(55,513)</u>	<u>-</u>	<u>467,286</u>
Other Financing Sources (Uses):					
Transfers In			650,000		650,000
Transfers (Out)	(650,000)				(650,000)
Total Other Financing Sources (Uses)	<u>(650,000)</u>	<u>-</u>	<u>650,000</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(127,201)	-	594,487	-	467,286
Fund Balances, July 1	<u>1,559,938</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,559,938</u>
Fund Balances, June 30	<u>\$ 1,432,737</u>	<u>\$ -</u>	<u>\$ 594,487</u>	<u>\$ -</u>	<u>\$ 2,027,224</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Total Net Changes in Fund Balances-Governmental Fund (from B-2)	\$	467,286
<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 as depreciation expenses. This is the amount by which capital outlay exceeds depreciation in the period:</p>		
Capital Outlays	\$	232,547
Depreciation Expense		<u>(131,927)</u>
		100,620
<p>Repayment of debt principal and capital leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and are not reported in the statement of activities:</p>		
Bond Principal Payments		175,000
<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 a reconciling item.</p>		
		3,008
<p>Governmental funds report the effect of bond issue premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities:</p>		
Amortization of Bond Premium		4,240
<p>In the statement of activities, compensated absences & early retirement benefits 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>(27,425)</u>
Change in Net Position of Governmental Activities	\$	<u><u>722,729</u></u>

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FUND NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2014

	Food Service Fund
ASSETS	
Current Assets:	
Cash & Cash Equivalents	\$ 989
Receivables from Other Governments:	
State	170
Federal	2,241
Inventory	2,236
Total Current Assets	5,636
Noncurrent Assets:	
Capital Assets	22,087
Less: Accumulated Depreciation	(18,061)
Total Noncurrent Assets	4,026
Total Assets	9,662
LIABILITIES	
Current Liabilities:	
Accounts Payable	17
Due to Other Funds	1,000
Unearned Revenues	1,848
Total Liabilities	2,865
NET POSITION	
Net Investment in Capital Assets	4,026
Unrestricted	2,771
TOTAL NET POSITION	\$ 6,797

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Food Service Fund
Operating Revenues:	
Charges for Services:	
Daily Sales-Reimbursable Programs	\$ 57,785
Daily Sales-Nonreimbursable Programs	14,924
Total Operating Revenues	72,709
Operating Expenses:	
Cost of Sales	47,604
Salaries	36,357
Employee Benefits	7,903
Purchased Property Services (Repairs)	1,924
Insurance	841
Management Fee	7,473
Other Purchased Services	2,009
Supplies and Materials	3,954
Miscellaneous	79
Depreciation	447
Total Operating Expenses	108,591
Operating Income (Loss)	(35,882)
Non-operating Revenues (Expenses):	
State Sources:	
State School Lunch Program	1,263
Federal Sources:	
National School Lunch Program	26,068
Food Donation Program	8,669
Interest Earned on Investments	31
Total Non-operating Revenues (Expenses)	36,031
Change in Net Position	149
Net Position, Beginning	6,648
Net Position, Ending	\$ 6,797

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Food Service Fund
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 72,709
Payments to Food Service Management Co	(96,917)
Payments to Vendors (Net)	(2,048)
Interfund Activity	(35,096)
Net Cash Provided by (Used For) Operating Activities	<u>(61,352)</u>
Cash Flows from Noncapital Financing Activities:	
State Sources	1,256
Federal Sources	25,478
Net Cash Provided by (Used For) Noncapital Financing Activities	<u>26,734</u>
Cash Flows from Investing Activities:	
Interest Earned on Investments	31
Net Cash Provided by (Used For) Investing Activities	<u>31</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(34,587)
Cash and Cash Equivalents, Beginning	<u>35,576</u>
Cash and Cash Equivalents, Ending	<u>\$ 989</u>
Reconciliation of Operating Income (Loss) to Net Cash Provide by (Used For)	
Operating Activities:	
Operating Income (Loss)	\$ (35,882)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by	
(Used For) Operating Activities:	
Depreciation	447
Federal Food Donation Program	8,669
(Increase) Decrease in Inventory	(739)
Increase (Decrease) in Accounts Payable	17
Increase (Decrease) in Unearned Revenue	1,232
Increase (Decrease) in Due to Other Funds	(35,096)
Net Cash Provided by (Used For) Operating Activities	<u>\$ (61,352)</u>

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2014

	Unemployment Compensation Fund	Student Activities Agency Fund	Payroll Agency Fund
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash & Cash Equivalents	\$ 115,718	\$ 30,408	\$ 44,308
Due from Other Funds	2,273	2,033	
	<u>117,991</u>	<u>32,441</u>	<u>44,308</u>
TOTAL ASSETS			
LIABILITIES			
Due to Other Funds			2,873
Payroll Deductions & Withholdings			41,435
Due to Student Groups		32,441	
	<u>-</u>	<u>\$ 32,441</u>	<u>\$ 44,308</u>
TOTAL LIABILITIES			
NET POSITION			
Held in Trust for Unemployment Claims & Other Purposes	<u>\$ 117,991</u>		

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Unemployment Compensation Fund
ADDITIONS	
Contributions:	
Employee Withholdings	\$ 9,344
Investment Earnings-Interest	241
Total Additions	9,585
DEDUCTIONS	
Unemployment Claims	15,418
Change in Net Position	(5,833)
Net Position, Beginning of the Year	123,824
Net Position, End of the Year	\$ 117,991

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The basic financial statements include:

A Management's Discussion and Analysis (MD&A) providing an analysis of the Districts overall financial position and results of operations.

Basic financial statements prepared using full-accrual accounting for all of the District's activities.

A. Reporting Entity

The District is a Type II district located in the County of Hunterdon, 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 K-8. The District had an approximate enrollment at June 30, 2014 of 410 students.

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:

1. The organization is legally separate (can sue or be sued in their own name.)
2. The District holds the corporate powers of the organization.
3. The District appoints a voting majority of the organization's board.
4. The District is able to impose its will on the organization.
5. The organization has the potential to impose a financial benefit/ burden on the District.
6. There is a fiscal dependency by the organization on the District.

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

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The District has elected to treat all of its governmental funds as major funds and they are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, early retirement, arbitrage rebates, and post employment healthcare benefits, are recorded only when payment is due.

Property taxes, tuition and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. As under New Jersey State Statute, a municipality is required to remit to its school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an accounts receivable. All other revenue items are considered to be measurable and available only when the District receives cash.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2014
 (Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

Amounts reported as program revenues include 1) charges to students for tuition, fees, rental, material, supplies, or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, and unrestricted state aids.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted, as they are needed.

The District reports the following major governmental funds:

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

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to 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 District accounts for the proceeds of specific revenue sources from State and Federal Government (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes in the Special Revenue Fund.

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.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2014
 (Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

Additionally, the District reports the following fund types:

Proprietary Fund Types

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

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

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

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

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

Equipment	12 Years
Light Trucks & Vehicles	4 Years
Heavy Trucks & Vehicles	6 Years

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2014
 (Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

Fiduciary Fund Types

Trust and Agency Funds - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other government's and/ or other funds. Agency funds are custodial in nature and do not involve measurement of results of operations. The following is a description of the Trust and Agency Funds of the District.

Unemployment Compensation Trust Fund – This fund is used to account for the portion of employee deductions for unemployment compensation required to be deposited and accumulated for future unemployment claims under the "Benefit Reimbursement Method."

Student Activities Agency Fund – This fund is used to account for funds derived from athletic events or other activities of pupil organizations and accumulated for payment of student group activities.

Payroll Agency Fund – This fund accounts for the withholding and remittance of employee salary deductions.

D. 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 and, if necessary, are voted upon at the annual school election in November. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in NJAC 6:20-2A.2(m)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2014 were insignificant.

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

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control (Cont'd)

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. Encumbrances

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

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

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

F. Tuition Receivable

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

G. Tuition Payable

Tuition charges for the fiscal years 2013-2014 and 2012-2013 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Short-Term Interfund Receivables/Payables

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

I. Inventories and Prepaid Items

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

Enterprise Fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. The commodities inventory value at balance sheet date is reported as a unearned revenue as title does not pass to the school district until the commodities are used. Prepaid items in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2014.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2014
 (Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

J. Capital Assets

Capital assets, which include land, land improvements, buildings and improvements, vehicles and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

All reported capital assets, except for land and construction in progress, of the District are depreciated using the straight-line method over the following estimated lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building Improvements & Portable Classroom	50
Land Improvements	20
Furniture	20
Maintenance Equipment	15
Musical Instruments	10
Athletic Equipment	10
Audio Visual Equipment	10
Office Equipment	5 to 10
Computer Equipment	5 to 10

K. Compensated Absences

The District accounts for compensated absences (e.g., unused vacation and sick leave) as directed by Governmental Accounting Standards Board statement number 16 (GASB 16), "Accounting for Compensated Absences." A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

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

The liability for compensated absences was accrued using the vesting method, whereby the liability is calculated by vesting balances as of the balance sheet date for which a payment is probable. Salary related payments for the employer's share of social security and medicare taxes are included.

For the government-wide statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, in the fund financial statements, all of the compensated absences are considered long-term and therefore are not a fund liability. This represents a reconciling item between the fund and government-wide presentations.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

L. Unearned Revenue

Unearned revenue in the General Fund and Special Revenue Fund represents cash, which has been received but not yet earned. See Note 1 (E) regarding the Special Revenue Fund.

Unearned revenue in the Enterprise Fund includes United States government commodity inventories at year-end. The aid revenue associated with this commodity inventory is deferred until it is used in the operations of the Food Service Fund. Prepaid lunch debit card revenue balances at year-end are also included in unearned revenue.

M. Long-Term Obligations

In the government-wide financial statements and in internal service fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses.

N. Fund Balances-Governmental Funds

In the fund financial statements, governmental funds report the following classifications of fund balance:

- Non-spendable—includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.
- Restricted—includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.
- Committed—includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.
- Assigned—includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.
- Unassigned—includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

N. Fund Balances-Governmental Funds (Cont'd)

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

O. Comparative Data/Reclassifications

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

P. Allocation of Indirect Expenses

Certain expenses, which have not been charged to a specific function in the District's fund financial statements, have been allocated to the functions for the government-wide statements. Employee benefits, on-behalf TPAF pension contributions, reimbursed TPAF social security contributions and compensated absences accruals have been allocated based on salaries by function. Depreciation expense which was not specifically identified by function has been allocated based on the current year expenses by function.

NOTE 2. TAX ASSESSMENTS AND PROPERTY TAXES

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners.

Upon the filing of certified adopted budgets by the municipality, the municipality's local school districts, and the county, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of property, levying of taxes and the collection thereof are set forth in NJSA 54:4 et seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

Tax bills are mailed annually in June. The taxes are due August 1 and November 1 respectively, and are adjusted to reflect the current fiscal year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding fiscal year are based upon one-half of the current year's total tax.

Tax installments not paid on or before the due date are subject to interest penalties of eight percent per annum on the first \$1,500 of the delinquency and eighteen percent per annum on any amount in excess of \$1,500. Pursuant to Chapter 75, PL 1991, the governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the calendar year. The penalty so fixed shall not exceed six percent of the amount of the delinquency. These interest and penalties are the highest permitted under the New Jersey statutes. Delinquent taxes are annually included in a tax sale in accordance with New Jersey statutes.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2014
 (Continued)

NOTE 2. TAX ASSESSMENTS AND PROPERTY TAXES (Cont'd)

School taxes are guaranteed as to amount of collection by the municipality, the collection agency, and are transmitted to the school district in accordance with the schedule of tax installments as certified by the school district's Board of Education on an annual basis.

NOTE 3. DEPOSITS AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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 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.

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

Deposits at June 30, 2014 appear in the financial statements as summarized below:

Cash		\$ 1,927,595
Investments		<u>251,505</u>
Total Cash and Investments		<u>\$ 2,179,100</u>
	<u>Ref.</u>	
Cash:		
Governmental Funds, Balance Sheet	B-1	\$ 1,736,172
Enterprise Fund, Statement of Net Position	B-4	989
Fiduciary Funds, Statement of Net Position	B-7	190,434
Investments:		
Governmental Funds, Balance Sheet	B-2	<u>251,505</u>
Total Cash and Investments		<u>\$ 2,179,100</u>

Deposits – The District's carrying amount of bank deposits at June 30, 2014 is \$2,179,100 and the bank balance is \$2,360,485. Of the bank balance, \$250,000 is covered by federal depository insurance and \$2,110,485 is insured by GUDPA.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2014
 (Continued)

NOTE 3. DEPOSITS AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Deposit and Investment Risk

GASB Statement No. 40 "Deposit and Investment Risk Disclosures" requires state and local governments to communicate key information about deposit and investment risks. Required disclosures are as follows:

1. Custodial credit risk disclosures are required for:
 - deposits that are uninsured and either (a) uncollateralized or (b) collateralized with securities held by the pledging financial institution, or its trust department or agent but not in the government's name
 - Investment securities that are uninsured, are not registered in the name of the government, and are held by either (a) the counterparty or (b) the counterparty's trust department or agent but not in the government's name
2. Credit quality ratings for investments in debt securities, external investment pools, money market funds, bond mutual funds, and other pooled investments of fixed-income securities. As the district has no such investments, this disclosure is not applicable.
3. Disclosure of investments by amount and issuer for any issuer that represents five percent of more of total investments. This requirement does not apply to investments issued or explicitly guaranteed by the US government and investments in mutual funds or pools. This disclosure is reported below under Concentration of Credit Risk.
4. Interest rate risk disclosures are required for all debt investments and non-money market like pools. As the district has no such investments, this disclosure is not applicable.
5. Investments that are exposed to foreign currency risk should be disclosed. As the district has no such investments this disclosure is not applicable.

Concentration of Credit Risk

The State of New Jersey does not place any limit on the amount that the district may invest with any one issuer. As of June 30, 2014, the district has investments consisting of a certificate of deposit of Hopewell Valley Bank..

NOTE 4. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2014 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
GOVERNMENTAL ACTIVITIES				
Capital Assets, Not Being Depreciated:				
Land	\$ 462,026			\$ 462,026
Construction in Progress	11,879	\$ 151,591	\$ 98,498	64,972
Total	<u>473,905</u>	<u>151,591</u>	<u>98,498</u>	<u>526,998</u>

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014
(Continued)

NOTE 4. CAPITAL ASSETS (Cont'd)

	Beginning Balance	Increases	Decreases	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital Assets, Being				
Depreciated:				
Land Improvements	\$ 141,560			\$ 141,560
Building & Improvements	4,822,948	\$ 123,293		4,946,241
Furniture & Equipment	1,208,943	56,161	\$ 408,600	856,504
Total	<u>6,173,451</u>	<u>179,454</u>	<u>408,600</u>	<u>5,944,305</u>
Accumulated Depreciation:				
Land Improvements	76,771	6,103		82,874
Building & Improvements	2,511,680	110,174		2,621,854
Furniture & Equipment	1,111,283	15,650	408,600	718,333
Total	<u>3,699,734</u>	<u>131,927</u>	<u>408,600</u>	<u>3,423,061</u>
Transfers	<u>-0-</u>	<u>(98,498)</u>	<u>(98,498)</u>	<u>-0-</u>
Total Capital Assets, Being				
Depreciated, Net	<u>2,473,717</u>	<u>47,527</u>	<u>-0-</u>	<u>2,521,244</u>
Governmental Activities Capital Assets, Net	<u>\$ 2,947,622</u>	<u>\$ 100,620</u>	<u>\$ -0-</u>	<u>\$ 3,048,242</u>
Business-Type Activities:				
Furniture & Equipment	\$ 22,087			\$ 22,087
Less: Accum Depreciation	17,614	\$ 447		18,061
Business-Type Activities Capital Assets, Net	<u>\$ 4,473</u>	<u>\$ (447)</u>	<u>\$ -0-</u>	<u>\$ 4,026</u>

Depreciation expense was charged to governmental functions in the current year as follows:

Instruction:	
Regular	\$ 68,189
Special Education	16,692
Other Special Instruction	1,294
Co-Curricular Activities	2,077
Support Services:	
Student & Instruction	25,350
General & Business Admin	11,053
School Administration	4,050
Plant & Maintenance	3,222
Total Depreciation Expense, Governmental Activities	<u>\$ 131,927</u>

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2014
 (Continued)

NOTE 5. LONG-TERM DEBT

Long-Term Liability Activity for the Year Ended June 30, 2014 is as Follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds Payable	\$ 965,000		\$ 175,000	\$ 790,000	\$ 180,000
Unamortized Bond Premiums	25,440		4,240	21,200	4,240
Compensated Absences Payable	<u>337,211</u>	\$ 27,425		<u>364,636</u>	<u>21,530</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 1,327,651</u>	<u>\$ 27,425</u>	<u>\$ 179,240</u>	<u>\$ 1,175,836</u>	<u>\$ 205,770</u>

Payments on the general obligation bonds are made in the debt service fund from property taxes and state aid. The other long-term debts are paid in the current expenditures budget of the District's general fund.

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2014 including interest payments are listed as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 180,000	\$ 35,950	\$ 215,950
2016	190,000	27,950	217,950
2017	205,000	18,950	223,950
2018	<u>215,000</u>	<u>10,750</u>	<u>225,750</u>
Total	<u>\$ 790,000</u>	<u>\$ 93,600</u>	<u>\$ 883,600</u>

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2014
 (Continued)

NOTE 5. GENERAL LONG-TERM DEBT (Cont'd)

General Obligation Bonds – General obligation school building bonds payable at June 30, 2014, with their outstanding balances are comprised of the following individual issues:

\$1,885,000 - 2007 refunding general obligation bonds, due in annual installments of \$150,000 to \$215,000, beginning Jan 15, 2008, through Jan 15, 2018, interest at 3.625% to 5.000%	<u>\$ 790,000</u>
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The general obligation bonded debt of the District is limited by state law to 3% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2014 is \$22,610,572. General obligation debt at June 30, 2014 is \$790,000, resulting in a legal debt margin of \$21,820,572.

NOTE 6. PENSION PLANS

Description of Systems

Substantially all of the Board's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF), Public Employees' Retirement System (PERS) and the Defined Contribution Retirement Program (DCRP). The PERS and TPAF systems are sponsored and administered by the State of New Jersey. The DCRP system is administered by Prudential Financial for the Division of Pensions and Benefits. The Teachers' Pension and Annuity Fund retirement system 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 Board and the system's other related non-contributing employers. The Public Employees Retirement System and Defined Contribution Retirement Program are considered cost sharing multiple-employer plans.

A. Teachers' Pension and Annuity Fund - The Teachers' Pension and Annuity Fund was established in January, 1955 under the provisions of NJSA 18A:66 to provide coverage including post-retirement health care to substantially all full time public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage. Members are eligible for retirement at age 55 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 55 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2014
 (Continued)

NOTE 6. PENSION PLANS (Cont'd)

Description of Systems (Cont'd)

B. Public Employees' Retirement System - The Public Employees' Retirement System was established in January, 1955 under the provisions of NJSA 43:15A to provide coverage including post-retirement health care to 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. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 55 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 55 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

C. Defined Contribution Retirement Program - The Defined Contribution Retirement Program (DCRP) was established under the provisions Ch 92, PL 2007 and expanded under the provisions of Ch 89, PL 2008 and Ch 1, PL 2010 to provide eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees eligible to enroll in the program include the following: First, employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007 who earn salary in excess of maximum compensation limits. Also, employees otherwise eligible to enroll in the TPAF and PERS who do not earn the minimum salary (\$7,700 in 2010) but who earn salary of at least \$5,000 annually are eligible to participate. The program administrator, Prudential Financial, makes information regarding the program available on its New Jersey Defined Contribution Program Web Site: www.prudential.com/njdcrp.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statement and required supplementary information for TPAF and PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625-0295.

Significant Legislation

During the year ended June 30, 1997, legislation was enacted authorizing the New Jersey Economic Development Authority (the "Authority") to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. On June 30, 1997, the Authority issued bonds pursuant to this legislation and \$1,547,688,633 and \$241,106,642 from the proceeds of the bonds were deposited into the investment account of TPAF and PERS, respectively.

As a result of additional legislation enacted during the year ended June 30, 1997 (Ch 115, PL 1997), the asset valuation method was changed from market related value to full market value for the valuation reports dated March 31, 1996. The legislation also provides for a reduction in the normal contributions of the State to the systems from excess assets for FY's 1997 and 1998, and local employers for FY 1999, and, thereafter, authorizes the State Treasurer to reduce the normal contributions of State and local employers to the systems, to the extent possible, from up to 100% of excess assets through FY 2002, and on a declining maximum percentage of excess thereafter.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2014
 (Continued)

NOTE 6. PENSION PLANS (Cont'd)

Significant Legislation (cont'd)

Due to the enactment of the legislation described above, the State of New Jersey's portion of the unfunded accrued liability under each retirement system was eliminated except for the unfunded liability for local early retirement incentive benefits; accordingly, the pension costs for TPAF and PERS were reduced.

Contribution Requirements

The contribution policy is set by state statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Significant legislation which became effective October 1, 2011 will gradually increase the employee contribution rate for PERS and TPAF members. Effective October 1, 2011 the rate increased from 5.50% to 6.50% of annual contractual compensation for employees enrolled in the TPAF and PERS pension plans. The rate will increase each year on the first of July over a seven year phase-in period until the withholding rate reaches 7.50% effective July 1, 2018. Contribution rates for DCRP provide for employee contributions of 5.50% of annual contractual compensation as defined. Employers are required to contribute at an actuarially determined rate in TPAF, PERS and DCRP. The actuarially determined contribution includes funding for cost-of-living adjustments, non-contributory death benefits and post-retirement medical premiums. Under current statute, the Board is a noncontributing employer of the TPAF.

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

Year Funding	TPAF Benefit Costs	Percentage of APC Contributed
06/30/14	\$ 414,227	100%
06/30/13	518,015	100%
06/30/12	373,895	100%

Three-Year Trend Information for PERS

Year Funding	Annual Pension Cost (APC)	Percentage of APC Contributed
06/30/14	\$ 76,404	100%
06/30/13	78,816	100%
06/30/12	75,557	100%

During the year ended June 30, 2014, the State of New Jersey contributed \$257,300 to the TPAF for post-retirement medical benefits and \$12,728 non-contributory insurance premiums and \$144,199 for TPAF normal costs and accrued liability on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$262,070 during the year ended June 30, 2014 for the employer's share of social security contributions for TPAF members calculated on their base salaries. These amounts have been included in the financial statements and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB 27.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014
(Continued)

NOTE 7. POST-RETIREMENT BENEFITS

Chapter 384 of PL 1987 and Ch 6 of PL 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement PL 2007, Ch 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2013, there were 100,134 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Ch 62, PL 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning the fiscal year 1994.

The State is also responsible for the cost attributable to Ch 126, PL 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. In fiscal year 2013, the State paid \$173.8 million toward Ch 126 benefits for 17,356 eligible retired members.

GASB Statement 45 requires certain disclosures relating to governmental entities obligations for other post-employment benefits (OPEB), which are post-employment benefits other than pensions. The District's only material OPEB obligation is for healthcare provided to eligible retirees through the NJ State Health Benefits Program.

Plan Description-The School District contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under NJSA 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. The school district adopted a resolution to participate in the SHBP. The States Health Benefits Commission is the executive body established by the statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, PO Box 295, Trenton, NJ 08625-0295 or by visiting their website at (www.nj.gov/treasury/pensions).

Funding Policy-Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis. Information regarding the State's annual contributions, annual OPEB cost and net OPEB obligations is available through the State as noted in the previous paragraph.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2014
 (Continued)

NOTE 8. DEFERRED COMPENSATION

The Board offers its employees a choice of the following 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 as follows:

Valic
 The Equitable
 Metropolitan Life
 Great American Life
 Lincoln Investment Planning

NOTE 9. INTERFUND RECEIVABLE AND PAYABLES

The composition of Interfund balances as of June 30, 2014 is as follows:

Fund	Receivable Fund	Payable Fund
General Fund	\$ 24,315	\$ 2,033
Enterprise Fund		1,000
Special Revenue Fund		22,715
Unemployment Compensation Fund	2,273	
Student Activities Fund	2,033	
Payroll Agency Fund		2,873
	\$ 28,621	\$ 28,621

The balance due to the General Fund from the Food Service Enterprise Fund represents a loan of \$1,000 not yet reimbursed. The balance due from the Special Revenue Fund is due to the delayed receipt of grant revenues.

The balance due from the Payroll Agency Fund to the General Fund of \$600 represents a loan for the flexible spending account. The balance due from the Payroll Agency Fund to the Unemployment Compensation Fund of \$2,273 represents employee withholdings for the unemployment trust not yet transferred at year end. The balance due from the General Fund to the Student Activity Agency Fund of \$2,033 represents a board contribution for the cost of field trips disbursed in the Activity Fund.

All interfund balances should be liquidated within one year

The District transferred \$650,000 from the General Fund to the Capital Projects Fund representing capital reserve funding for a project approved in the District's Long Range Facility Plan.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2014
 (Continued)

NOTE 10. INVENTORY

Inventory in the Food Service Fund June 30, 2014 consisted of the following:

Food	\$	2,078
Supplies		158
	<u>\$</u>	<u>2,236</u>

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

NOTE 11. CONTINGENT LIABILITIES

The District is involved in various legal proceedings that are incidental to its operations. These legal proceedings are not likely to have a material adverse effect on the financial position of the School District.

NOTE 12. RISK MANAGEMENT

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

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

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

<u>Fiscal Year</u>	<u>Board Contrib</u>	<u>Interest Earnings</u>	<u>Employee Contrib</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2013-2014	\$ -0-	\$ 241	\$ 9,344	\$ 15,418	\$ 117,991
2012-2013	-0-	278	4,976	3,658	123,824
2011-2012	25,000	418	7,542	3,925	122,228

NOTE 13. LEGAL RESERVE ACCOUNTS (Cont'd)

A capital reserve account was established by the District by inclusion of \$1 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.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014
(Continued)

NOTE 13. LEGAL RESERVE ACCOUNTS (Cont'd)

Funds placed in the capital reserve account are restricted to capital projects in the districts approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the Department of Education, a district may deposit funds into the capital reserve at any time upon board resolution through the transfer of undesignated, unreserved general fund balance or of excess undesignated, unreserved general fund balance that is anticipated in the budget certified for taxes. Pursuant to NJAC 6:23A-5.1 (d) 7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Beginning in fiscal year 2008, Districts are allowed as per NJSA 18A:7F-41(a) & 41(b) to deposit to the legal reserves by board resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. Pursuant to this state statute, the District adopted a board resolution in June 2014 to authorize a deposit to their Capital Reserve account of \$550,000.

The following is a summarization of the Legal Reserve Accounts for the Current year:

Type	Beginning Balance	District Contribution	Interest Earnings	Return of Local Funding	Withdrawal	Ending Balance
Capital	\$ 851,120	\$ 550,000	\$ 1,400	\$ 3,922	\$ 750,000	\$ 656,442
Emergency	75,000		150			75,150
Maintenance	155,000					155,000
Totals	<u>\$ 1,081,120</u>	<u>\$ 550,000</u>	<u>\$ 1,550</u>	<u>\$ 3,922</u>	<u>\$ 750,000</u>	<u>\$ 886,592</u>

NOTE 14. FUND BALANCES-BUDGETARY BASIS

As described in Note 1 N-Fund Equity (Fund Balance) may be restricted, committed or assigned. An analysis of the General Fund Balance on June 30, 2014 and 2013 is as follows:

	2014	2013
Committed:		
Capital Reserve Account-Represents funds restricted to capital projects in the Districts Long Range Facilities Plan	\$ 656,442	\$ 851,120
Maintenance Reserve Account-Represents funds restricted for the required maintenance of a school facility	155,000	155,000
Emergency Reserve Account-Represents funds restricted to finance unanticipated general fund expenditures required for a thorough and efficient education	75,150	75,000
Restricted:		
Excess Surplus-Represents amount in excess of allowable percentage of expenditures. In accordance with State Statute the excess surplus is designated for utilization in succeeding years budgets	121,281	100,729
Excess Surplus-Designated for Subsequent Year's Expenditures-represents amount appropriated in the succeeding year's budget to reduce tax requirements	100,729	107,894

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014
(Continued)

NOTE 14. FUND BALANCES-BUDGETARY BASIS (Cont'd)

	<u>2014</u>	<u>2013</u>
Assigned:		
Year End Encumbrance-Represents fund balance committed for purchase orders that have been issued but goods or services were not received as of June 30,	\$ 110,787	\$ 49,486
Designated Surplus-Designated for Subsequent Year's Expenditures-represents amount appropriated in the succeeding year's budget to reduce tax requirements	3,654	3,828
Unassigned:		
Undesignated-Represents fund balance which has not been restricted or designated	<u>280,127</u>	<u>276,979</u>
Total Fund Balance	<u>\$ 1,503,170</u>	<u>\$ 1,620,036</u>

NOTE 15. CALCULATION OF EXCESS SURPLUS

In accordance with NJSA 18A:7F-7, as amended by PL 2004, Ch 73 (S1701), the designation for Reserved Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2014 is \$121,281.

NOTE 16: SUBSEQUENT EVENTS

The District has evaluated subsequent events through September 30, 2014, which is the date the financial statements were available to be issued and no additional items were noted for disclosure.

NOTE 17: RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE

The following is a list of recent accounting pronouncements which are not yet effective as of the year end date of this report:

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68 "Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27". This statement, which is effective for fiscal periods beginning after June 15, 2014, is not anticipated to have any effect on the District's financial reporting.

In January 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 69 "Government Combinations and Disposals of Government Operations". This statement, which is effective for fiscal periods beginning after December 15, 2013, is not anticipated to have any effect on the District's financial reporting.

In April 2013, the Governmental Accounting Standards Board (GASB) issued Statement No.70 "Accounting and Financial Reporting for Nonexchange Financial Guarantees". This statement, which is effective for fiscal periods beginning after June 15, 2013, is not anticipated to have any effect on the District's financial reporting.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014
(Continued)

NOTE 17: RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE (Cont'd)

In November 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date- an amendment of GASB Statement No. 68". This statement, which is effective for fiscal periods beginning after June 30, 2014, is not expected to have an effect on the District's financial reporting.

REQUIRED SUPPLEMENTARY INFORMATION-PART II

BUDGETARY COMPARISON SCHEDULES

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources:					
Local Tax Levy	\$ 6,551,669		\$ 6,551,669	\$ 6,551,669	
Tuition-Individuals	38,000		38,000	111,586	\$ 73,586
Tuition-Other LEAs	50,000		50,000	132,935	82,935
Interest on Capital Reserve Funds	780		780	1,400	620
Interest on Maintenance Reserve	260		260		(260)
Interest on Current Expense Emergency Reserve	150		150	150	
Interest on Investments	2,000		2,000	5,931	3,931
Building Use Rental Fees				5,703	5,703
Shared Service Agreement Revenue	55,069		55,069	63,976	8,907
Miscellaneous-Unrestricted	2,431		2,431	8,805	6,374
Total	<u>6,700,359</u>	<u>\$ -</u>	<u>6,700,359</u>	<u>6,882,155</u>	<u>181,796</u>
State Sources:					
School Choice Aid	106,880		106,880	106,880	
Categorical Transportation Aid	181,957		181,957	181,957	
Categorical Special Education Aid	280,435		280,435	280,435	
Categorical Security Aid	37,939		37,939	37,939	
Adjustment Aid	98,275		98,275	98,275	
Extraordinary Special Education Costs Aid				27,592	27,592
Non Public Transportation Aid				2,535	2,535
On-Behalf TPAF Pension Contributions				156,927	156,927
On-Behalf TPAF Post Retirement Medical Benefits				257,300	257,300
Reimbursed TPAF Social Security Contribution				262,070	262,070
Total	<u>705,486</u>	<u>-</u>	<u>705,486</u>	<u>1,411,910</u>	<u>706,424</u>
TOTAL REVENUES	<u>\$ 7,405,845</u>	<u>\$ -</u>	<u>\$ 7,405,845</u>	<u>\$ 8,294,065</u>	<u>\$ 888,220</u>
EXPENDITURES					
Current:					
Regular Programs:					
Instruction-Salaries of Teachers:					
Preschool	\$ 46,280		\$ 46,280	\$ 44,397	\$ 1,883
Kindergarten	150,500		150,500	149,980	520
Grades 1-5	1,235,204	\$ (42,250)	1,192,954	1,183,182	9,772
Grades 6-8	868,194	(2,575)	865,619	859,576	6,043
Home Instruction:					
Salaries of Teachers	1,200	1,475	2,675	2,653	22
Other Purchased Services	150		150	82	68
Undistributed Instruction:					
Other Salaries for Instruction	8,000	5,950	13,950	13,926	24
Purchased Professional Educational Services	500	(500)			
Purchased Technical Services	58,934	18,340	77,274	77,274	
Other Purchased Services	72,238	3,460	75,698	67,999	7,699
General Supplies	141,787	(1,150)	140,637	116,146	24,491
Textbooks	3,760	49,900	53,660	487	53,173
Other Objects	9,000	(600)	8,400	8,375	25
Total	<u>2,595,747</u>	<u>32,050</u>	<u>2,627,797</u>	<u>2,524,077</u>	<u>103,720</u>
Special Education:					
Auditory Impairments:					
Salaries of Teachers	44,735	(2,400)	42,335		42,335
Other Purchased Services	3,250		3,250		3,250
General Supplies	750		750		750
Total	<u>48,735</u>	<u>(2,400)</u>	<u>46,335</u>	<u>-</u>	<u>46,335</u>

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

EXPENDITURES (Cont'd)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Current: (cont'd)					
Special Education:					
Resource Room/Center:					
Salaries of Teachers	\$ 420,491	\$ (14,192)	\$ 406,299	\$ 332,905	\$ 73,394
Other Salaries for Instruction	108,590	(13,577)	95,013	94,275	738
Other Purchased Services	1,000		1,000		1,000
General Supplies	7,045		7,045	6,065	980
Total	<u>537,126</u>	<u>(27,769)</u>	<u>509,357</u>	<u>433,245</u>	<u>76,112</u>
Autism					
Salaries of Teachers	54,845	450	55,295	55,289	6
General Supplies	1,000	125	1,125	991	134
Other Objects	3,200	175	3,375	3,375	
Total	<u>59,045</u>	<u>750</u>	<u>59,795</u>	<u>59,655</u>	<u>140</u>
Preschool Disabilities-Full-Time:					
Salaries of Teachers	55,982	6,450	62,432	49,527	12,905
Other Salaries for Instruction	17,504	54,362	71,866	51,331	20,535
Purchased Professional Educational Services	15,000	(4,850)	10,150	10,057	93
General Supplies	600	450	1,050	1,050	
Total	<u>89,086</u>	<u>56,412</u>	<u>145,498</u>	<u>111,965</u>	<u>33,533</u>
Total Special Education	<u>733,992</u>	<u>26,993</u>	<u>760,985</u>	<u>604,865</u>	<u>156,120</u>
Basic Skills/Remedial:					
Salaries of Teachers	53,278	(15,760)	37,518	35,249	2,269
Other Purchased Services	225	(90)	135		135
General Supplies	2,350		2,350	189	2,161
Total	<u>55,853</u>	<u>(15,850)</u>	<u>40,003</u>	<u>35,438</u>	<u>4,565</u>
School Sponsored Co-Curricular Activities:					
Salaries	37,100	1,200	38,300	38,282	18
Purchased Services	500		500		500
Supplies and Materials	1,250	1,000	2,250	2,145	105
Other Objects	500		500	75	425
Total	<u>39,350</u>	<u>2,200</u>	<u>41,550</u>	<u>40,502</u>	<u>1,048</u>
School Sponsored Athletics:					
Salaries	36,245	900	37,145	37,058	87
Purchased Services	4,000	(900)	3,100	2,110	990
Supplies and Materials	6,000	(2,260)	3,740	3,267	473
Other Objects	500	60	560	560	
Total	<u>46,745</u>	<u>(2,200)</u>	<u>44,545</u>	<u>42,995</u>	<u>1,550</u>
Total Instruction Regular	<u>\$ 3,471,687</u>	<u>\$ 43,193</u>	<u>\$ 3,514,880</u>	<u>\$ 3,247,877</u>	<u>\$ 267,003</u>
Undistributed Expenditures:					
Instruction-Tuition:					
Tuition to CSSD & Regional Day Schools	\$ 41,300		\$ 41,300	\$ 41,300	
Total	<u>41,300</u>	<u>\$ -</u>	<u>41,300</u>	<u>41,300</u>	<u>\$ -</u>

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

EXPENDITURES (Cont'd)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Current: (cont'd)					
Health Services:					
Salaries	\$ 84,655	\$ 3,350	\$ 88,005	\$ 87,545	\$ 460
Purchased Professional & Technical Services	8,400	550	8,950	8,949	1
Other Purchased Services	725		725	214	511
Supplies and Materials	2,700	(950)	1,750	1,449	301
Other Objects	675		675	272	403
Total	97,155	2,950	100,105	98,429	1,676
Speech, OT, PT and Related Services:					
Salaries	82,485	(24,000)	58,485	58,432	53
Purchased Professional-Educational Services	40,000	23,400	63,400	40,196	23,204
Supplies and Materials	1,411		1,411	1,072	339
Other Objects	400		400		400
Total	124,296	(600)	123,696	99,700	23,996
Other Support Services-Students-Extra Serv:					
Salaries	5,000		5,000	1,769	3,231
Purchased Professional-Educational Services	1,500		1,500		1,500
Supplies and Materials	1,500		1,500		1,500
Total	8,000	-	8,000	1,769	6,231
Guidance:					
Salaries of Other Professional Staff	68,705	500	69,205	69,168	37
Other Purchased Services	225		225	77	148
Supplies and Materials	12,322	(500)	11,822	5,604	6,218
Other Objects	750		750		750
Total	82,002	-	82,002	74,849	7,153
Child Study Teams:					
Salaries of Other Professional Staff	203,580	(500)	203,080	198,456	4,624
Salaries of Secretarial & Clerical Assistants	40,543	(501)	40,042	39,918	124
Other Salaries	17,728		17,728	17,728	
Purchased Professional Educational Services	2,300	1,750	4,050	4,038	12
Other Purchased Professional & Tech Services	5,500	450	5,950	5,929	21
Other Purchased Services	750	(200)	550		550
Miscellaneous Purchased Services	7,150	(1,000)	6,150	5,549	601
Supplies and Materials	2,000		2,000	436	1,564
Other Objects	1,000		1,000	20	980
Total	280,551	(1)	280,550	272,074	8,476
Improvement of Instructional Services:					
Salaries of Other Professional Staff	12,180	(7,000)	5,180		5,180
Other Salaries	98,307		98,307	98,001	306
Other Purchased Services	2,436		2,436	2,436	
Supplies and Materials	583		583	472	111
Other Objects	2,600		2,600	1,349	1,251
Total	116,106	(7,000)	109,106	102,258	6,848

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

EXPENDITURES (Cont'd)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Current: (cont'd)					
Educational Media Services/School Library:					
Salaries	\$ 71,271		\$ 71,271	\$ 70,966	\$ 305
Salaries of Technology Coordinators	67,580	\$ 4,525	72,105	72,084	21
Purchased Professional & Technical Services	500	(325)	175		175
Other Purchased Services	1,975		1,975	1,250	725
Supplies and Materials	12,500		12,500	11,593	907
Other Objects	225		225		225
Total	154,051	4,200	158,251	155,893	2,358
Instructional Staff Training Services:					
Other Purchased Services	10,000	(4,250)	5,750	2,068	3,682
Supplies and Materials	500	50	550	543	7
Other Objects	1,000		1,000		1,000
Total	11,500	(4,200)	7,300	2,611	4,689
Support Services-General Administration:					
Salaries	197,100	13,000	210,100	202,971	7,129
Legal Services	20,381	(6,000)	14,381	11,847	2,534
Audit Fees	14,650		14,650	14,650	
Architectural/Engineering Services	9,200		9,200	5,851	3,349
Communications and Telephone	18,500	(11)	18,489	14,868	3,621
Board of Education Other Purchased Services	2,000	290	2,290	1,627	663
Miscellaneous Purchased Services	23,750	21	23,771	16,828	6,943
General Supplies	3,500		3,500	2,814	686
BOE In-House Training/Meeting Supplies	500		500	58	442
Miscellaneous Expenditures	3,500	(300)	3,200	850	2,350
Board of Education Membership Dues & Fees	5,000		5,000	4,325	675
Total	298,081	7,000	305,081	276,689	28,392
Support Services-School Administration:					
Salaries of Principals/Asst Principals/Prog Director	97,509	600	98,109	98,095	14
Salaries of Secretarial and Clerical Assistants	56,196	1,750	57,946	57,926	20
Other Purchased Services	5,400	(1,100)	4,300	3,811	489
Supplies and Materials	3,000	(650)	2,350	1,165	1,185
Other Objects	2,500	(600)	1,900	1,878	22
Total	164,605	-	164,605	162,875	1,730
Central Services:					
Salaries	144,100	6,298	150,398	150,397	1
Purchased Professional Services	8,500	149	8,649	7,808	841
Purchased Technical Services	2,200		2,200	1,201	999
Miscellaneous Purchased Services	1,200	15	1,215	1,214	1
Supplies and Materials	2,500	(1,515)	985	820	165
Miscellaneous Expenditures	2,100	150	2,250	2,246	4
Total	160,600	5,097	165,697	163,686	2,011
Administrative Information Technology Services:					
Purchased Technical Services	4,335		4,335	4,040	295
Total	4,335	-	4,335	4,040	295

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

EXPENDITURES (Cont'd)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Current: (cont'd)					
Required Maintenance for School Facilities:					
Cleaning, Repair, & Maintenance Services	\$ 47,750	\$ 65,150	\$ 112,900	\$ 97,593	\$ 15,307
General Supplies	4,000	(2,400)	1,600	661	939
Total	51,750	62,750	114,500	98,254	16,246
Custodial Services:					
Salaries	243,352	(11,000)	232,352	231,501	851
Purchased Professional & Technical Services	29,700	(13,975)	15,725	15,296	429
Cleaning, Repair, & Maintenance Services	15,000	8,950	23,950	15,795	8,155
Insurance	31,000	(650)	30,350	29,685	665
Miscellaneous Purchased Services	500	100	600	600	
General Supplies	48,188	(12,625)	35,563	34,936	627
Energy (Natural Gas)	45,000	6,000	51,000	50,993	7
Energy (Electricity)	104,775	(11,950)	92,825	78,414	14,411
Other Objects	2,200		2,200	1,598	602
Total	519,715	(35,150)	484,565	458,818	25,747
Care & Upkeep of Grounds:					
Salaries	76,156	(5,000)	71,156	69,179	1,977
Purchased Professional & Technical Services	2,000		2,000	1,675	325
Cleaning, Repair, & Maintenance Services	7,500	(7,000)	500	312	188
General Supplies	8,700	500	9,200	9,005	195
Other Objects	1,000		1,000		1,000
Total	95,356	(11,500)	83,856	80,171	3,685
Security:					
Salaries		4,275	4,275	4,275	
Purchased Professional & Technical Services	14,500	(5,075)	9,425	5,807	3,618
Cleaning, Repair, & Maintenance Services	1,500		1,500	324	1,176
General Supplies	4,200	(3,650)	550	539	11
Other Objects	17,000	(12,200)	4,800	4,045	755
Total	37,200	(16,650)	20,550	14,990	5,560
Student Transportation Services:					
Management Fees-ESC	500		500	423	77
Contracted Svc-Aid in Lieu Pymts-Non Public School	24,106		24,106	13,260	10,846
Contracted Svc-Aid in Lieu Pymts-Choice School	894	(175)	719		719
Contracted Svc (Other than Bet Home & Sch)-Vendor	26,700		26,700	21,534	5,166
Contracted Svc (Bet Home & Sch)-Joint Agrmnts	345,818		345,818	312,545	33,273
Contracted Svc (Sp Ed Students)-Joint Agrmnts	46,928	(3,500)	43,428	31,438	11,990
Contracted Svc (Sp Ed Students)-ESCs & CTSA's	4,000	3,675	7,675	7,657	18
Total	448,946	-	448,946	386,857	62,089
Allocated Benefits Special Programs - Instruction:					
Health Benefits	10,000		10,000		10,000
Tuition Reimbursement	2,000	(190)	1,810		1,810
Total	12,000	(190)	11,810	-	11,810
Unallocated Benefits-Employee Benefits:					
Social Security Contributions	86,640	(4,938)	81,702	73,952	7,750
Other Retirement Contributions-PERS	80,163	4,938	85,101	76,429	8,672
Workmen's Compensation	46,500		46,500	37,565	8,935
Health Benefits	1,012,694	(51,900)	960,794	918,319	42,475
Tuition Reimbursement	28,552	2,000	30,552	24,883	5,669
Other Employee Benefits	39,200		39,200	35,161	4,039
Total	1,293,749	(49,900)	1,243,849	1,166,309	77,540
Food Services:					
Transfers to Cover Deficit (Enterprise Fund)	30,000	-	30,000	-	30,000

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
On-Behalf TPAF Pension Contributions				\$ 156,927	\$ (156,927)
On-Behalf TPAF Post Retirement Medical				257,300	(257,300)
Reimbursed TPAF Social Security Contribution				262,070	(262,070)
Total	\$ -	\$ -	\$ -	676,297	(676,297)
Total Undistributed Expenditures	\$ 4,031,298	\$ (43,194)	\$ 3,988,104	\$ 4,337,869	\$ (349,765)
TOTAL CURRENT	\$ 7,502,985	\$ (1)	\$ 7,502,984	\$ 7,585,746	\$ (82,762)
CAPITAL OUTLAY					
Equipment:					
Administrative Information Technology	\$ 20,000	\$ 41,009	\$ 61,009	\$ 53,129	\$ 7,880
Required Maintenance for School Facilities	41,695	(14,030)	27,665	24,795	2,870
Total	61,695	26,979	88,674	77,924	10,750
Facilities Acquisition & Construction Services:					
Architectural/Engineering Services		17,799.00	17,799	13,877	3,922
Construction Services	100,000	(17,799.00)	82,201	82,201	
Assessment for Debt Service on SDA Funding	1,183		1,183	1,183	
Total	101,183	-	101,183	97,261	3,922
TOTAL CAPITAL OUTLAY	\$ 162,878	\$ 26,979	\$ 189,857	\$ 175,185	\$ 14,672
TOTAL EXPENDITURES	\$ 7,665,863	\$ 26,978	\$ 7,692,841	\$ 7,760,931	\$ (68,090)
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (260,018)	\$ (26,978)	\$ (286,996)	\$ 533,134	\$ 820,130
Other Financing Sources (Uses):					
Transfer Out-Capital Reserve to Capital Projects Fund		(650,000)	(650,000)	(650,000)	
Total Other Financing Sources (Uses)	-	(650,000)	(650,000)	(650,000)	-
Excess (Deficiency) of Revenues & Other Financing Sources Over (Under) Expenditures & Other Financing Uses	(260,018)	(676,978)	(936,996)	(116,866)	820,130
Fund Balances, July 1	1,620,036	-	1,620,036	1,620,036	-
Fund Balances, June 30	\$ 1,360,018	\$ (676,978)	\$ 683,040	\$ 1,503,170	\$ 820,130
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures:					
Adjustment for Prior Year Encumbrances	\$ (49,486)		\$ (49,486)	\$ (49,486)	
Deposit in Capital Reserve	780	\$ 553,922	554,702	555,322	\$ 620
Withdrawal from Capital Reserve	(100,000)	(650,000)	(750,000)	(750,000)	
Increase (Decrease) in Maintenance Reserve	260		260		(260)
Increase (Decrease) in Emergency Reserve	150		150	150	
Budgeted Fund Balance	(111,722)	(580,900)	(692,622)	127,148	819,770
TOTAL	\$ (260,018)	\$ (676,978)	\$ (936,996)	\$ (116,866)	\$ 820,130

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:		
Excess Surplus:		
Prior Year-Designated for 2014-2015 Budget	\$ 100,729	
Current Year-Designated for 2015-2016 Budget	<u>121,281</u>	\$ 222,010
Committed Fund Balance:		
Capital Reserve	656,442	
Maintenance Reserve	155,000	
Emergency Reserve	<u>75,150</u>	886,592
Assigned Fund Balance:		
Year-End Encumbrances	110,787	
Designated for Subsequent Year's Expenditures	<u>3,654</u>	114,441
Unassigned Fund Balance		<u>280,127</u>
		1,503,170
Reconciliation to Governmental Statements (GAAP):		
Last State Aid Payments not Recognized on GAAP Basis		<u>(70,433)</u>
Fund Balance Per Governmental Funds (GAAP)		<u>\$ 1,432,737</u>

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources	\$ 15,953		\$ 15,953	\$ 1,323	\$ (14,630)
State Sources	276		276	212	(64)
Federal Sources	208,332		208,332	182,159	(26,173)
TOTAL REVENUES	\$ 224,561	\$ -	\$ 224,561	\$ 183,694	\$ (40,867)
EXPENDITURES					
Instruction:					
Salaries	\$ 108,932		\$ 108,932	\$ 98,932	\$ 10,000
Other Purchased Services		\$ 4,500	4,500	4,500	
General Supplies	67,160	(7,532)	59,628	30,761	28,867
Totals	176,092	(3,032)	173,060	134,193	38,867
Support Services:					
Salaries	24,178		24,178	24,178	
Personal Services-Employee Benefits	14,122		14,122	12,122	2,000
Other Purchased Services	10,169		10,169	10,169	
Total	48,469	-	48,469	46,469	2,000
Facility Acquisition and Construction Services:					
Instructional Equipment		3,032	3,032	3,032	
Total	-	3,032	3,032	3,032	-
TOTAL EXPENDITURES	\$ 224,561	\$ -	\$ 224,561	\$ 183,694	\$ 40,867

NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULE

Explanation of Differences Between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<u>Sources/Inflows of Resources</u>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 8,294,065	\$ 183,694
Difference-Budget to GAAP:		
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expenses (GASB 33):		
State Aid Receivable Prior Year	60,098	
State Aid Receivable Current Year	<u>(70,433)</u>	
Total Revenues (GAAP Basis)	<u>\$ 8,283,730</u>	<u>\$ 183,694</u>
<u>Uses/Outflows of Resources</u>		
Actual Amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	<u>\$ 7,760,931</u>	<u>\$ 183,694</u>
Total Expenditures (GAAP Basis)	<u>\$ 7,760,931</u>	<u>\$ 183,694</u>

OTHER SUPPLEMENTAL INFORMATION

SCHOOL LEVEL SCHEDULES

(NOT APPLICABLE TO THIS REPORT)

SPECIAL REVENUE FUND

DETAIL STATEMENTS

The special revenue fund is used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted expenditures for specific purposes.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	IDEA Basic	IDEA Preschool	NCLB Title IA	NCLB Title IIA	NCLB Title III	REAP	Character Education	Local Grants	Total 2014
REVENUES									
Local Sources								\$ 1,323	1,323
State Sources							\$ 212		212
Federal Sources	\$ 91,317	\$ 6,062	\$ 18,054	\$ 14,618	\$ 1,545	\$ 50,563			182,159
TOTAL REVENUES	\$ 91,317	\$ 6,062	\$ 18,054	\$ 14,618	\$ 1,545	\$ 50,563	\$ 212	\$ 1,323	\$ 183,694
EXPENDITURES									
Instruction:									
Salaries	\$ 60,650	\$ 5,631	\$ 16,587	\$ 1,000		\$ 15,064			\$ 98,932
Other Purchased Services						4,500			4,500
General Supplies				3,449	\$ 1,545	24,232	\$ 212	\$ 1,323	30,761
Totals	60,650	5,631	16,587	4,449	1,545	43,796	212	1,323	134,193
Support Services:									
Salaries	24,178								24,178
Personal Services-Employee Benefits	6,489	431	1,467			3,735			12,122
Other Purchased Services				10,169					10,169
Total	30,667	431	1,467	10,169	-	3,735	-	-	46,469
Facility Acquisition and Construction Services:									
Instructional Equipment						3,032			3,032
Total	-	-	-	-	-	3,032	-	-	3,032
TOTAL EXPENDITURES	\$ 91,317	\$ 6,062	\$ 18,054	\$ 14,618	\$ 1,545	\$ 50,563	\$ 212	\$ 1,323	\$ 183,694

CAPITAL PROJECTS FUND

DETAIL STATEMENTS

The capital projects fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Revenues and Other Financing Sources:	
Transfer In from Capital Reserve	\$ 650,000
Total Revenues	<u>650,000</u>
Expenditures and Other Financing Uses:	
Purchased Professional & Technical Services	\$ 54,758
Fees and Permits	755
Total Expenditures	<u>55,513</u>
Excess (Deficiency) of Revenues & Other Financing Sources Over (Under) Expenditures & Other Financing Uses	594,487
Fund Balance-Beginning	<u>-</u>
Fund Balance-Ending	<u>\$ 594,487</u>

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS-BUDGETARY BASIS
ADDITION OF A SECURITY VESTIBULE AND OFFICE RENOVATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Local Sources:				
Transfer In from Capital Reserve		\$ 650,000	650,000	650,000
Total Revenues	-	650,000	650,000	650,000
Expenditures and Other Financing Uses:				
Purchased Professional & Technical Services		54,758	54,758	80,000
Construction Services				565,000
Fees and Permits		755	755	5,000
Total Expenditures	-	55,513	55,513	650,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ 594,487	\$ 594,487	\$ -

Additional Project Information:

Project Number	1160-050-13-3000
Project Date	06/04/13
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 599,620
Additional Authorized Cost	\$ 50,380
Revised Authorized Cost	\$ 650,000
Percentage Complete	8.54%

PROPRIETARY FUND

DETAIL STATEMENTS

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

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FUND NET POSITION
FOOD SERVICE ENTERPRISE FUND
JUNE 30, 2014

	<u>Food Service Fund</u>
ASSETS	
Current Assets:	
Cash & Cash Equivalents	\$ 989
Receivables from Other Governments:	
State	170
Federal	2,241
Inventory	<u>2,236</u>
Total Current Assets	<u>5,636</u>
Noncurrent Assets:	
Capital Assets	22,087
Less: Accumulated Depreciation	<u>(18,061)</u>
Total Noncurrent Assets	<u>4,026</u>
Total Assets	<u>9,662</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	17
Due to Other Funds	1,000
Unearned Revenues	<u>1,848</u>
Total Liabilities	<u>2,865</u>
NET POSITION	
Net Investment in Capital Assets	4,026
Unrestricted	<u>2,771</u>
TOTAL NET POSITION	<u><u>\$ 6,797</u></u>

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
FOOD SERVICE ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Food Service Fund
Operating Revenues:	
Charges for Services:	
Daily Sales-Reimbursable Programs	\$ 57,785
Daily Sales-Nonreimbursable Programs	14,924
Total Operating Revenues	72,709
Operating Expenses:	
Cost of Sales	47,604
Salaries	36,357
Employee Benefits	7,903
Purchased Property Services (Repairs)	1,924
Insurance	841
Management Fee	7,473
Other Purchased Services	2,009
Supplies and Materials	3,954
Miscellaneous	79
Depreciation	447
Total Operating Expenses	108,591
Operating Income (Loss)	(35,882)
Nonoperating Revenues (Expenses):	
State Sources:	
State School Lunch Program	1,263
Federal Sources:	
National School Lunch Program	26,068
Food Donation Program	8,669
Interest Earned on Investments	31
Total Nonoperating Revenues (Expenses)	36,031
Change in Net Position	149
Net Position, Beginning	6,648
Net Position, Ending	\$ 6,797

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FUND CASH FLOWS
FOOD SERVICE ENTERPRISE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Food Service Fund
Cash Flows from Operating Activities:	
Receipts from Customers	\$ 72,709
Payments to Food Service Management Co	(96,917)
Payments to Vendors (Net)	(2,048)
Interfund Activity	(35,096)
Net Cash Provided by (Used For) Operating Activities	<u>(61,352)</u>
Cash Flows from Noncapital Financing Activities:	
State Sources	1,256
Federal Sources	25,478
Net Cash Provided by (Used For) Noncapital Financing Activities	<u>26,734</u>
Cash Flows from Investing Activities:	
Interest Earned on Investments	31
Net Cash Provided by (Used For) Investing Activities	<u>31</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(34,587)
Cash and Cash Equivalents, Beginning	<u>35,576</u>
Cash and Cash Equivalents, Ending	<u>\$ 989</u>
Reconciliation of Operating Income (Loss) to Net Cash Provide by (Used For) Operating Activities:	
Operating Income (Loss)	\$ (35,882)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:	
Depreciation	447
Federal Food Donation Program	8,669
(Increase) Decrease in Inventory	(739)
Increase (Decrease) in Accounts Payable	17
Increase (Decrease) in Unearned Revenue	1,232
Increase (Decrease) in Due to Other Funds	<u>(35,096)</u>
Net Cash Provided by (Used For) Operating Activities	<u>\$ (61,352)</u>

FIDUCIARY FUND

DETAIL STATEMENTS

Fiduciary Fund are used to account for funds received by the school district as an agent for individuals, private organizations, other governments and/or other funds.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
 COMBINING STATEMENT OF FIDUCIARY FUND NET POSITION
 JUNE 30, 2014

	Unemployment Compensation Fund	Student Activity Agency Fund	Payroll Agency Fund	Total
ASSETS				
Cash & Cash Equivalents	\$ 115,718	\$ 30,408	\$ 44,308	\$ 190,434
Due from Other Funds	2,273	2,033		4,306
Total Assets	<u>117,991</u>	<u>32,441</u>	<u>44,308</u>	<u>194,740</u>
LIABILITIES				
Due to Other Funds			2,873	2,873
Payroll Deductions & Withholdings			41,435	41,435
Due to Student Groups		32,441		32,441
Total Liabilities	<u>-</u>	<u>32,441</u>	<u>44,308</u>	<u>76,749</u>
NET POSITION				
Held in Trust for Unemployment Claims & Other Purposes	<u>117,991</u>	<u>-</u>	<u>-</u>	<u>117,991</u>
TOTAL NET POSITION	<u><u>\$ 117,991</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 117,991</u></u>

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Unemployment Compensation Fund</u>
ADDITIONS	
Contributions:	
Employee Withholdings	\$ 9,344
Investment Earnings-Interest	<u>241</u>
Total Additions	9,585
DEDUCTIONS	
Unemployment Claims	<u>15,418</u>
Change in Net Position	(5,833)
Net Position, Beginning of the Year	<u>123,824</u>
Net Position, End of the Year	<u><u>\$ 117,991</u></u>

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
 STUDENT ACTIVITY AGENCY FUND
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Balance 07/01/13	Additions	Deletions	Balance 06/30/14
ASSETS				
Cash & Cash Equivalents	\$ 27,114	\$ 69,545	\$ 66,251	\$ 30,408
Due from Other Funds		2,033		2,033
TOTAL ASSETS	<u>\$ 27,114</u>	<u>\$ 71,578</u>	<u>\$ 66,251</u>	<u>\$ 32,441</u>
LIABILITIES				
Student Activities	\$ 24,974	\$ 71,576	\$ 64,109	\$ 32,441
Hammer Trust	2,140	2	\$ 2,142	
TOTAL LIABILITIES	<u>\$ 27,114</u>	<u>\$ 71,578</u>	<u>\$ 66,251</u>	<u>\$ 32,441</u>

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
PAYROLL AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Balance 07/01/13	Additions	Deletions	Balance 06/30/14
ASSETS				
Cash & Cash Equivalents	\$ 45,290	\$ 5,149,236	\$ 5,150,218	\$ 44,308
TOTAL ASSETS	<u>\$ 45,290</u>	<u>\$ 5,149,236</u>	<u>\$ 5,150,218</u>	<u>\$ 44,308</u>
LIABILITIES				
Due to Other Funds	\$ 600	\$ 9,344	7,071	\$ 2,873
Payroll Deductions & Withholdings	44,690	\$ 2,295,894	\$ 2,299,149	41,435
Net Payroll		<u>2,843,998</u>	<u>2,843,998</u>	
TOTAL LIABILITIES	<u>\$ 45,290</u>	<u>\$ 5,149,236</u>	<u>\$ 5,150,218</u>	<u>\$ 44,308</u>

LONG-TERM DEBT SCHEDULES

The long-term debt schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding, obligations under capital leases, and early retirement program.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
 GENERAL LONG-TERM DEBT ACCOUNT GROUP
 SCHEDULE OF SERIAL BONDS
 JUNE 30, 2014

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance 07/01/13	Issued	Retired	Balance 06/30/14
			Date	Amount					
2007 Refunding Bond	04/17/07	\$ 1,845,000	01/15/15	\$ 180,000	3.750%				
			01/15/16	190,000	3.750%				
			01/15/17	205,000	4.000%				
			01/15/18	215,000	5.000%	\$ 965,000		\$ 175,000	\$ 790,000
								\$ 965,000	\$ -

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 DEBT SERVICE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources:					
Local Tax Levy	\$ 217,513		\$ 217,513	\$ 217,513	
Total Revenues	<u>217,513</u>	<u>\$ -</u>	<u>217,513</u>	<u>217,513</u>	<u>\$ -</u>
EXPENDITURES					
Regular Debt Service:					
Interest on Bonds	42,513		42,513	42,513	
Redemption of Bond Principal	175,000		175,000	175,000	
Total Expenditures	<u>217,513</u>	<u>-</u>	<u>217,513</u>	<u>217,513</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATISTICAL SECTION

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
STATISTICAL SECTION J SERIES

CONTENTS	PAGE
FINANCIAL TRENDS	
These Schedules Contain Trend Information to Help the Reader Understand how the District's Financial Performance and Well Being have Changed Over Time.	J-1 to J-5
REVENUE CAPACITY	
These Schedules Contain Trend Information to Help the Reader Assess the District's most Significant Local Revenue Sources, the Property Tax.	J-6 to J-9
DEBT CAPACITY	
These Schedules Contain Trend Information to Help the Reader Assess the Affordability of the District's Current Levels of Outstanding Debt and the District's Ability to Issue Additional Debt in the Future.	J-10 to J-13
DEMOGRAPHIC AND ECONOMIC INFORMATION	
These Schedules Offer Demographic and Economic Indicators to Help the Reader Understand the Environment Within Which the District's Financial Activities Take Place.	J-14 to J-15
OPERATING INFORMATION	
These Schedules Contain Service and Infrastructure Data to Help the Reader Understand how the Information in the District's Financial Report Relates to the Services the District Provides and the Activities it Performs.	J-16 to J-20

Sources: Unless Otherwise noted, the Information in these Schedules is
Derived from the Comprehensive Annual Financial Reports (CAFR) for the
Relevant Year.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
 NET POSITION BY COMPONENT
 LAST TEN FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
GOVERNMENT ACTIVITIES										
Net Investment in Capital Assets	\$ 1,002,904	\$ 1,117,647	\$ 1,343,485	\$ 1,415,605	\$ 1,558,634	\$ 1,630,478	\$ 1,712,902	\$ 1,896,570	\$ 1,982,622	\$ 2,258,242
Restricted	1	1	69,328	204,684	216,069	316,516	445,477	595,954	1,081,120	1,481,079
Unrestricted	26,138	131,463	2,728	145,987	184,286	215,866	173,225	230,515	96,682	143,832
TOTAL GOVERNMENTAL ACTIVITIES NET ASSETS	\$ 1,029,043	\$ 1,249,111	\$ 1,415,541	\$ 1,766,276	\$ 1,958,989	\$ 2,162,860	\$ 2,331,604	\$ 2,723,039	\$ 3,160,424	\$ 3,883,153
BUSINESS-TYPE ACTIVITIES										
Net Investment in Capital Assets	\$ 1,193	\$ 752	\$ 311					\$ 4,920	\$ 4,473	\$ 4,026
Unrestricted	4,825	7,902	2,322	\$ 1,736	\$ 2,658	\$ 1,772	\$ 1,990	1,558	2,175	2,771
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 6,018	\$ 8,654	\$ 2,633	\$ 1,736	\$ 2,658	\$ 1,772	\$ 1,990	\$ 6,478	\$ 6,648	\$ 6,797
DISTRICT-WIDE										
Net Investment in Capital Assets	\$ 1,004,097	\$ 1,118,399	\$ 1,343,796	\$ 1,415,605	\$ 1,558,634	\$ 1,630,478	\$ 1,712,902	\$ 1,901,490	\$ 1,987,095	\$ 2,262,268
Restricted	1	1	69,328	204,684	216,069	316,516	445,477	595,954	1,081,120	1,481,079
Unrestricted	30,963	139,365	5,050	147,723	186,944	217,638	175,215	232,073	98,857	146,603
TOTAL DISTRICT-WIDE	\$ 1,035,061	\$ 1,257,765	\$ 1,418,174	\$ 1,768,012	\$ 1,961,647	\$ 2,164,632	\$ 2,333,594	\$ 2,729,517	\$ 3,167,072	\$ 3,889,950

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
EXPENSES										
Governmental Activities:										
Instruction:										
Regular	\$ 2,968,708	\$ 3,197,513	\$ 3,357,920	\$ 3,488,678	\$ 3,353,265	\$ 3,599,630	\$ 3,533,207	\$ 3,612,534	\$ 3,738,010	\$ 3,601,495
Special Education	639,373	738,644	797,610	898,314	1,013,353	1,022,559	1,049,760	1,118,298	1,060,684	953,478
Other Special Education	201,565	147,883	114,465	141,161	170,678	187,076	132,092	90,503	92,562	69,602
Other Instruction	53,957	59,366	70,453	76,454	78,592	78,198	77,259	78,738	84,510	114,741
Support Services:										
Tuition	65,974	43,068	91,597	60,719	65,387	43,250	68,876	36,000	41,300	41,300
Student & Instruction Related Services	787,845	815,158	895,843	916,512	928,158	971,995	945,907	1,057,024	1,113,104	1,214,838
General & Business Administrative Services	528,010	540,790	659,019	538,886	546,919	560,355	573,240	651,502	606,134	621,351
School Administrative Services	167,297	178,750	202,483	192,146	191,632	223,234	242,512	225,723	235,065	235,075
Plant Operations & Maintenance	550,598	558,139	657,183	634,316	720,339	682,359	692,903	715,130	797,049	777,315
Pupil Transportation	385,280	403,638	439,639	454,186	453,296	437,161	420,495	408,958	382,429	386,857
Interest on Long-Term Debt	113,500	107,491	98,027	77,789	70,558	65,403	59,390	53,346	42,039	40,688
Total Governmental Activities Expenses	<u>6,462,107</u>	<u>6,790,440</u>	<u>7,384,239</u>	<u>7,479,161</u>	<u>7,592,177</u>	<u>7,871,220</u>	<u>7,795,641</u>	<u>8,047,756</u>	<u>8,192,886</u>	<u>8,056,740</u>
Business-Type Activities:										
Food Services	149,538	159,912	157,766	161,116	161,139	164,944	142,249	143,133	138,443	108,591
Total Business-Type Activities	<u>149,538</u>	<u>159,912</u>	<u>157,766</u>	<u>161,116</u>	<u>161,139</u>	<u>164,944</u>	<u>142,249</u>	<u>143,133</u>	<u>138,443</u>	<u>108,591</u>
TOTAL DISTRICT EXPENSES	<u>\$ 6,611,645</u>	<u>\$ 6,950,352</u>	<u>\$ 7,542,005</u>	<u>\$ 7,640,277</u>	<u>\$ 7,753,316</u>	<u>\$ 8,036,164</u>	<u>\$ 7,937,890</u>	<u>\$ 8,190,889</u>	<u>\$ 8,331,329</u>	<u>\$ 8,165,331</u>

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(Continued)

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
PROGRAM REVENUES										
Governmental Activities:										
Operating Grants & Contributions	\$ 174,278	\$ 155,160	\$ 204,885	\$ 153,415	\$ 161,014	\$ 272,282	\$ 197,096	\$ 211,666	\$ 195,507	\$ 183,694
Charges for Services										\$ 404,492
Total Governmental Activities Program Revenues	<u>174,278</u>	<u>155,160</u>	<u>204,885</u>	<u>153,415</u>	<u>161,014</u>	<u>272,282</u>	<u>197,096</u>	<u>211,666</u>	<u>195,507</u>	<u>588,186</u>
Business-Type Activities:										
Charges for Services:										
Food Service	91,570	118,362	116,428	118,820	115,674	107,787	96,336	83,808	75,725	72,709
Operating Grants & Contributions	19,450	24,771	22,886	22,279	25,750	30,672	30,000	33,338	32,124	36,000
Total Business-Type Activities Program Revenues	<u>111,020</u>	<u>143,133</u>	<u>139,314</u>	<u>141,099</u>	<u>141,424</u>	<u>138,459</u>	<u>126,336</u>	<u>117,146</u>	<u>107,849</u>	<u>108,709</u>
TOTAL DISTRICT-PROGRAM REVENUES	<u>\$ 285,298</u>	<u>\$ 298,293</u>	<u>\$ 344,199</u>	<u>\$ 294,514</u>	<u>\$ 302,438</u>	<u>\$ 410,741</u>	<u>\$ 323,432</u>	<u>\$ 328,812</u>	<u>\$ 303,356</u>	<u>\$ 696,895</u>
NET (EXPENSE) REVENUES										
Governmental Activities	\$ (6,287,829)	\$ (6,635,280)	\$ (7,179,354)	\$ (7,325,746)	\$ (7,431,163)	\$ (7,598,938)	\$ (7,598,545)	\$ (7,836,090)	\$ (7,997,379)	\$ (7,468,554)
Business-Type Activities	<u>(38,518)</u>	<u>(16,779)</u>	<u>(18,452)</u>	<u>(20,017)</u>	<u>(19,715)</u>	<u>(26,485)</u>	<u>(15,913)</u>	<u>(25,987)</u>	<u>(30,594)</u>	<u>118</u>
TOTAL DISTRICT-WIDE NET EXPENSES	<u>\$ (6,326,347)</u>	<u>\$ (6,652,059)</u>	<u>\$ (7,197,806)</u>	<u>\$ (7,345,763)</u>	<u>\$ (7,450,878)</u>	<u>\$ (7,625,423)</u>	<u>\$ (7,614,458)</u>	<u>\$ (7,862,077)</u>	<u>\$ (8,027,973)</u>	<u>\$ (7,468,436)</u>
GENERAL REVENUES & OTHER CHANGES IN NET POSITION										
Governmental Activities:										
Property Taxes Levied for General Purposes	\$ 4,776,558	\$ 5,159,288	\$ 5,428,320	\$ 5,645,453	\$ 5,871,271	\$ 6,106,122	\$ 6,271,835	\$ 6,397,271	\$ 6,454,847	\$ 6,551,669
Property Taxes Levied for Debt Service	217,800	297,410	296,679	294,709	278,059	215,950	215,512	214,700	213,700	217,513
Unrestricted Grants & Contributions	1,236,607	1,302,524	1,536,919	1,567,611	1,255,574	1,248,081	1,078,042	1,335,830	1,419,554	1,401,575
Tuition Income	16,661	27,266	34,600	103,141	154,310	165,105	126,182	164,809	225,458	
Investment Earnings	15,963	39,282	55,076	39,032	12,262	5,197	6,775	9,428	6,989	7,481
Miscellaneous Income	16,912	16,218	11,435	45,035	72,900	87,854	84,943	90,133	83,946	13,045
Contributions-Acquisition of Capital Assets								5,000		
Operating Transfer	(38,000)	(18,000)	(11,000)	(18,500)	(20,500)	(25,500)	(16,000)	(30,368)	(30,700)	
Capital Grants-Unallocated		31,360	16,600					40,722		
Special Item-Insurance Proceeds for Storm Damage									60,970	
Special Item-Payment to Refunding Agent			(22,845)							
Total Governmental Activities	<u>6,242,501</u>	<u>6,855,348</u>	<u>7,345,784</u>	<u>7,676,481</u>	<u>7,623,876</u>	<u>7,802,809</u>	<u>7,767,289</u>	<u>8,227,525</u>	<u>8,434,764</u>	<u>8,191,283</u>

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(Continued)

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
GENERAL REVENUES & OTHER CHANGES IN NET POSITION (Cont'd)										
Business-Type Activities:										
Investment Earnings	\$ 533	\$ 1,415	\$ 1,431	\$ 620	\$ 137	\$ 99	\$ 131	\$ 107	\$ 64	\$ 31
Transfers	38,000	18,000	11,000	18,500	20,500	25,500	16,000	30,368	30,700	
Total Business-Type Activities	38,533	19,415	12,431	19,120	20,637	25,599	16,131	30,475	30,764	31
TOTAL DISTRICT-WIDE	<u>\$ 6,281,034</u>	<u>\$ 6,874,763</u>	<u>\$ 7,358,215</u>	<u>\$ 7,695,601</u>	<u>\$ 7,644,513</u>	<u>\$ 7,828,408</u>	<u>\$ 7,783,420</u>	<u>\$ 8,258,000</u>	<u>\$ 8,465,528</u>	<u>\$ 8,191,314</u>
CHANGE IN NET POSITION										
Governmental Activities	\$ (45,328)	\$ 220,068	\$ 166,430	\$ 350,735	\$ 192,713	\$ 203,871	\$ 168,744	\$ 391,435	\$ 437,385	\$ 722,729
Business-Type Activities	15	2,636	(6,021)	(897)	922	(886)	218	4,488	170	149
TOTAL DISTRICT	<u>\$ (45,313)</u>	<u>\$ 222,704</u>	<u>\$ 160,409</u>	<u>\$ 349,838</u>	<u>\$ 193,635</u>	<u>\$ 202,985</u>	<u>\$ 168,962</u>	<u>\$ 395,923</u>	<u>\$ 437,555</u>	<u>\$ 722,878</u>

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
 FUND BALANCES, GOVERNMENTAL FUNDS,
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund:										
Restricted	\$ 95,366	\$ 203,474	\$ 144,904	\$ 143,248	\$ 198,525	\$ 182,162	\$ 206,925	\$ 224,730	\$ 208,623	\$ 222,010
Committed	1	1	69,328	195,692	216,069	316,516	299,407	484,407	1,081,120	886,592
Assigned	65,895	33,210	36,125	100,490	78,492	94,736	44,306	153,703	53,314	114,441
Unassigned	74,303	81,864	216,514	216,641	176,270	212,882	243,221	238,474	216,881	209,694
Total General Fund	<u>\$ 235,565</u>	<u>\$ 318,549</u>	<u>\$ 466,871</u>	<u>\$ 656,071</u>	<u>\$ 669,356</u>	<u>\$ 806,296</u>	<u>\$ 793,859</u>	<u>\$ 1,101,314</u>	<u>\$ 1,559,938</u>	<u>\$ 1,432,737</u>
All Other Governmental Funds:										
Restricted, Reported In:										
Capital Projects Fund	\$ (264,229)	\$ (175,967)	\$ (146,686)	\$ (73,343)			\$ 146,070	\$ 111,547		\$ 594,487
Assigned, Reported in:										
Debt Service Fund			20	8,993						
Total All Other Governmental Funds	<u>\$ (264,229)</u>	<u>\$ (175,967)</u>	<u>\$ (146,666)</u>	<u>\$ (64,350)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 146,070</u>	<u>\$ 111,547</u>	<u>\$ -</u>	<u>\$ 594,487</u>

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues:										
Tax Levy	\$ 4,994,358	\$ 5,456,698	\$ 5,724,999	\$ 5,940,162	\$ 6,149,330	\$ 6,322,072	\$ 6,487,347	\$ 6,611,971	\$ 6,668,547	\$ 6,769,182
Tuition Charges	16,661	27,266	34,600	103,141	154,310	165,105	126,182	164,809	225,458	244,521
Interest Earnings	15,963	39,282	55,076	39,032	12,262	5,197	6,775	9,428	6,989	7,481
Miscellaneous	16,912	16,218	11,435	45,035	72,900	87,854	97,213	116,243	85,513	79,807
State Sources	1,239,778	1,335,639	1,572,176	1,581,990	1,257,539	1,250,052	1,078,078	1,348,231	1,419,554	1,401,787
Federal Sources	171,107	153,405	186,228	139,036	159,049	270,311	184,790	213,877	193,940	182,159
Total Revenues	6,454,779	7,028,508	7,584,514	7,848,396	7,805,390	8,100,591	7,980,385	8,464,559	8,600,001	8,684,937
Expenditures:										
Instruction:										
Regular Instruction	2,144,195	2,363,860	2,323,218	2,455,401	2,466,284	2,616,000	2,525,779	2,604,108	2,570,371	2,524,077
Special Education Instruction	531,064	507,117	453,191	614,661	739,322	698,990	704,935	718,883	684,787	604,865
Other Special Instruction	15,928	74,952	76,902	79,369	112,287	117,588	84,454	47,961	47,471	35,438
Other Instruction	47,500	57,270	68,190	74,434	76,690	76,427	75,481	76,994	82,490	83,497
Support Services:										
Tuition	14,274	5,006	53,535	29,413	35,974	4,000	68,876	36,000	41,300	41,300
Student & Instruction Related Services	567,958	564,726	633,368	643,247	685,502	681,437	689,390	722,184	742,722	807,583
General Administration	258,574	269,524	285,251	289,665	289,152	297,667	285,970	306,196	295,625	276,689
School Administration Services	128,830	137,096	147,245	153,340	159,193	168,036	154,046	159,682	160,734	162,875
Central Services	137,455	144,375	187,501	124,642	129,491	131,659	140,594	153,385	157,667	163,686
Administrative Information Technology	25,873	13,500	10,215	7,045	7,345	4,000	2,395	2,395	5,786	4,040
Plant Operations & Maintenance	497,346	504,380	569,419	568,733	707,954	580,969	571,298	601,933	695,720	652,233
Pupil Transportation	385,280	403,638	439,639	454,186	453,296	437,161	420,495	408,958	382,429	386,857
Employee Benefits	790,879	848,050	945,283	917,177	946,182	1,057,596	1,091,551	1,107,553	1,153,251	1,166,309
On-Behalf TPAF Pension & Soc Sec Contributions	438,674	502,831	733,378	738,576	474,191	515,812	523,392	649,435	789,070	676,297
Capital Outlay	23,293			42,683	157,095	42,577	32,558	38,981	64,149	174,002
Capital Projects	107,379	65,655	100,248				21,930	75,245		55,513
Special Revenue Funds	174,278	155,160	204,885	153,415	161,014	272,282	197,096	211,666	195,507	183,694
Debt Service:										
Principal	187,683	190,288	193,343	223,343	213,343	150,000	155,000	160,000	165,000	175,000
Interest & Other Charges	112,177	107,122	103,336	62,393	73,709	65,950	60,512	54,700	49,115	43,696
Total Expenditures	6,588,640	6,914,550	7,528,147	7,631,723	7,888,024	7,918,151	7,805,752	8,136,259	8,283,194	8,217,651
Excess (Deficiency) of Revenues Over (Under) Expenditures	(133,861)	113,958	56,367	216,673	(82,634)	182,440	174,633	328,300	316,807	467,286
Other Financing Sources (Uses):										
Capital Leases (Non-Budgeted)	23,293				107,426					
Proceeds from Bond Issue			1,885,000							
Payments to Refunding Bond Escrow Agent			(1,877,845)							
Proceeds from Bond Issue Premium			51,758							
Temporary Note Paid in Debt Service Fund	77,683	75,288	73,343	73,343	73,343					
Insurance Claim Proceeds for Storm Damage									60,970	
Transfers Out	(38,000)	(18,000)	(11,000)	(18,500)	(20,500)	(45,500)	(41,000)	(55,368)	(30,700)	
Total Other Financing Sources (Uses)	62,976	57,288	121,256	54,843	160,269	(45,500)	(41,000)	(55,368)	30,270	-
Net Change in Fund Balances	\$ (70,885)	\$ 171,246	\$ 177,623	\$ 271,516	\$ 77,635	\$ 136,940	\$ 133,633	\$ 272,932	\$ 347,077	\$ 467,286
Debt Service as a Percentage of Non-capital Expenditures	4.87%	4.54%	4.16%	3.91%	3.86%	2.82%	2.86%	2.75%	2.67%	2.81%

Source: District Records

NOTE: Noncapital expenditures are total expenditures less capital outlay, capital projects and debt service.

Central Service and Administrative Information Technology account classifications were added beginning with year end J.

Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
 GENERAL FUND-OTHER LOCAL REVENUES BY SOURCE
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Description	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Interest Income	\$ 15,617	\$ 39,263	\$ 55,076	\$ 39,032	\$ 12,262	\$ 5,197	\$ 6,775	\$ 9,428	\$ 6,989	\$ 7,481
Tuition	16,661	27,266	34,600	103,141	154,310	165,105	126,182	164,809	225,458	244,521
Building Use Fees	4,573	4,616	4,600	5,219	5,818	5,350	5,050	6,362	9,826	5,703
Millford Board of Education-Interlocal Government Fees				29,659	51,344	53,514	54,320	56,703	59,708	63,976
Insurance Rebates						3,283	2,962			
Prior Year Refunds	1,632	170	1,588	760	4,059	768			4	1,770
Lost Books and Fines	287	279	455	1,012	190	199	132	86	120	
Sale of Surplus Equipment & Supplies						3,300		2,851	200	300
Fund 20-Cancellation of Balance (Day Care Program)					3,637					
Consulting Services						13,875	14,250	12,000	1,500	
E Rate Reimbursements	9,961	9,589	4,772	8,026	7,852	7,564	6,874	6,698	3,210	
Donations										
Miscellaneous Other	154			359		1		1,179	23	
Solar Bond Excess									5,000	
Energy Audit									2,855	
Transportation Fees							405		500	
Safety Incentive									1,000	
Sale of Plans & Specifications							950			
Bully Prevention Aid								747		
FEMA Aid										750
Prior Year Accounts Payable Canceled										3,732
Outstanding Checks Voided	304	1,564						3,507		2,253
Annual Totals	\$ 49,189	\$ 82,747	\$ 101,091	\$ 187,208	\$ 239,472	\$ 258,156	\$ 217,900	\$ 264,370	\$ 316,393	\$ 330,486

Source: District Records

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
 LAST TEN FISCAL YEARS

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Vacant Land	\$ 16,302,500	\$ 16,372,100	\$ 14,327,800	\$ 14,132,800	\$ 13,832,800	\$ 13,767,300	\$ 13,492,900	\$ 12,970,200	\$ 9,304,400	\$ 8,780,700
Residential	516,517,300	515,711,800	518,694,600	523,094,200	527,491,700	527,938,000	531,967,900	533,983,300	447,094,600	448,217,200
Farm Regular	139,278,000	139,440,600	141,016,700	141,769,700	140,841,000	141,055,000	138,144,900	138,541,500	118,965,000	118,396,800
Farm Qualified	3,792,519	4,924,161	5,014,720	5,287,057	5,528,620	5,544,700	5,264,900	4,983,300	4,982,900	4,985,500
Commercial	105,138,342	104,403,461	103,801,561	103,980,461	94,686,561	94,870,161	95,119,461	94,992,961	87,525,600	87,284,700
Industrial	-	-	-	-	-	-	-	-	-	-
Apartment	2,258,400	2,188,600	2,188,600	2,188,600	2,188,600	2,142,700	2,142,700	2,142,700	2,262,200	2,262,200
Total Assessed Value	783,287,061	783,040,722	785,043,981	790,452,818	784,569,281	785,317,861	786,132,761	787,613,961	670,134,700	669,927,100
Public Utilities (a)	1,285,305	1,193,212	1,263,700	1,272,179	1,261,509	2,216,404	1,831,762	1,837,214	1,757,313	876,506
Net Valuation Taxable	\$ 784,572,366	\$ 784,233,934	\$ 786,307,681	\$ 791,724,997	\$ 785,830,790	\$ 787,534,265	\$ 787,964,523	\$ 789,451,175	\$ 671,892,013	\$ 670,803,606
Estimated Actual County Equalized Value	\$ 704,984,309	\$ 775,407,887	\$ 849,173,621	\$ 843,679,175	\$ 808,335,681	\$ 810,322,624	\$ 809,164,636	\$ 785,298,888	\$ 754,125,900	\$ 726,528,329
Percentage of Net Valuations to Estimated Actual County Equalized Value	111.29%	101.14%	92.60%	93.84%	97.22%	97.19%	97.38%	100.53%	89.10%	92.33%
Total Direct School Tax Rate (b)	\$ 0.695	\$ 0.730	\$ 0.755	\$ 0.776	\$ 0.804	\$ 0.824	\$ 0.839	\$ 0.845	\$ 1.008	\$ 1.024

*

*

Source: Municipal Tax Assessor

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

- (a) Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment
- (a) Taxable Value of Machinery, Implements and Equipments of Telephone and Messenger System Companies
- (b) Tax rates are per \$100

* Revalued/Reassessed

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
 DIRECT AND OVERLAPPING PROPERTY TAX RATES
 LAST TEN FISCAL YEARS
 (RATE PER \$100 OF ASSESSED VALUE)

Assessment Year	School District Direct Rate								Total Direct & Overlapping Tax Rate
	(From J-6)				Overlapping Rates				
	Basic Rate (a)	General Obligation Debt Service (b)	Total Direct School Tax Rate	Regional School Debt	Municipality	County	Fire District		
2005	* \$ 0.657	\$ 0.038	\$ 0.695	\$ 0.454	\$ 0.203	\$ 0.338		\$ 1.690	
2006	0.692	0.038	0.730	0.515	0.177	0.353	\$ 0.022	1.80	
2007	0.718	0.037	0.755	0.457	0.177	0.359	0.024	1.77	
2008	0.742	0.035	0.777	0.435	0.180	0.355	0.025	1.77	
2009	0.772	0.032	0.804	0.469	0.189	0.354	0.024	1.84	
2010	0.796	0.028	0.824	0.453	0.190	0.352	0.024	1.84	
2011	0.814	0.025	0.839	0.519	0.190	0.353	0.024	1.93	
2012	0.811	0.034	0.845	0.498	0.189	0.353	0.028	1.91	
2013	* 0.975	0.033	1.008	0.584	0.224	0.408	0.033	2.26	
2014	0.992	0.032	1.024	0.599	0.224	0.403	0.033	2.28	

Sources: Municipal Tax Collector

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

- (a) The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.
- (b) Rates for debt service are based on each year's requirements.

* Revalued/Reassessed

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
 PRINCIPAL PROPERTY TAXPAYERS,
 CURRENT YEAR AND NINE YEARS AGO

	2014			2005		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Texas Eastern Transmission Corp	\$ 37,706,600	1	5.62%	\$ 42,282,200	1	5.39%
The Ridge at Back Brook Road	10,500,000	2	1.57%	19,756,700	2	2.52%
Algonquin Pipe Line Co	6,536,100	3	0.97%	8,288,100	3	1.06%
Bosum/Neely Partnership	3,527,000	4	0.53%	1,741,800	8	0.22%
Buckeye Pipeline Co	2,268,300	5	0.34%	2,639,700	5	0.34%
Hunterdon Storage Inc	1,781,000	6	0.27%	2,781,000	4	0.35%
Southwick Farm LLC	1,720,900	7	0.26%			
Individual Property Owner #1	1,700,000	8	0.25%			
Individual Property Owner #2	1,626,300	9	0.24%			
Individual Property Owner #3	1,554,900	10	0.23%			
Jordan, Sidney & T/Z Ifida Realty				2,183,481	6	0.28%
Ringoes TLC LLC				2,063,000	7	0.26%
M and H Associates				1,467,400	9	0.19%
Individual Property Owner #4				1,372,300	10	0.17%
	<u>\$ 68,921,100</u>		<u>10.27%</u>	<u>\$ 84,575,681</u>		<u>10.78%</u>

Source: Municipal Tax Assessor

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Year Ending December 31,	Taxes Levied for the Year	Collected Within the Fiscal Year of the Levy (a)	
		Amount	Percentage of Levy
2004	\$ 12,647,926	\$ 12,480,130	98.67%
2005	13,349,821	13,091,895	98.07%
2006	14,254,486	14,024,894	98.39%
2007	14,156,590	13,960,592	98.62%
2008	14,098,240	13,860,768	98.32%
2009	14,486,633	14,207,423	98.07%
2010	14,592,462	14,357,077	98.39%
2011	15,237,105	14,960,953	98.19%
2012	15,139,056	14,824,470	97.92%
2013	15,182,177	14,849,769	97.81%

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

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

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year Ending June 30,	Governmental Activities				Business-Type Activities	Total District	% of Personal Income (a)	Per Capita (a)
	General Obligation Bonds (b)	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2005	\$ 2,090,000		\$ 17,049	\$ 295,317		\$ 2,402,366	0.91%	\$ 533
2006	1,975,000		11,633	220,029		2,206,662	0.84%	491
2007	1,885,000		5,954	146,686		2,037,640	0.72%	452
2008	1,735,000			73,343		1,808,343	0.61%	402
2009	1,595,000		32,426			1,627,426	0.55%	363
2010	1,445,000		22,028			1,467,028	0.49%	327
2011	1,290,000		11,136			1,301,136	0.44%	324
2012	1,130,000					1,130,000	0.38%	282
2013	965,000					965,000	0.34%	243
2014	790,000					790,000	N/A	199

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

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

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year Ending June 30,	General Bonded Debt Outstanding			% of Actual Taxable Value (a) of Property	Per Capita (a)
	General Obligation	Deductions	Net General Bonded Debt		
	Bonds		Outstanding		
2005	\$ 2,090,000		\$ 2,090,000	0.27%	465
2006	1,975,000		1,975,000	0.25%	438
2007	1,885,000		1,885,000	0.24%	419
2008	1,735,000		1,735,000	0.22%	387
2009	1,595,000		1,595,000	0.20%	356
2010	1,445,000		1,445,000	0.18%	360
2011	1,290,000		1,290,000	0.16%	322
2012	1,130,000		1,130,000	0.14%	285
2013	965,000		965,000	0.14%	243
2014	790,000		790,000	0.12%	199

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

- (a) See Exhibit NJ J-6 for property tax data.
- (b) Population data can be found in Exhibit NJ J-14.
- * Revalued/Reassessed

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 AS OF DECEMBER 31, 2013

GOVERNMENTAL UNIT	Gross Debt Outstanding	Estimated % Applicable (a)	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes:			
Municipality	\$ 4,882,488	100.00%	\$ 4,882,488
Regional High School	16,580,000	8.11%	1,344,629
County General Obligation Debt	69,514,672	3.53%	2,451,060
Subtotal, Overlapping Debt			8,678,177
School District Direct Debt			965,000
Total Direct and Overlapping Debt			<u>\$ 9,643,177</u>

Sources: Assessed Value Data Used to Estimate Applicable Percentages
 Provided by the County Board of Taxation. Debt Outstanding Data
 Provided by Each Governmental Unit.

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

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

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
 LEGAL DEBT MARGIN INFORMATION,
 LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2013

Equalized Valuation Basis

2013	\$ 725,803,856
2012	753,265,074
2011	781,988,223

\$ 2,261,057,153

Average Equalized Valuation of Taxable Property

\$ 753,685,718

Debt Limit (3.0% of Average Equalization Value)

\$ 22,610,572 (a)

Total Net Debt Applicable to Limit

790,000

Legal Debt Margin

\$ 21,820,572

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt Limit	\$ 17,102,808	\$ 19,689,474	\$ 21,939,305	\$ 23,836,848	\$ 24,671,896	\$ 23,234,325	\$ 24,486,256	\$ 23,961,866	\$ 23,417,001	\$ 22,610,572
Total Net Debt Applicable	2,385,317	2,195,029	2,031,686	1,808,343	1,595,000	790,000	1,290,000	1,130,000	965,000	790,000
Legal Debt Margin	<u>\$ 14,717,491</u>	<u>\$ 17,494,445</u>	<u>\$ 19,907,619</u>	<u>\$ 22,028,505</u>	<u>\$ 23,076,896</u>	<u>\$ 22,444,325</u>	<u>\$ 23,196,256</u>	<u>\$ 22,831,866</u>	<u>\$ 22,452,001</u>	<u>\$ 21,820,572</u>
Total Net Debt Applicable to the Limit as a Percent- age of Debt Limit	13.95%	11.15%	9.26%	7.59%	6.46%	3.40%	5.27%	4.72%	4.12%	3.49%

Source: Equalized Valuation Bases were Obtained from the Annual Report of the State of New Jersey,
 Department of Treasury, Division of Taxation

(a) Limit Set by NJSA 18A:24-19

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS

<u>Year</u>	<u>Population (a)</u>	<u>Personal Income (b)</u>	<u>Per Capita Personal Income (c)</u>	<u>Unemployment Rate (d)</u>
2005	4,498	\$ 269,340,240	\$ 59,880	2.9%
2006	4,507	291,539,802	64,686	3.3%
2007	4,498	307,609,224	68,388	2.9%
2008	4,482	312,695,694	69,767	3.8%
2009	4,485	294,956,025	65,765	6.8%
2010	4,014	269,150,742	67,053	7.0%
2011	4,002	270,975,420	67,710	6.9%
2012	3,962	285,783,022	72,131	7.1%
2013	3,967	N/A	N/A	7.2%
2014	3,967	N/A	N/A	N/A

Sources:

- (a) Population Information Provided by the NJ Dept of Labor and Workforce Development
- (b) Personal Income has Been Estimated Based Upon the Municipal Population and Per Capita Personal Income Presented
- (c) Per Capita Personal Income by County Estimated Based Upon the 2010 Census Published by the US Bureau of Economic Analysis.
- (d) Unemployment Data Provided by the NJ Dept of Labor and Workforce Development

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Employer	2014			2005		
	Employees	Rank	Percentage of Total Municipal Employment	Employees	Rank	Percentage of Total Municipal Employment

INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS

FUNCTION/PROGRAM	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Instruction:										
Regular	35.2	36.2	36.2	36.1	37.1	38.1	38.1	37.7	37.1	37.2
Special Education	14.0	13.8	14.4	14.8	18.3	17.3	16.3	16.0	15.5	15.0
Other Special Education										
Vocational										
Other Instruction-Aides										
Nonpublic School Programs										
Adult/Continuing Education Programs										
Support Services:										
Student and Instruction Related Services	9.4	9.4	8.8	9.0	6.8	6.8	6.8	6.1	5.2	5.2
General Administration	2.1	2.1	2.1	2.1	2.5	2.5	2.5	2.7	2.9	3.0
School Administration Services	2.0	2.0	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4
Other Administrative Services										
Central Services	2.0	2.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Administrative Information Technology										
Plant Operations and Maintenance	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	5.0
Pupil Transportation										
Other Support Services										
Special Schools										
Food Service	2.0	2.0	2.0	2.0	2.0	2.0	1.0	1.0	1.0	
Child Care										
Total	71.2	72.0	73.4	72.9	75.6	75.6	73.6	72.4	70.6	69.8

Sources: District Personnel Records

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
 OPERATING STATISTICS
 LAST TEN FISCAL YEARS

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Teacher Ratio	Average Daily Enrollment (ADE) (c)	Average Daily Attendance (ADA) (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
2005	482	\$ 6,158,108	\$ 12,776	3.05%	55.0	1 to 8.76	478.0	460.0	2.95%	96.23%
2006	486	6,551,485	13,480	5.51%	54.0	1 to 9.00	485.9	469.1	1.65%	96.54%
2007	494	7,131,220	14,436	7.09%	57.0	1 to 8.66	496.5	486.4	2.18%	97.97%
2008	489	7,303,304	14,935	3.46%	54.0	1 to 9.05	489.6	480.6	-1.39%	98.16%
2009	487	7,443,877	15,285	2.34%	55.0	1 to 8.85	488.6	470.4	-0.20%	96.28%
2010	501	7,659,624	15,289	0.02%	58.0	1 to 8.64	501.3	482.3	2.60%	96.21%
2011	475	7,535,752	15,865	3.77%	57.0	1 to 8.33	475.4	465.5	-5.17%	97.92%
2012	446	7,807,333	17,505	10.34%	56.0	1 to 7.96	446.2	430.3	-6.14%	96.44%
2013	425	8,004,930	18,835	7.60%	52.6	1 to 8.08	429.6	413.0	-3.72%	96.14%
2014	410	7,769,440	18,950	0.61%	52.0	1 to 7.88	414.5	399.3	-3.51%	96.33%

Source: District Records

(a) Operating Expenditures Equal Total Expenditures Less Debt Service and Capital Outlay.

(b) Teaching Staff Includes Only Full-Time Equivalents or Certificated Staff.

(c) Average Daily Enrollment and Average Daily Attendance are Obtained from the School Register Summary (SRS).

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
 SCHOOL BUILDING INFORMATION
 LAST TEN FISCAL YEARS

DISTRICT BUILDING	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<u>Elementary (1939)</u>										
Square Feet	62,500	62,500	62,500	62,500	62,500	62,500	62,500	62,500	62,500	62,500
Capacity (Students)	530.0	530.0	530.0	530.0	530.0	530.0	530.0	530.0	530.0	530.0
Enrollment	486.0	491.0	494.0	489.0	487.0	501.0	475.0	450.0	450.0	410.0

Number of Schools at June 30, 2013:

Elementary	1
Middle School	0
High School	0
Other	0

District Facilities Office

Year of Original Construction is shown in Parentheses. Increase in Square Footage and Capacity are the Result of Renovations and Additions. Enrollment is Based on the Annual October District Count.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS

UNDISTRIBUTED EXPENDITURES - REQUIRED
MAINTENANCE FOR SCHOOL FACILITIES

*School Facilities

	Amount	Total
2005	\$ 49,252	\$ 49,252
2006	28,695	28,695
2007	56,775	56,775
2008	39,782	39,782
2009	148,187	148,187
2010	57,953	57,953
2011	43,546	43,546
2012	66,245	66,245
2013	75,950	75,950
2014	98,254	98,254
Total School Facilities	<u>\$ 664,639</u>	<u>\$ 664,639</u>

* School Facilities as Defined Under EFCFA.
(NJAC 6A:26-1.2 and NJAC 6A:26A-1.3)

Source: District Records

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2014
(UNAUDITED)

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy-School Alliance Insurance Fund:		
Property-Blanket Building & Contents (Insurance Cooperative)	\$ 400,000,000	\$ 5,000
Equipment Breakdown	100,000,000	5,000
Elections Data Processing	945,000	1,000
Comprehensive General Liability	11,000,000	1,000
Comprehensive Automobile Liability	11,000,000	1,000
Pollution Liability	11,000,000	25,000
Comprehensive Crime Coverage	100,000	500
Excess Liability	10,000,000	
Employee Benefits	11,000,000	1,000
Student Accident	5,000,000	
School Board Legal Liability-NJ School Board:		
Directors and Officers Policy	11,000,000	5,000
Workmen's Compensation-School Alliance Insurance Fund	2,000,000	
Public Employees' Faithful Performance-		
School Alliance Insurance Fund:		
Business Admin Bond	200,000	

Source: District Records

SINGLE AUDIT SECTION

Certified Public Accountant
Public School Accountant
Registered Municipal Accountant

100 Route 31 North
Washington, NJ 07882 - 1530
Fax # (908) 689-8388
(908) 689-5002

Independent Auditor's Report

September 30, 2014

Honorable President and
Members of the Board of Education
East Amwell Township School District
County of Hunterdon, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the East Amwell Township School District, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements, and have issued our report thereon dated September 30, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Board of Education'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 Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board of Education'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 in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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



William M. Colantano, Jr.
Public School Accountant
No. CS 0128

Certified Public Accountant
Public School Accountant
Registered Municipal Accountant

100 Route 31 North
Washington, NJ 07882 - 1530
Fax # (908) 689-8388
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Independent Auditor's Report

September 30, 2014

Honorable President and
Members of the Board of Education
East Amwell Township School District
County of Hunterdon, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the East Amwell Township School District's (the District) compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement and the New Jersey OMB State Grant Compliance Supplement that could have a direct and material effect on each of the Board of Education's major federal and state programs for the year ended June 30, 2014. The Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of 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 Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB 04-04. Those standards, OMB Circular A-133 and NJ OMB 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of The Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Board of Education'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 program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and NJ OMB 04-04, 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 Board of Education's internal control over compliance.

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

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

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

William M. Colantano, Jr.

**Report on Schedules of Expenditures of Federal Awards Required by OMB Circular A-133
and Expenditures of State Financial Assistance Required by NJ OMB 04-04**

We have audited the financial statements of the District as of and for the year ended June 30, 2014, and have issued our report thereon dated September 30, 2014, 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 OMB Circular A-133 and NJ Circular 04-04 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 is fairly stated in all material respects in relation to the financial statements as a whole.



William M. Colantano, Jr.
Public School Accountant
No. CS 0128

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS-SCHEDULE A
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Grantor/Program Title	Federal CFDA Number	Project Number	Program or Award Amount	Grant Period From To	Balance June 30, 2013	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustment	Repay of Prior Year Balance	Balance June 30, 2014		
											Accounts Receivable	Deferred Revenue	Due to Grantor
US Department of Education Passed Through State Department of Education: Special Revenue Fund:													
NCLB Title I Part A	84.010A	NCLB-116013	\$ 20,674	09/01/12-08/31/13	\$ (4,197)		\$ 4,197						
NCLB Title I Part A	84.010A	NCLB-116014	18,054	07/01/13-06/30/14			18,054	\$ 18,054					
NCLB Title IIA	84.367A	NCLB-116013	10,714	09/01/12-08/31/13	(3,210)		7,029	3,819					
NCLB Title IIA	84.367A	NCLB-116014	10,799	07/01/13-06/30/14			10,799	10,799					
NCLB IIIA	84.365A	NCLB-116014	1,545	07/01/13-06/30/14			1,545	1,545					
REAP	84.358B	S358A-131988	34,844	07/01/13-09/30/14				8,672			\$ (34,844)	\$ 26,172	
REAP	84.358B	S358A-121988	47,964	07/01/12-09/30/13	(6,073)		38,755	41,891				(9,209)	
REAP	84.358B	S358A-111988	46,772	07/01/11-09/30/12	(2,197)		2,197						
IDEA Basic	84.027	IDEA-116013	98,621	09/01/12-08/31/13	(10,110)		10,110						
IDEA Basic	84.027	IDEA-116014	91,317	07/01/13-06/30/14			75,028	91,317				(16,289)	
IDEA Preschool	84.173	IDEA-116013	6,311	09/01/12-08/31/13	(549)		549						
IDEA Preschool	84.173	IDEA-116014	6,062	07/01/13-06/30/14			2,822	6,062				(3,240)	
Total Special Revenue Fund					(26,336)	\$ -	171,085	182,159	\$ -	\$ -	(63,582)	26,172	\$ -
US Department of Agriculture Passed Through State Department of Education: Enterprise Fund:													
Food Donation Program	10.550	N/A	9,901	07/01/13-06/30/14			9,901	8,053				1,848	
Food Donation Program	10.550	N/A	7,988	07/01/12-06/30/13	616			616					
National School Lunch Program	10.550	N/A	26,068	07/01/13-06/30/14			23,827	26,068				(2,241)	
National School Lunch Program	10.550	N/A	22,898	07/01/12-06/30/13	(1,651)		1,651						
Total Enterprise Fund					(1,035)	-	35,379	34,737	-	-	(2,241)	1,848	-
TOTAL FEDERAL FINANCIAL ASSISTANCE					\$ (27,371)	\$ -	\$ 206,464	\$ 216,896	\$ -	\$ -	\$ (65,823)	\$ 28,020	\$ -

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE SCHEDULE B
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From To	Balance June 30, 2013	Cash Received	Budgetary Expenditure	Repayment of Prior Year Balance	Balance June 30, 2014			Memo	
								Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditures
State Department of Education												
General Fund:												
Transportation Aid	14-495-034	\$ 181,957	07/01/13-									
	-5120-014		06/30/14		\$ 163,791	\$ 181,957		\$ (18,166)			\$ (18,166)	\$ 181,957
Transportation Aid	13-495-034	182,943	07/01/12-									
	-5120-014		06/30/13	\$ (18,280)	18,280							
Special Education Aid	14-495-034	280,435	07/01/13-									
	-5120-089		06/30/14		252,437	280,435		(27,998)			(27,998)	280,435
Special Education Aid	13-495-034	282,272	07/01/12-									
	-5120-089		06/30/13	(28,205)	28,205							
Security Aid	14-495-034	37,939	07/01/13-									
	-5120-084		06/30/14		34,151	37,939		(3,788)			(3,788)	37,939
Security Aid	13-495-034	37,959	07/01/12-									
	-5120-084		06/30/13	(3,793)	3,793							
Adjustment Aid	14-495-034	98,275	07/01/13-									
	-5120-085		06/30/14		88,464	98,275		(9,811)			(9,811)	98,275
Adjustment Aid	13-495-034	98,275	07/01/12-									
	-5120-085		06/30/13	(9,820)	9,820							
School Choice Aid	14-495-034	106,880	07/01/13-									
	-5120-068		06/30/14		96,210	106,880		(10,670)			(10,670)	106,880
Nonpublic Transportation Aid	14-495-034	2,535	07/01/13-									
	-5120-014		06/30/14			2,535		(2,535)				2,535
Nonpublic Transportation Aid	13-495-034	3,654	07/01/12-									
	-5120-014		06/30/13	(3,654)	3,654							
Extraordinary Special Education Costs Aid	14-100-034	27,592	07/01/13-									
	-5120-473		06/30/14			27,592		(27,592)				27,592
Extraordinary Special Education Costs Aid	13-495-034	23,325	07/01/12-									
	-5120-473		06/30/13	(23,325)	23,325							
Reimbursed TPAF Social Security Contribution	13-495-034	271,055	07/01/12-									
	-5095-002		06/30/13	(13,593)	13,593							
Reimbursed TPAF Social Security Contribution	14-495-034	262,070	07/01/13-									
	-5095-002		06/30/14		248,843	262,070		(13,227)				262,070
On-Behalf TPAF Pension Contribution- Normal Cost and Accrued Liability	14-495-034	144,199	07/01/13-									
	-5095-006		06/30/14		144,199	144,199						144,199
On-Behalf TPAF Pension Contribution- Non-Contributory Insurance	14-495-034	12,728	07/01/13-									
	-5095-007		06/30/14		12,728	12,728						12,728
On-Behalf TPAF Pension Contribution- Post Retirement Medical	14-495-034	257,300	07/01/13-									
	-5095-001		06/30/14		257,300	257,300						257,300
Total General Fund				<u>(100,670)</u>	<u>1,398,793</u>	<u>1,411,910</u>	<u>\$ -</u>	<u>(113,787)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(70,433)</u>	<u>1,411,910</u>
Special Revenue Fund:												
Character Education	06-495-034	4,000	07/01/05-									
	-5120-053		06/30/06	276		212			64			3,936
Total Special Revenue				<u>276</u>	<u>-</u>	<u>212</u>	<u>-</u>	<u>-</u>	<u>64</u>	<u>-</u>	<u>-</u>	<u>3,936</u>
State Department of Agriculture Enterprise Fund:												
Enterprise Fund:												
State School Lunch Program	13-100-010	1,267	07/01/12-									
	-3350-023		06/30/13	(163)	163							
State School Lunch Program	14-100-010	1,263	07/01/13-									
	-3350-023		06/30/14		1,093	1,263		(170)				1,263
Total Enterprise Fund				<u>(163)</u>	<u>1,256</u>	<u>1,263</u>	<u>-</u>	<u>(170)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,263</u>
TOTAL STATE FINANCIAL ASSISTANCE				<u>\$ (100,557)</u>	<u>\$ 1,400,049</u>	<u>\$ 1,413,385</u>	<u>\$ -</u>	<u>\$ (113,957)</u>	<u>\$ 64</u>	<u>\$ -</u>	<u>\$ (70,433)</u>	<u>\$ 1,457,831</u>

SEE ACCOMPANYING NOTES TO SCHEDULE OF FINANCIAL ASSISTANCE

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2014

NOTE 1 GENERAL

The accompanying schedules of financial assistance present the activity of all federal and state financial assistance programs of the Board of Education, East Amwell Township School District. The Board of Education is defined in Note 1 (A) to the Board's financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies, is included on the schedule of federal financial assistance.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules of financial assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1 (C) and 1 (D) to the Board's financial statements.

NOTE 3. RELATIONSHIP OF FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to PL 2003, Ch 97 (A3521). For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferred and recording of the last state aid payment 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 net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$10,335) for the general fund and \$-0- for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

Financial assistance revenues are reported in the Board's financial statements on a GAAP basis as follows:

	<u>Local</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund			\$ 1,401,575	\$ 1,401,575
Special Revenue Fund	\$ 1,323	\$ 182,159	212	183,694
Food Service Fund		34,737	1,263	36,000
	<u>\$ 1,323</u>	<u>\$ 216,896</u>	<u>\$ 1,403,050</u>	<u>\$ 1,621,269</u>

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2014
(Continued)

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

Revenues and expenditures reported under the USDA Commodities Program represent current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2014. TPAF Social Security Contribution 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, 2014.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

SECTION I-SUMMARY OF AUDITOR'S RESULTS

Federal Awards (Cont'd) NOT APPLICABLE

Dollar Threshold used to Distinguish Between
Type A and Type B Programs: _____

Auditee qualified as a low-risk auditee _____ Yes _____ No

State Awards

Dollar Threshold used to Distinguish Between
Type A and Type B Programs: \$ 300,000

Auditee Qualified as low-risk auditee X Yes _____ No

Type of Auditor's Report Issued on Compliance
for Major Programs: Unmodified

Internal Control Over Major Programs:

1. Material weakness(es) identified? _____ Yes X No

2. Reportable conditions identified
that are not considered to be material
weaknesses? _____ Yes X No

Any Audit Findings Disclosed that are Required
to be Reported in Accordance with NJ OMB
Circular Letter 04-04? _____ Yes X No

Identification of Major Programs:

<u>GMIS Numbers</u>	<u>Amount</u>	<u>Name of State Program</u>
14-495-034-5095-002	\$ 262,070	Social Security Reimbursement
14-495-034-5120-014	181,957	Transportation Aid
14-495-034-5120-068	106,880	School Choice Aid
14-495-034-5120-089	280,435	Special Education Aid

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

SECTION II-FINANCIAL STATEMENT FINDINGS

There were no findings or questioned costs for the year ended June 30, 2014.

SECTION III-FEDERAL AWARDS AND STATE FINANCIAL
ASSISTANCE FINDINGS AND QUESTIONED COSTS

There were no findings or questioned costs for the year ended June 30, 2014.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

There were no prior year findings or questioned costs.