

**EAST AMWELL TOWNSHIP SCHOOL DISTRICT
BOARD OF EDUCATION**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Fiscal Year Ended June 30, 2016

**Prepared by
East Amwell Township School District
Department of Administration**

**EAST AMWELL TOWNSHIP SCHOOL DISTRICT
BOARD OF EDUCATION**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2016

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BOARD OF EDUCATION EAST AMWELL SCHOOL DISTRICT

November 8, 2016

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, 2016 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 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 Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State Treasury OMB Circular Letter 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report of 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 2015-16 school year was 30. Resident enrollment as of June 30, 2016 totaled 371 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>
2015-16	371	-6.4%
2014-15	393	-6.4%
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%

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, 2016 the District employed a Superintendent, Principal, Board Secretary/School Business Administrator, 44 full-time certificated, 5 part-time certificated, 18 full-time non-certificated, and 2 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

The students in grades 3-8 took the PARCC assessment in the Spring of 2016. The results were presented at the October 2016 Board of Education meeting..

Professional Development

Professional Development activities in the 2015-16 school year included PARCC, Dyslexia, Google (sheets, forms, docs and drawings), LinkIt!, NGSS, Google apps, PlanbookEDU, SGO's 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.

21st Century Classroom

In order for students to be prepared for a more complex life and work environment, a 21st century classroom must promote creativity, critical thinking, communication, and collaboration. Technology tools that allow students to create with video, audio, text, and images provide an opportunity to build higher-order thinking skills.

Authoring multimedia content requires students to:

- Employ creativity and innovation as they develop, implement, and communicate ideas and demonstrate originality and inventiveness;
- Be critical thinkers and problem solvers as they frame, analyze, and synthesize information to solve problems and answer questions;

- Communicate and collaborate as they articulate thoughts and ideas clearly and effectively and share responsibility for collaborative work.
- Build information, media, and technology skills in context

According to the Partnership for 21st Century Skills, students must have a “range of functional and critical thinking skills related to information, media and technology” to succeed in a 21st century marketplace.

Using a creative technology tool, students learn to manage information as they develop podcasts, online storybooks, videos, and Flash animations, becoming media producers, not just consumers.

To be successful in the 21st century, students must be able to work without supervision, in diverse groups, and be productive members of society. Project learning increases student’s capacity for self-directed learning, collaboration, and social interaction.

Collaborating on technology projects encourages students to become self-directed learners and builds leadership, responsibility, as well as social and cultural-awareness.

East Amwell School’s 21st Century Classrooms are built on a fiber backbone network delivering fast internet and data access to every student and staff member. Each classroom is uniformly equipped with Epson smart board technology embedded with a robust Aerohive Wireless network providing seamless connectivity for students and staff.

Each student has access to their own personal learning device for use in the classroom. iPads are used in Pre-K through 2nd grade while Chrome Books, supported by Google Classroom are used in 3rd grade through 8th grade.

Each staff member has been issued iPads and Dell Laptops for connectivity to classroom smart technology providing unique interaction with students in the delivery of Core Standard lesson. 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. PlanbookEDU is used by the teaching staff for the creation of lesson plans that can be shared with administrators. IEP Direct is used by the Child Study Team to create, sustain and monitor student IEPs for better success in the classroom.

The school website, which can be translated into many different languages, also provides tremendous communication between the school district, staff members and families. Blackboard Connect is used for daily blasts of information through email, text and phone as well as to provide emergency notices, such as school closings due to inclement weather, when needed.

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 windows based desktop computers. Each computer is networked, internet ready and is imaged with MS Office Suite, Chrome and Google Docs.

A state of the art TV studio has become part of the technology enrichment, where morning announcements are broadcasted by students every morning.

Student Information System

Genesis is the district's student information system providing much needed data to staff members and families. Progress Reports, report cards and daily assignments all can be viewed through the Family Portal creating well defined lines of communication between all invested parties.

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.

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, 2016.

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, 2016 and the amount and percentage of increases in relation to prior year revenues.

	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from Prior Year</u>	<u>Percent of Increase (Decrease)</u>
REVENUES				
Local Sources:				
Tax Levy:				
General	\$ 6,748,018	81.67%	\$ 98,074	1.47%
Debt Service	217,950	2.64%	2,000	0.93%
Other Revenues	380,216	4.60%	13,675	3.73%
State Aid	733,657	8.88%	(913,373)	-55.46%
Federal Aid	183,154	2.22%	22,409	13.94%
Total	<u>\$ 8,262,995</u>	<u>97.78%</u>	<u>\$ (777,215)</u>	<u>-8.60%</u>

The following schedule presents a summary of General Fund and Special Revenue Fund expenditures for the fiscal year ended June 30, 2016 and the percentage of increases and decreases in relation to the prior year amounts.

	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from Prior Year</u>	<u>Percent of Increase (Decrease)</u>
EXPENDITURES				
Current Expense	\$ 7,327,392	84.41%	\$ (651,368)	-8.16%
Capital Outlay	943,809	10.87%	932,419	8186.29%
Special Projects	191,440	2.21%	29,973	18.56%
Debt Service:				
Principal	190,000	2.19%	10,000	5.56%
Interest & other charges	27,950	0.32%	(8,000)	-22.25%
Total	<u>\$ 8,680,591</u>	<u>100.00%</u>	<u>\$ 313,024</u>	<u>3.74%</u>

Note: 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 statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Bedard, Kurowicki, and Co., CPA's, PC, was appointed by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State Treasury OMB Circular Letter 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to single audit are included in the single audit section of this report.

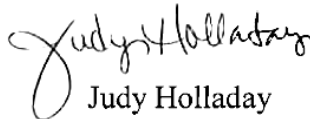
12. ACKNOWLEDGEMENTS:

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,

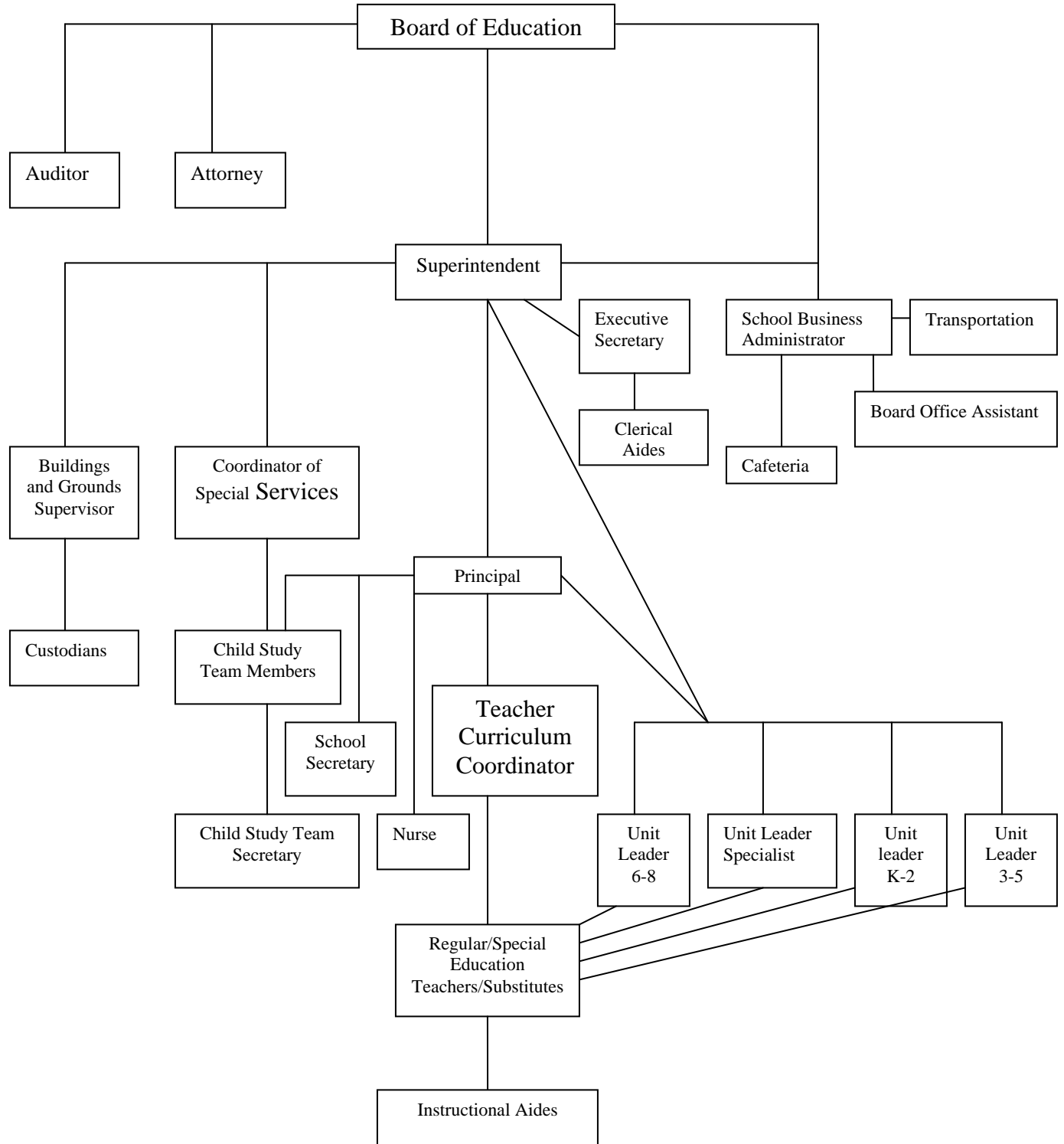


Edward F. Stoloski
Superintendent



Judy Holladay
SBA/Board Secretary

1110 ORGANIZATIONAL CHART



EAST AMWELL TOWNSHIP SCHOOL DISTRICT
43 Wertsville Road, P.O. Box 680
Ringoes, NJ 08551
June 30, 2016

Roster of Officials

Members of the Board of Education	Title	Term Expires
Charles Miles Jr.	President	2016
Anne Kenyon	Vice President	2018
Carole Ammann		2017
John Bedard		2017
Daniel Connelly		2017
Doreen Kraycirik		2016
Carole McGee		2018
Charles Miller		2016
Kimberly Williard		2018

Other Officials

Edward Stoloski	Superintendent
Judy Holladay	Board Secretary/School Business Administrator

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
43 Wertsville Road, P.O. Box 680
Ringoes, NJ 08551
June 30, 2016

Consultants & Advisors

AUDIT FIRM

Bedard, Kurowicki & Co.
114 Broad Street
Flemington, NJ 08822

ATTORNEY

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

OFFICIAL DEPOSITORY

Hopewell Valley Bank



Bedard, Kurowicki & Co.
Certified Public Accountants, PC
www.bkc-cpa.com

Independent Auditors' Report

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 East Amwell Township School District, (the District) in the County of Hunterdon, the State of New Jersey, as of and for the year ended June 30, 2016, and the related Notes to the Financial Statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 East Amwell Township School District, as of June 30, 2016, 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, Schedule of the District's Proportionate Share of Net Pension Liability, and Schedule of the District's Pension Contributions, as listed 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 introductory section, combining and individual non-major fund financial statements and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards and Schedule of Expenditures of State Financial Assistance required by New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid are also not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, Schedule of Expenditures of Federal Awards, and Schedule of Expenditures of State Financial Assistance are the responsibility of management and were 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, and Schedule of Expenditures of State Financial Assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 10, 2016 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.

Bedard, Kurowicki & Co.
BEDARD, KUROWICKI & CO., CPA'S, PC


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

November 10, 2016
Flemington, New Jersey

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
EAST AMWELL TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
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, 2016. 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 2016 are as follows:

- In total, net position increased \$500,190, which represents a 15.83 percent increase from 2015.
- General revenues accounted for \$10,284,344 in revenue or 94.08 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 \$647,625 or 5.92 percent to total revenues of \$10,931,969. 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 \$70,540. 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.
- Total assets of governmental activities increased by \$245,691 as cash and cash equivalents decreased by \$180,477, receivables and other assets decreased by \$337,453 and capital assets increased by \$763,621.
- The School District had \$10,264,086 in expenses; only \$647,625 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$10,284,344 were adequate to provide for these programs.
- Among major funds, the General Fund had \$8,989,927 in revenues and \$8,550,991 in expenditures and other financing sources \$212,471. The General Fund's balance increased \$651,407 from 2015.

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.

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EAST AMWELL TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS
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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.
- 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

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(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 cafeteria service is currently managed by a food service company.

The School District as a Whole

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

Table 1 provides a summary of the school district's net position for 2016 compared to 2015.

	Table 1		Net Position	
	<u>6/30/16</u>	<u>6/30/15</u>	<u>Variance</u>	
			Dollars	%
ASSETS				
Current & Other Assets	\$ 2,140,665	\$ 2,657,542	\$ (516,877)	-19.45%
Capital Assets	<u>4,309,222</u>	<u>3,547,065</u>	<u>762,157</u>	21.49%
Total Assets	<u>6,449,887</u>	<u>6,204,607</u>	<u>245,280</u>	3.95%
Deferred Outflows on Deferred Pension Activity	<u>521,930</u>	<u>132,342</u>	<u>389,588</u>	294.38%
LIABILITIES				
Long-Term Liabilities	3,097,943	2,769,642	328,301	11.85%
Other Liabilities	<u>75,163</u>	<u>178,128</u>	<u>(102,965)</u>	-57.80%
Total Liabilities	<u>3,173,106</u>	<u>2,947,770</u>	<u>225,336</u>	7.64%
Deferred Inflows on Deferred Pension Activity	<u>138,954</u>	<u>229,612</u>	<u>(90,658)</u>	-39.48%
NET POSITION				
Net Investment in Capital Assets	3,889,222	2,937,065	952,157	32.42%
Restricted	1,221,498	2,036,753	(815,255)	-40.03%
Unrestricted	<u>(1,450,963)</u>	<u>(1,814,251)</u>	<u>363,288</u>	-20.02%
Total Net Position	<u>\$ 3,659,757</u>	<u>\$ 3,159,567</u>	<u>\$ 500,190</u>	15.83%

* = Undefined

Total assets increased \$245,280. Cash and cash equivalents decreased by \$182,194, receivables and other assets decreased by \$334,683 and capital assets increased by \$762,157. 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 \$363,288 due to additional revenues received and budgetary savings.

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The negative balance in unrestricted net assets is not a negative reflection on the District's financial condition, but is the result of reporting required by GASB Statement No. 68 Accounting and Financial Reporting for Pensions which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

Table 2 provides a summary of the District's changes in net position in fiscal year 2016 with comparisons to fiscal year 2015.

Table 2
Changes in Net Position

	Fiscal Year Ending		Variance	
	6/30/16	6/30/15	Dollars	%
Revenues				
Program Revenues:				
Charges for Services	\$ 412,218	\$ 408,260	\$ 3,958	0.97%
Operating Grants	235,407	204,260	31,147	15.25%
Capital Grants	-	411,300	411,300	-100.00%
General Revenues:				
Property Taxes	6,965,968	6,865,894	100,074	1.46%
Unrestricted Grants	3,291,667	2,713,850	577,817	21.29%
Other	26,709	25,949	760	2.93%
Total Revenues	<u>10,931,969</u>	<u>10,629,513</u>	<u>302,456</u>	2.85%
Program Expenses				
Instruction:				
Regular	4,037,150	4,392,107	(354,957)	8.08%
Special	1,400,991	1,239,724	161,267	13.01%
Other	85,519	91,954	(6,435)	-7.00%
Support Services:				
Tuition	71,253	75,555	(4,302)	-5.69%
Student & Instructional Staff	1,716,823	1,524,577	192,246	12.61%
General & Business Administration	826,490	641,568	184,922	28.82%
School Administration	303,504	247,784	55,720	22.49%
Maintenance	1,252,073	737,910	514,163	69.68%
Transportation	444,932	408,896	36,036	8.81%
Food Service	104,583	109,014	(4,431)	-4.06%
Interest on Long-Term Debt	20,768	29,226	(8,458)	-28.94%
Total Expenses	<u>10,264,086</u>	<u>9,498,315</u>	<u>765,771</u>	8.06%
Increase (Decrease) before special items	667,883	1,131,198	(463,315)	
Special Item:				
State Capital Project Grant De-obligated	(158,222)	-	(158,222)	*
Gain/(Loss) on Disposal of Assets	(9,471)	-	(9,471)	*
Increase (Decrease) in Net Position	<u>\$ 500,190</u>	<u>\$ 1,131,198</u>	<u>\$ (631,008)</u>	-55.78%

* = Undefined

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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 63.72 percent of revenues for governmental activities for the East Amwell School district for fiscal year 2016.

Instruction comprises 53.82 percent of district expenses. Support services expenses comprise 46.18 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 Governmental Services

	Total Cost of Services		Net Cost of Services	
	6/30/16	6/30/15	6/30/16	6/30/15
Instruction	\$5,523,660	\$ 5,723,785	\$ 5,098,725	\$ 5,070,817
Support Services:				
Tuition	71,253	75,555	71,253	75,555
Student & Instructional Staff	1,716,823	1,524,577	1,655,414	1,381,559
General & Business Administration	826,490	641,568	812,680	544,625
School Administration	303,504	247,784	264,686	233,923
Plant Operations & Maintenance	1,252,073	737,910	1,246,072	732,044
Pupil Transportation	444,932	408,896	444,932	408,896
Food Service	104,583	109,014	1,931	(2,150)
Interest on Long-Term Debt	20,768	29,226	20,768	29,226
Total Expenses	<u>\$ 10,264,086</u>	<u>\$ 9,498,315</u>	<u>\$ 9,687,001</u>	<u>\$ 8,474,495</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.

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.

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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 94.08 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 \$9,241,095 and expenditures of \$9,658,691. The net negative change in fund balance for the year was most significant in the Capital Projects Fund, a decrease of \$1,069,003.

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 2016 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.

For the General Fund, budget basis revenues were \$184,185 over original budgeted estimates of \$7,830,314. 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. Due to a combination of funds from projects that were under budget and prudent spending during the year along with the unanticipated revenues, the District was able to increase the capital reserve account, and at June 30, 2016 the balance was \$896,198. The maintenance reserve account was increased by \$75,000 making the June 30, 2016 balance \$250,000. Improvements for the District during the 2015-16 school year included:

- Facilities – The secure lobby addition was completed, providing more controlled entrance and exit to the building, as well as, improved administrative office space. The sub-flooring in the kitchen in the 1938 wing was repaired and the old vinyl flooring replaced with a new non-skid surface. With the help of grant funds, the installation of energy efficient windows in one section of the building and the replacement of one of the roofs were completed. In addition, the entire school is converting to energy efficient LED lighting, which is eligible for a rebate from New Jersey's Clean Energy Program. The cost of the conversion should be recouped within the next 2.5 years through savings in energy costs. Through state contract, the District was able to replace the old pick-up truck with a new Ford 250 model.
- Instructional – All programs, including an expanded Pre-K program, a self-contained special education class for autistic students, art, music and extra-curricular clubs and sports, have been maintained. The wireless system was completely upgraded and improved to accommodate the twists, turns and thick walls of the school building. A new projection system was installed in the gym for assemblies and will be ready for the new school year. Every student now has access to a

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personal device in the classroom including either an iPad or a Chromebook. The American Boy Choir non-public school opened its doors in September within the East Amwell District. While funding for the school is provided by the State, the funds are managed by the public school district. We look forward to the possibility of joint activities between our music programs.

Capital Assets

At the end of the fiscal year 2016 the school district had \$4,309,222 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 6/30/16 with comparisons to 6/30/15.

Table 4
Capital Assets at Year-end (Net of Depreciation)

	6/30/16	6/30/15	Variance	
			Dollars	%
Land	\$ 462,026	\$ 462,026		
Construction in Progress	9,459	677,299	\$ (667,840)	-98.60%
Land Improvements	46,578	52,584	(6,006)	-11.42%
Buildings & Improvements	3,590,170	2,211,130	1,379,040	62.37%
Furniture & Equipment	200,989	144,026	56,963	39.55%
Total	\$ 4,309,222	\$ 3,547,065	\$ 762,157	21.49%

Overall capital assets increased \$762,157 from fiscal year 2015 to fiscal year 2016. Increases in capital assets were offset by depreciation expenses for the year.

Debt Administration

At June 30, 2016, the school district had \$3,097,943 in long-term liabilities. Of this amount \$374,265 is for compensated absences, \$12,720 is for unamortized bond premiums, \$2,290,958 is for PERS net pension liability, and the balance \$420,000 is for bonds for school construction.

At June 30, 2016, the school district's overall legal debt margin was \$21,798,685 and the unvoted debt margin was \$21,378,685.

Table 5
Long-Term Liabilities at Year-end

	6/30/16	6/30/15	Variance	
			Dollars	%
General Obligation Bonds	\$ 420,000	\$ 610,000	(190,000)	-31.15%
Compensated Absences	374,265	389,269	(15,004)	-3.85%
Unamortized Bond Premiums	12,720	16,960	(4,240)	-25.00%
PERS Net Pension Liability	2,290,958	1,753,413	537,545	30.66%
Total	\$ 3,097,943	\$ 2,769,642	\$ 328,301	11.85%

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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.

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.

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, 2016

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 520,216	\$ 4,228	\$ 524,444
Investments	254,032	-	254,032
Due from other funds	600	-	600
Receivables, net	132,269	5,860	138,129
Inventory	-	1,962	1,962
Restricted assets	1,221,498	-	1,221,498
Capital assets, net (Note 4)			
Land	462,026	-	462,026
Capital assets not being depreciated	9,459	-	9,459
Other capital assets, net of depreciation	3,823,619	14,118	3,837,737
Total assets	<u>6,423,719</u>	<u>26,168</u>	<u>6,449,887</u>
Deferred outflows of resources			
Deferred amount on pension activity	<u>521,930</u>	<u>-</u>	<u>521,930</u>
Liabilities			
Accounts payable	38,290	-	38,290
Payables to other governments	1,359	-	1,359
Accrued interest	8,685	-	8,685
Unearned revenue	23,722	3,107	26,829
Long-term liabilities (Note 5)			
Due within one year	209,240	-	209,240
Due beyond one year	2,888,703	-	2,888,703
Total liabilities	<u>3,169,999</u>	<u>3,107</u>	<u>3,173,106</u>
Deferred inflows of resources			
Deferred amount on pension liability	<u>138,954</u>	<u>-</u>	<u>138,954</u>
Net position			
Net investment in capital assets	3,875,104	14,118	3,889,222
Restricted for			
Capital reserve	896,198	-	896,198
Emergency reserve	75,300	-	75,300
Maintenance reserve	250,000	-	250,000
Unrestricted	<u>(1,459,906)</u>	<u>8,943</u>	<u>(1,450,963)</u>
Total net position	<u>\$ 3,636,696</u>	<u>\$ 23,061</u>	<u>\$ 3,659,757</u>

See accompanying notes to financial statements.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2016

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	\$ 2,533,310	\$ 1,503,840	\$ 276,992	\$ 44,130	\$ -	\$ (3,716,028)	\$ -	\$ (3,716,028)
Special education	678,263	611,467	-	70,540	-	(1,219,190)	-	(1,219,190)
Other special education	107,736	3,525	-	30,669	-	(80,592)	-	(80,592)
Other instruction	82,810	2,709	-	2,604	-	(82,915)	-	(82,915)
Support services								
Tuition	71,253	-	-	-	-	(71,253)	-	(71,253)
Students & instruction related services	1,017,874	698,949	17,912	43,497	-	(1,655,414)	-	(1,655,414)
General & business administration services	455,910	370,580	13,810	-	-	(812,680)	-	(812,680)
School administration services	154,866	148,638	38,818	-	-	(264,686)	-	(264,686)
Plant operations & maintenance	757,340	494,733	6,001	-	-	(1,246,072)	-	(1,246,072)
Pupil transportation	430,786	14,146	-	-	-	(444,932)	-	(444,932)
Interest on long-term debt	20,768	-	-	-	-	(20,768)	-	(20,768)
Total governmental activities	<u>6,310,916</u>	<u>3,848,587</u>	<u>353,533</u>	<u>191,440</u>	<u>-</u>	<u>(9,614,530)</u>	<u>-</u>	<u>(9,614,530)</u>
Business-type activities								
Food Service	104,583	-	58,685	43,967	-	-	(1,931)	(1,931)
Total business-type activities	<u>104,583</u>	<u>-</u>	<u>58,685</u>	<u>43,967</u>	<u>-</u>	<u>-</u>	<u>(1,931)</u>	<u>(1,931)</u>
Total primary government	<u>\$ 6,415,499</u>	<u>\$ 3,848,587</u>	<u>\$ 412,218</u>	<u>\$ 235,407</u>	<u>\$ -</u>	<u>(9,614,530)</u>	<u>(1,931)</u>	<u>(9,616,461)</u>
General revenues, special items & transfers								
Property taxes levied for general purposes						6,748,018	-	6,748,018
Property taxes levied for debt service						217,950	-	217,950
Federal & state aid not restricted						3,291,667	-	3,291,667
Investment earnings						7,675	26	7,701
Capital grants de-obligated						(158,222)	-	(158,222)
Miscellaneous income						19,008	-	19,008
Special Item - Gain/(Loss) on disposal of assets						(9,471)	-	(9,471)
Total general revenues, special items & transfers						<u>10,116,625</u>	<u>26</u>	<u>10,116,651</u>
Change in net position						502,095	(1,905)	500,190
Net position-beginning						3,134,601	24,966	3,159,567
Net position-ending						<u>\$ 3,636,696</u>	<u>\$ 23,061</u>	<u>\$ 3,659,757</u>

See accompanying notes to 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, 2016

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
Assets					
Cash & cash equivalents	\$ 520,216	\$ -	\$ -	\$ -	\$ 520,216
Investments	254,032				254,032
Due from other funds	68,835	-	-	-	68,835
Receivables from other governments					
State	13,219	-	-	-	13,219
Federal	-	83,434	-	-	83,434
Other local governments	28,527				28,527
Other accounts receivable	4,928	2,161	-	-	7,089
Restricted cash & cash equivalents	<u>1,221,498</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,221,498</u>
Total assets	<u>\$ 2,111,255</u>	<u>\$ 85,595</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,196,850</u>
Liabilities and fund balances					
Liabilities					
Due to other funds	\$ -	\$ 68,235	\$ -	\$ -	\$ 68,235
Accounts payable	38,261	29	-	-	38,290
Payables to governments					
State	-	1,359	-	-	1,359
Unearned revenue	<u>7,750</u>	<u>15,972</u>	<u>-</u>	<u>-</u>	<u>23,722</u>
Total liabilities	<u>46,011</u>	<u>85,595</u>	<u>-</u>	<u>-</u>	<u>131,606</u>

See accompanying notes to financial statements.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Balance Sheet (continued)
Governmental Funds
June 30, 2016

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
Liabilities and fund balances					
Fund balances					
Restricted fund balance					
Excess surplus - designated for subsequent year's expenditures	\$ 103,303	\$ -	\$ -	\$ -	103,303
Excess surplus - current year	112,100	-	-	-	112,100
Committed fund balance					
Capital reserve	896,198	-	-	-	896,198
Emergency reserve	75,300	-	-	-	75,300
Maintenance reserve	250,000	-	-	-	250,000
Assigned fund balance					
Encumbrances	450,225	-	-	-	450,225
Designated for subsequent year's expenditures	2,088	-	-	-	2,088
Unassigned fund balance	176,030	-	-	-	176,030
Total fund balances	2,065,244	-	-	-	2,065,244
 Total liabilities and fund balances	 \$ 2,111,255	 \$ 85,595	 \$ -	 \$ -	

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

Capital assets used in government activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$7,572,413 and the accumulated depreciation is \$3,277,309	4,295,104
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds	382,976
Long-term liabilities, including bonds payable and compensated absences are not due & payable in the current period & therefore are not reported as liabilities in the funds	(3,097,943)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due	(8,685)
Total net position of governmental activities	\$ 3,636,696

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, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues					
Local sources					
Local tax levy	\$ 6,748,018	\$ -	\$ -	\$ 217,950	\$ 6,965,968
Tuition charges					-
Individuals	129,082	-	-	-	129,082
Other sources	147,910	-	-	-	147,910
Interest on investments	7,675	-	-	-	7,675
Rents and royalties	6,001	-	-	-	6,001
Miscellaneous	89,548	-	-	-	89,548
	<u>7,128,234</u>	<u>-</u>	<u>-</u>	<u>217,950</u>	<u>7,346,184</u>
State sources	1,861,693	8,286	(158,222)	-	1,711,757
Federal sources	-	183,154	-	-	183,154
Total revenues	<u>8,989,927</u>	<u>191,440</u>	<u>(158,222)</u>	<u>217,950</u>	<u>9,241,095</u>
Expenditures					
Current					
Instructional					
Regular instruction	2,489,180	44,130	-	-	2,533,310
Special education instruction	607,723	70,540	-	-	678,263
Other special instruction	77,067	30,669	-	-	107,736
Other instruction	80,206	2,604	-	-	82,810
Support service & undistributed costs					
Tuition	71,253	-	-	-	71,253
Student & instruction related services	974,377	43,497	-	-	1,017,874
General & business administrative services	455,910	-	-	-	455,910
School administrative services	154,866	-	-	-	154,866
Plant operations & maintenance	757,340	-	-	-	757,340
Pupil transportation	430,786	-	-	-	430,786
Unallocated benefits	2,206,784	-	-	-	2,206,784

See accompanying notes to financial statements.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances (continued)
Governmental Funds
For the Fiscal Year Ended June 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Expenditures (cont'd)					
Capital outlay	\$ 244,316	\$ -	\$ 698,310	\$ -	\$ 942,626
Debt service					
Principal	-	-	-	190,000	190,000
Interest & other charges	1,183	-	-	27,950	29,133
Total expenditures	<u>8,550,991</u>	<u>191,440</u>	<u>698,310</u>	<u>217,950</u>	<u>9,658,691</u>
Excess (deficit) of revenues over (under) expenditures	<u>438,936</u>	<u>-</u>	<u>(856,532)</u>	<u>-</u>	<u>(417,596)</u>
Other financing sources (uses)					
Transfers in	238,171	-	25,700	-	263,871
Transfers out	(25,700)	-	(238,171)	-	(263,871)
Total other financing sources (uses)	<u>212,471</u>	<u>-</u>	<u>(212,471)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	651,407	-	(1,069,003)	-	(417,596)
Fund balances, July 1	<u>1,413,837</u>	<u>-</u>	<u>1,069,003</u>	<u>-</u>	<u>2,482,840</u>
Fund balances, June 30	<u><u>\$ 2,065,244</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,065,244</u></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, 2016

Total net changes in fund balances - Governmental fund (from B-2) \$ (417,596)

Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures.

However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expenses. This is the amount by which capital outlays exceeds depreciation in the period

Capital outlays	\$	942,626	
Net cost basis of assets disposed		(9,471)	
Depreciation expense		<u>(169,534)</u>	763,621

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

Debt principal payments 190,000

Governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred & amortized in the Statement of Activities

Amortization of bond premium 4,240

Governmental funds report district pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

(57,299)

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 (continued)
For the Fiscal Year Ended June 30, 2016

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.	\$ 4,125
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.	<u>15,004</u>
Change in net position of governmental activities	<u><u>\$ 502,095</u></u>

See accompanying notes to financial statements.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Statement of Fund Net Position
Proprietary Funds
June 30, 2016

	<u>Food Service Fund</u>
Assets	
Current assets	
Cash and cash equivalents	\$ 4,228
Receivables from other governments	
State	180
Federal	5,680
Inventory	1,962
Total current assets	<u>12,050</u>
Noncurrent assets	
Capital assets	34,294
Less: accumulated depreciation	<u>20,176</u>
Total noncurrent assets	<u>14,118</u>
Total assets	<u>26,168</u>
Liabilities	
Current liabilities	
Unearned revenues - Commodities	1,120
Unearned revenues - Prepaid sales	<u>1,987</u>
Total liabilities	<u>3,107</u>
Net position	
Net investment in capital assets	14,118
Unrestricted	<u>8,943</u>
Total net position	<u>\$ 23,061</u>

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, 2016

	Food Service Fund
Operating revenues	
Charges for services	
Daily sales - Reimbursable programs	\$ 41,329
Daily sales - Non-reimbursable programs	17,356
Total operating revenues	58,685
Operating expenses	
Cost of sales - Reimbursable programs	28,561
Cost of sales - Non-reimbursable programs	11,994
Salaries	35,610
Support services - Employee benefits	5,414
Purchased professional/technical services	1,867
Purchased property services	3,356
Other purchased services	
Insurance	3,370
Management fee	7,621
Supplies and materials	4,695
Depreciation	1,464
Miscellaneous expenditures	631
Total operating expenses	104,583
Operating income (loss)	(45,898)
Non-operating revenues (expenses)	
State sources	
State School Lunch Program	1,096
Federal sources	
National School Lunch Program	
Cash assistance	32,641
Non cash assistance (commodities)	10,230
Interest earned on investments	26
Total non-operating revenues (expenses)	43,993
Change in net position	(1,905)
Net position, beginning	24,966
Net position, ending	\$ 23,061

See accompanying notes to financial statements.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2016

	Food Service Fund
Cash flows from operating activities	
Receipts from customers (net)	\$ 60,671
Payments to Food Service Management Co.	(89,159)
Payments to vendors (net)	(3,625)
Net cash provided by (used for) operating activities	(32,113)
Cash flows from non-capital financing activities	
State sources	1,007
Federal sources	29,363
Net cash provided by (used for) noncapital financing activities	30,370
Cash flows from investing activities	
Interest on investments	26
Net increase (decrease) in cash and cash equivalents	(1,717)
Cash and cash equivalents, beginning	5,945
Cash and cash equivalents, ending	\$ 4,228
Reconciliation of operating income to net cash provided by operating activities	
Operating income (loss)	\$ (45,898)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities	
Depreciation	1,464
Federal Food Donation Program	10,230
(Increase) decrease in inventory	597
Increase (decrease) in unearned revenue	1,494
Net cash provided by (used for) operating activities	\$ (32,113)

See accompanying notes to financial statements.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Statement of Fiduciary Net Position
June 30, 2016

	Unemployment Compensation Fund	Student Activity Agency Fund	Payroll Agency Fund
	<u> </u>	<u> </u>	<u> </u>
Assets			
Cash and cash equivalents	\$ 126,818	\$ 20,890	\$ 45,657
Due from other funds	7,147	-	-
Total assets	<u>\$ 133,965</u>	<u>\$ 20,890</u>	<u>\$ 45,657</u>
Liabilities			
Due to other funds	\$ -	\$ -	\$ 7,748
Due to student groups	-	20,890	-
Payroll deductions and withholdings	-	-	37,909
Total liabilities	<u>-</u>	<u>\$ 20,890</u>	<u>\$ 45,657</u>
Net position			
Held in Trust for unemployment claims & other purposes	<u>\$ 133,965</u>		

See accompanying notes to financial statements.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2016

	<u>Unemployment Compensation Fund</u>
Additions	
Contributions	
Employee contributions	\$ 7,459
Investment earnings - interest	<u>252</u>
Total additions	7,711
Deductions	
Unemployment claims	<u>-</u>
Change in net position	7,711
Net position, beginning of the year	<u>126,254</u>
Net position, end of the year	<u><u>\$ 133,965</u></u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

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:

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, 2016 of 371 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

Note 1 - Summary of significant accounting policies (continued)

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 non-fiduciary 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.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

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 accounts receivable. All other revenue items are considered to be measurable and available only when the District receives cash.

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 non-operating 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 non-instructional equipment, which are classified in the Capital Outlay sub-fund.

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

Resources for budgeted Capital Outlay purposes are normally derived from State of New Jersey aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to 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

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

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.

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.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

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

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 governments 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, 2016 were insignificant.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

D. Budgets/budgetary control (continued)

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

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

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 2015-2016 and 2014-2015 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 receivable/payables

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

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

I. Inventories and prepaid items

Inventories and prepaid items, which benefit future periods, other than those recorded in the Enterprise Fund are recorded as expenditures 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 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, 2016.

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:

Assets	Years
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
Vehicles	4 - 8
Office equipment	5 - 10
Computer equipment	5 - 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.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

K. Compensated absences (continued)

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.

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. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

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:

When expenditure is incurred for purposes which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When 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.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

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.

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.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

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. U.S. 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, 2016 appear in the financial statements as summarized below:

Cash		\$	1,939,307
			254,032
		<u>\$</u>	<u>2,193,339</u>
 <u>Ref.</u>			
Cash			
Governmental Funds, Balance Sheet	B-1	\$	1,741,714
Enterprise Funds, Statement of Net Position	B-4		4,228
Fiduciary Funds, Statement of Net Position	B-7		193,365
Investments:			
Governmental Funds, Balance Sheet	B-2		254,032
Total cash		<u>\$</u>	<u>2,193,339</u>

Deposits - The District's carrying amount of bank deposits at June 30, 2016 is \$2,193,339 and the bank balance is \$2,449,711. Of the bank balance, \$250,000 is covered by Federal Depository Insurance and \$2,199,711 is insured by GUDPA.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 3 - Deposits and cash equivalents and investments (continued)

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 or more of total investments. This requirement does not apply to investments issued or explicitly guaranteed by the U.S. 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, 2016, the District has investments consisting of a certificate of deposit of Hopewell Valley Bank.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 4 - Capital assets

Capital asset activity for the fiscal year ended June 30, 2016 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 462,026	\$ -	\$ -	\$ 462,026
Construction in progress	677,299	722,417	1,390,257	9,459
Total	<u>1,139,325</u>	<u>722,417</u>	<u>1,390,257</u>	<u>471,485</u>
Capital assets, being depreciated				
Land improvements	141,560	-	19,513	122,047
Building & improvements	4,946,241	1,516,395	32,011	6,430,625
Furniture & equipment	866,711	94,070	412,525	548,256
Total	<u>5,954,512</u>	<u>1,610,465</u>	<u>464,049</u>	<u>7,100,928</u>
Accumulated depreciation				
Land improvements	88,976	6,006	19,513	75,469
Building & improvements	2,735,111	137,355	32,011	2,840,455
Furniture & equipment	738,267	26,173	403,055	361,385
Total	<u>3,562,354</u>	<u>169,534</u>	<u>454,579</u>	<u>3,277,309</u>
Total capital assets, being depreciated, net	<u>2,392,158</u>	<u>1,440,931</u>	<u>9,470</u>	<u>3,823,619</u>
Governmental activities capital assets, net	<u>\$ 3,531,483</u>	<u>\$ 2,163,348</u>	<u>\$ 1,399,727</u>	<u>\$ 4,295,104</u>
Business type activities				
Furniture & equipment	\$ 34,294	\$ -	\$ -	\$ 34,294
Less: accumulated depreciation	<u>18,712</u>	<u>1,464</u>	<u>-</u>	<u>20,176</u>
Business type activities capital assets, net	<u>\$ 15,582</u>	<u>\$ (1,464)</u>	<u>\$ -</u>	<u>\$ 14,118</u>

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 4 - Capital assets (continued)

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

Instruction	
Regular	\$ 82,887
Special education	22,192
Other special instruction	3,525
Other instruction	2,709
Support services	
Student & instruction	33,303
General & business administration	14,917
School administration	5,067
Plant maintenance	4,934
Total depreciation expense, governmental activities	\$ 169,534

Note 5 - Long-term debt

Long-term liability activity for the year ended June 30, 2016 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds payable	\$ 610,000	\$ -	\$ 190,000	\$ 420,000	\$ 205,000
Compensated absences payable	389,269	47,289	62,293	374,265	-
Unamortized bond premiums	16,960	-	4,240	12,720	4,240
PERS net pension liability	1,753,413	537,545	-	2,290,958	-
Total governmental activities long- term liabilities	\$ 2,769,642	\$ 584,834	\$ 256,533	\$ 3,097,943	\$ 209,240

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, 2016 including interest payments are listed as follows:

Year ending June 30,	Principal	Interest	Total
2017	\$ 205,000	\$ 18,950	\$ 223,950
2018	215,000	10,750	225,750
Total	\$ 420,000	\$ 29,700	\$ 449,700

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 5 - Long-term debt (continued)

General Obligation Bonds - General obligation school building bonds payable at June 30, 2016, 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 January 15, 2008, through Jan 15, 2018, interest at 3.625% to 5.000%. \$ 420,000

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, 2016 is \$21,798,685. General obligation debt at June 30, 2016 is \$420,000, resulting in a legal debt margin of \$21,378,685.

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. Public employees' retirement systems (PERS)

Plan description

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

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

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans

A. Public employees' retirement systems (PERS) (continued)

Plan description (continued)

The following represents the membership tiers for PERS:

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

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

Allocation methodology and reconciliation to financial statements

Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense excluding that attributable to employer-paid member contributions are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the Schedule of Employer Allocations are applied to amounts presented in the Schedules of Pension Amounts by Employer. The allocation percentages for each group as of June 30, 2015 and 2014 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal years ended June 30, 2015 and 2014, respectively.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans

A. Public employees' retirement systems (PERS) (continued)

Allocation methodology and reconciliation to financial statements (continued)

GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer allocation percentages presented in the Division's Schedule of Employer Allocations and applied to amounts presented in the Schedule of Pension Amounts by Employer are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2015 and 2014. Employer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the Schedule of Pension Amounts by Employer may result in immaterial differences.

Contributions

The contribution policy for PERS is set by NJSA 15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For Fiscal years 2015 and 2014, the State's pension contribution was less than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, PL 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Collective net pension liability and actuarial information

Components of net pension liability

The components of the District's allocable share of the net pension liability for PERS as of June 30, 2015 and 2014 are as follows:

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans

A. Public employees' retirement systems (PERS) (continued)

Components of net pension liability (continued)

	2015	2014
Total pension liability	\$ 4,399,602	\$ 3,659,104
Plan fiduciary net position	2,108,644	1,905,691
Net pension liability	\$ 2,290,958	\$ 1,753,413

Plan fiduciary net position as a percentage of the total pension liability	47.93%	52.08%
--	--------	--------

Plan description

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2014. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	3.04%
Salary increases (based on age)	
2012 - 2021	2.15% - 4.40%
Thereafter	3.15% - 5.40%
Investment rate of return	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-term expected rate of return

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees, and the Actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans
A. Public employees' retirement systems (PERS) (continued)
Long-term expected rate of return (continued)

Asset Class	Target Allocations	Long-Term Expected Rate of Return
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grad Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Commodities	1.00%	5.32%
Global Debt ex U.S.	3.50%	-0.40%
REIT	4.25%	5.12%

Discount rate

The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the District as of June 30, 2015 and 2014, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans

A. Public employees' retirement systems (PERS) (continued)

Sensitivity of the collective net pension liability to changes in the discount rate (continued)

	2015
At current discount rate (4.90%)	2,290,958
At a 1% lower rate (3.90%)	2,847,381
At a 1% higher rate (5.90%)	1,824,458
	2014
At current discount rate (5.39%)	1,753,413
At a 1% lower rate (4.39%)	2,205,854
At a 1% higher rate (6.39%)	1,373,479

Collective deferred outflows of resources and deferred inflows of resources

At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 54,654	\$ -
Changes of assumptions	246,031	-
Net difference between projected and actual earnings on pension plan investments	-	36,834
Changes in proportion and differences between District contributions and proportionate share of contributions	133,504	102,120
District contributions subsequent to the measurement date	87,741	-
Total	\$ 521,930	\$ 138,954

The amount reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2016, the plan measurement date is June 30, 2015) of \$24,043 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016.

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the year ended June 30, 2015:

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans

A. Public employees' retirement systems (PERS) (continued)

Collective deferred inflows of resources and deferred inflows of resources (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Deferred outflows of resources				
Changes of assumptions	\$ 60,085	\$ 304,960	\$ 64,360	\$ 300,685
Deferred inflows of resources				
Difference between projected and actual earnings on pension plan investments	113,871	(60,710)	16,327	36,834
Net of deferred outflows/(inflows)				\$ 263,851

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding employer specific amounts, deferrals from District contributions subsequent to the measurement date, and deferrals from change on proportion) will be recognized in pension expense as follows:

Year ending June 30,

2016	\$ 48,034
2017	48,034
2018	48,034
2019	76,503
2020	43,246
Total	\$ 263,851

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

A. Public employees' retirement systems (PERS) (continued)

Pension expense

For the year ended June 30, 2016, the District recognized net pension expense of \$44,133 which represents the District's proportionate share of allocable plan pension expense of \$41,182 plus the net amortization of deferred amounts from changes in proportion of \$4,543 and less other adjustments to the net pension liability of \$1,592. The components of allocable pension expense, which exclude amounts attributable to employer paid member contributions and pension expense related to specific liabilities of individual employers, for the District for the year ending June 30, 2015 are as follows:

Service cost	\$ 90,017
Interest on total pension liability	214,526
Member contributions	(49,794)
Administrative expense	1,673
Expected investment return net of investment expense	(153,279)
Pension expense related to specific liabilities of individual employers	(890)
Recognition of deferred inflows/outflows of resources	
Amortization of assumption changes or inputs	52,781
Amortization of expected versus actual experience	11,579
Amortization of projected versus actual investment earnings on pension plan investments	(16,326)
Pension expense	\$ 150,287

B. Teacher's pension and annuity fund (TPAF)

Plan description

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

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

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

B. Teacher's pension and annuity fund (TPAF) (continued)

Plan description (continued)

The following represents the membership tiers for TPAF:

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

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

Special funding situation

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

For purposes of reporting required by GASB Statement No. 68, Accounting and Financial Reporting for Pensions, the District's proportionate share of allocable net pension liability, employer pension expense and related revenue, non-employer contributions and their allocable proportionate percentage for fiscal years ending June 30, 2015 and 2014 is as follows:

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)
B. Teacher's pension and annuity fund (TPAF) (continued)
Special funding situation (continued)

	2015	2014
Net pension liability	\$ 23,419,537	\$ 19,825,900
Employer pension expense and related revenue	1,429,974	1,068,820
Non-employer contribution	199,137	157,574
Allocable proportionate percentage	0.0370537251%	0.0370946815%

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 (\$8,300 in 2016) 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, P.O. Box 295, Trenton, New Jersey 08625-0295.

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.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

B. Teacher's pension and annuity fund (TPAF) (continued)

Three-year trend information for TPAF (paid on behalf of the District):

Year Funding	TPAF Benefit Cost	Percentage of APC Contributed
06/30/16	\$ 621,654	100%
06/30/15	518,344	100%
06/30/14	414,227	100%

Three-year trend information for PERS:

Year Funding	Annual Pension Cost	Percentage of APC Contributed
06/30/16	\$ 87,741	100%
06/30/15	77,205	100%
06/30/14	76,404	100%

During the year ended June 30, 2016, the State of New Jersey contributed \$337,887 to the TPAF for post-retirement medical benefits, \$13,465 for non-contributory insurance premiums and \$270,302 for normal costs and accrued liability costs on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$356,446 during the year ended June 30, 2016 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 68.

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, 2015, there were 107,314 retirees eligible for post-retirement medical benefits, and the State contributed \$1.25 billion on their behalf. 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.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Post-retirement benefits (continued)

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 2015, the State paid \$214.1 million toward Ch. 126 benefits for 19,056 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 State 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, P.O. Box 295, Trenton, NJ 08625-0295 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

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, 2016 is as follows:

	Receivable	Payable
General Fund	\$ 68,835	\$ -
Payroll Agency	-	7,748
Special Revenue Fund	-	68,235
Unemployment	7,148	-
	\$ 75,983	\$ 75,983

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 \$7,148 represents employee withholdings for the unemployment trust not yet transferred at year end. The balance due from the General Fund to the Special Revenue Fund of \$68,235 represents a loan for cash flow issues relating to the delayed receipt of grant revenues.

Note 10 - Inventory

Inventory in the Food Service Fund as of June 30, 2016 consisted of the following:

Food	\$ 1,744
Supplies	218
Total	\$ 1,962

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1996) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to 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. There was no significant reduction in insurance coverage from coverage of the prior year. The District did not have any insurance settlements which exceeded insurance coverage for the past three years. 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:

Fiscal Year	Board Contrib.	Interest Earnings	Employee Contrib.	Amount Reimbursed	Ending Balance
2015-2016	\$ -	\$ 252	\$ 7,459	\$ -	\$ 133,965
2014-2015	-	237	8,026	-	126,254
2013-2014	-	241	9,344	15,418	117,991

Note 13 - Legal reserve accounts

A Capital Reserve Account was established by the District 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

Note 13 - Legal reserve accounts (continued)

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 increase the balance in the Capital Reserve by appropriating funds in the annual General Fund budget certified for taxes. A District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to NJSA 19:60-2. Pursuant to NJAC 6A:26-9.1(d)1, 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 deposited \$320,000 to their Capital Reserve Account and \$30,000 to their Maintenance Reserve Account by Board resolution in June 2016 as summarized in the following schedule. The following Schedule is a Summarization of the Legal Reserve Accounts for the current year:

<u>Reserve Type</u>	<u>Beginning Balance</u>	<u>District Contrib.</u>	<u>Interest Earnings</u>	<u>Return Unused Withdrawal</u>	<u>Withdrawal</u>	<u>Ending Balance</u>
Capital	\$ 717,450	\$ 395,000	\$ 250	\$ 273,498	\$ 490,000	\$ 896,198
Emergency	75,300	-	-	-	-	75,300
Maintenance	175,000	75,000	-	-	-	250,000
Total	<u>\$ 967,750</u>	<u>\$ 470,000</u>	<u>\$ 250</u>	<u>\$ 273,498</u>	<u>\$ 490,000</u>	<u>\$ 1,221,498</u>

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

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, 2016 and 2015 is as follows:

	2016	2015
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 year's budgets.	\$ 112,100	\$ 103,303
Excess surplus-designated for subsequent year's expenditures - represents amount appropriated in the succeeding year's budget to reduce tax requirements.	103,303	121,281
Committed		
Capital reserve account - Represents funds restricted to capital projects in the Districts long range facilities plan.	896,198	717,450
Maintenance reserve account - Represents funds accumulated for the required maintenance of a facility in accordance with the EFCFA. (NJSA18A:76-9).	250,000	175,000
Emergency reserve account - represents funds restricted to finance unanticipated General Fund expenditures required for a thorough and efficient education.	75,300	75,300
Assigned		
Designated surplus - Designated for Subsequent Year's Expenditures - Represents amount appropriated in the succeeding year's budget to reduce tax requirements.	2,088	-
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,	450,225	30,798
Unassigned		
Undesignated - Represents fund balance which has not been restricted or designated.	263,219	275,222
Total fund balance	\$ 2,152,433	\$ 1,498,354

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

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 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, 2016 is \$112,100.

Note 16 - Subsequent events

The District has evaluated subsequent events through November 10, 2016, 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 August 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 77 "*Tax Abatement Disclosures*". This statement, which is effective for reporting periods beginning after December 15, 2015, is not expected to have a material impact on the District's financial reporting.

In December 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 78 "*Pension's Provided through Certain Multiple-Employer Defined Benefit Pension Plans*". This statement, which is effective for reporting periods beginning December 15, 2015, is not expected to have a material impact on the District's financial reporting.

In December 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 79 "*Certain External Investment Pools and Pool Participants*". This statement, which is effective for reporting periods beginning December 15, 2015, is not expected to have a material impact on the District's financial reporting.

In January 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 80 "*Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*". This statement, which is effective for reporting periods beginning June 15, 2016, is not expected to have a material impact on the District's financial reporting.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 17 - Recent accounting pronouncements not yet effective (continued)

In March 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 82 "*Pension Issues - an amendment of GASB Statements No. 67 and No. 73*". This statement is effective for reporting periods beginning June 15, 2016, except for the requirements of paragraph 7 in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements of paragraph 7 are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. This statement is not expected to have a material impact on the District's financial reporting.

In August 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 77 "Tax Abatement Disclosures". This statement, which is effective for fiscal periods beginning December 15, 2015, is not expected to have an effect on the District's financial reporting.

Note 18 - Deficit balance in unrestricted net position

The District is reporting a deficit balance in unrestricted net position for governmental activities as of June 30, 2016 of \$(1,459,906) on schedule A-1 "Statement of Net Position". The deficit balance is not a negative reflection on the District's financial condition, but is the result of reporting required by GASB Statement No. 68 Accounting and Financial Reporting for Pensions which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local sources					
Local tax levy	\$ 6,748,018	\$ -	\$ 6,748,018	\$ 6,748,018	\$ -
Tuition from individuals	60,000	-	60,000	129,082	69,082
Tuition from other LEAs within the state	100,000	-	100,000	147,910	47,910
Rents and royalties	-	-	-	6,001	6,001
Unrestricted miscellaneous revenues	49,000	-	49,000	97,223	48,223
Interest earned on capital reserve funds	250	-	250	-	(250)
Total	6,957,268	-	6,957,268	7,128,234	170,966
State sources					
School Choice Aid	267,200	-	267,200	267,200	-
Categorical Transportation Aid	181,957	-	181,957	181,957	-
Extraordinary Aid	-	-	-	11,223	11,223
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	-
Other State Aids	7,240	-	7,240	9,236	1,996
TPAF Pension (on-behalf)	-	-	-	283,767	283,767
TPAF Social Security (reimbursed)	-	-	-	356,446	356,446
TPAF Post Retirement Benefits	-	-	-	337,887	337,887
Total	873,046	-	873,046	1,864,365	991,319
Total Revenues	\$ 7,830,314	\$ -	\$ 7,830,314	\$ 8,992,599	\$ 1,162,285
EXPENDITURES					
Current					
Instruction - regular program					
Salaries of teachers					
Preschool	\$ 50,897	\$ 325	\$ 51,222	\$ 50,932	\$ 290
Kindergarten	136,960	8,600	145,560	144,351	1,209
Grades 1-5	1,218,773	(76,365)	1,142,408	1,138,891	3,517
Grades 6-8	892,480	5,400	897,880	894,678	3,202
Home instruction					
Salaries of teacher	1,200	350	1,550	1,550	-
Other purchased services	150	-	150	52	98
Regular programs - undistributed instruction					
Other salaries for instruction	19,802	(300)	19,502	18,642	860
Purchased professional - educational services	500	-	500	-	500
Purchased technical services	36,675	(350)	36,325	14,892	21,433
Other purchased services	116,569	-	116,569	109,553	7,016
General supplies	139,316	(9,480)	129,836	104,458	25,378
Textbooks	1,000	-	1,000	-	1,000
Other objects	8,500	2,700	11,200	11,181	19
Total	2,622,822	(69,120)	2,553,702	2,489,180	64,522
Special education					
Resource room/resource center					
Salaries of teachers	362,337	(33,076)	329,261	327,687	1,574
Other salaries for instruction	141,064	(32,385)	108,679	90,945	17,734
Other purchased services	1,000	(250)	750	-	750
General supplies	5,400	(5)	5,395	5,054	341
Total	509,801	(65,716)	444,085	423,686	20,399

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (cont'd)					
Autism					
Salaries of teachers	\$ -	\$ 68,776	\$ 68,776	\$ 65,085	\$ 3,691
Other objects	-	3,780	3,780	3,780	-
Total	-	72,556	72,556	68,865	3,691
Preschool disabilities - full-time					
Salaries of teachers	47,659	1,575	49,234	49,102	132
Other salaries for instruction	33,275	22,425	55,700	50,790	4,910
Purchased professional-educational services	15,000	(230)	14,770	14,296	474
General supplies	900	85	985	984	1
Total	96,834	23,855	120,689	115,172	5,517
Total special education	606,635	30,695	637,330	607,723	29,607
Basic skills/remedial					
Salaries of teachers	66,750	9,665	76,415	76,388	27
Other purchased services	225	-	225	-	225
General supplies	1,285	-	1,285	679	606
Total	68,260	9,665	77,925	77,067	858
School-sponsored co/extra curricular activities-instruction					
Salaries	34,300	10,145	44,445	44,431	14
Purchased services	500	-	500	165	335
Supplies and materials	2,250	(275)	1,975	1,605	370
Other objects	500	-	500	75	425
Total	37,550	9,870	47,420	46,276	1,144
School-sponsored athletics - instruction					
Salaries	39,258	(6,000)	33,258	30,044	3,214
Purchased services	5,060	-	5,060	2,999	2,061
Supplies and materials	6,000	-	6,000	707	5,293
Other objects	500	-	500	180	320
Total	50,818	(6,000)	44,818	33,930	10,888
Total instruction regular	\$ 3,386,085	\$ (24,890)	\$ 3,361,195	\$ 3,254,176	\$ 107,019
Undistributed expenditures					
Undistributed expenditures - instruction					
Tuition to cssd & regional day schools	\$ 22,000	\$ (22,000)	\$ -	\$ -	\$ -
Tuition to priv. school for the disabled w/i state	56,400	16,600	73,000	71,253	1,747
Total	78,400	(5,400)	73,000	71,253	1,747
Undistributed expenditures - health services					
Salaries	94,000	300	94,300	94,145	155
Purchased professional and technical services	10,385	(300)	10,085	9,826	259
Other purchased services	725	(340)	385	242	143
Supplies and materials	3,000	450	3,450	3,388	62
Other objects	145	40	185	183	2
Total	108,255	150	108,405	107,784	621

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (cont'd)					
Undistributed expenditures - speech, ot, pt & related services					
Salaries	\$ 58,750	\$ -	\$ 58,750	\$ 58,065	\$ 685
Purchased professional - educational services	60,000	(750)	59,250	51,058	8,192
Supplies and materials	3,085	(400)	2,685	1,136	1,549
Other objects	600	400	1,000	-	1,000
Total	<u>122,435</u>	<u>(750)</u>	<u>121,685</u>	<u>110,259</u>	<u>11,426</u>
Undistributed expend - other supp. service stds. - extra service					
Salaries	29,500	-	29,500	26,685	2,815
Purchased professional - educational services	5,475	-	5,475	2,348	3,127
Supplies and materials	1,516	-	1,516	1,126	390
Total	<u>36,491</u>	<u>-</u>	<u>36,491</u>	<u>30,159</u>	<u>6,332</u>
Undistributed expenditures- guidance					
Salaries of other professional staff	84,521	100	84,621	84,619	2
Other purchased services	225	74	299	299	-
Supplies and materials	6,194	(174)	6,020	3,863	2,157
Other objects	150	-	150	-	150
Total	<u>91,090</u>	<u>-</u>	<u>91,090</u>	<u>88,781</u>	<u>2,309</u>
Undistributed expenditures - child study teams					
Salaries of other professional staff	210,650	3,220	213,870	213,870	-
Salaries of secretarial and clerical assistants	44,003	(1,300)	42,703	42,587	116
Other salaries	19,770	-	19,770	18,715	1,055
Purchased professional - educational services	4,000	(2,030)	1,970	-	1,970
Other purchased professional & technical services	6,000	520	6,520	6,504	16
Other purchased services	750	-	750	141	609
Miscellaneous purchased service	2,450	110	2,560	2,556	4
Supplies and materials	5,845	(520)	5,325	523	4,802
Other objects	250	-	250	-	250
Total	<u>293,718</u>	<u>-</u>	<u>293,718</u>	<u>284,896</u>	<u>8,822</u>
Undistributed expenditures - improvement of inst. service					
Salaries of other professional staff	10,880	(4,605)	6,275	6,069	206
Salaries of secretarial & clerical assist	8,800	-	8,800	7,410	1,390
Other salaries	102,800	4,605	107,405	107,404	1
Other purchased services	1,423	300	1,723	1,713	10
Supplies and materials	2,000	(1,175)	825	150	675
Other objects	1,370	-	1,370	1,345	25
Total	<u>127,273</u>	<u>(875)</u>	<u>126,398</u>	<u>124,091</u>	<u>2,307</u>
Undistributed expenditures - edu. media service/sch. library					
Salaries	76,600	3,225	79,825	79,014	811
Salaries of technology coordinators	84,508	105	84,613	84,613	-
Purchased professional and technical services	50,000	(105)	49,895	45,790	4,105
Other purchased services	2,160	-	2,160	1,452	708
Supplies and materials	13,929	(3,225)	10,704	9,039	1,665
Other objects	225	-	225	100	125
Total	<u>227,422</u>	<u>-</u>	<u>227,422</u>	<u>220,008</u>	<u>7,414</u>

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (cont'd)					
Undistributed expenditures - instructional staff training services					
Purchased professional - educational services	\$ -	\$ 1,705	\$ 1,705	\$ 1,705	\$ -
Other purchased services	5,149	2,100	7,249	5,789	1,460
Supplies and materials	750	350	1,100	905	195
Other objects	500	(150)	350	-	350
Total	6,399	4,005	10,404	8,399	2,005
Undistributed expend. - support service - general admin.					
Salaries	203,420	4,460	207,880	207,863	17
Legal services	12,000	(6,670)	5,330	3,502	1,828
Audit fees	15,250	(300)	14,950	14,950	-
Architectural/engineering services	5,000	(630)	4,370	4,356	14
Communications/telephone	14,915	1,715	16,630	16,422	208
BOE other purchased services	2,200	(600)	1,600	1,591	9
Misc purch services	16,583	3,600	20,183	19,695	488
General supplies	2,500	2,550	5,050	5,036	14
BOE in-house training/meeting supplies	300	(75)	225	186	39
Miscellaneous expenditures	1,000	(1,000)	-	-	-
BOE membership dues and fees	4,500	-	4,500	4,237	263
Total	277,668	3,050	280,718	277,838	2,880
Undistributed expend. - support service - school admin.					
Salaries of principals/assistant principals	92,673	2,600	95,273	95,263	10
Salaries of secretarial and clerical assistants	43,833	2,115	45,948	45,943	5
Other purchased services	3,023	(175)	2,848	2,824	24
Supplies and materials	2,000	1,965	3,965	3,902	63
Other objects	2,200	(55)	2,145	2,144	1
Total	143,729	6,450	150,179	150,076	103
Undistributed expenditures - central services					
Salaries	156,416	5,951	162,367	162,367	-
Purchased professional services	8,400	(245)	8,155	8,150	5
Purchased technical services	1,002	(1,002)	-	-	-
Miscellaneous purchased services	1,500	1,267	2,767	2,765	2
Supplies and materials	1,500	855	2,355	2,351	4
Other objects	2,250	189	2,439	2,439	-
Total	171,068	7,015	178,083	178,072	11
Undistributed expenditures - admin. info. technology					
Purchased professional services	-	4,790	4,790	4,790	-
Purchased technical services	4,790	(4,790)	-	-	-
Total	4,790	-	4,790	4,790	-
Undistributed expend. - required maint. for school facilities					
Salaries	43,132	360	43,492	43,487	5
Cleaning, repair, and maintenance services	164,256	(24,656)	139,600	139,597	3
General supplies	2,000	(1,749)	251	250	1
Total	209,388	(26,045)	183,343	183,334	9

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (cont'd)					
Undistributed expenditures - custodial services					
Salaries	\$ 202,400	\$ (31,450)	\$ 170,950	\$ 168,765	\$ 2,185
Purchased professional and technical services	21,400	(3,035)	18,365	14,716	3,649
Cleaning, repair, and maintenance service	28,500	5,000	33,500	33,000	500
Insurance	33,850	(1,575)	32,275	32,264	11
Miscellaneous purchased services	500	-	500	500	-
General supplies	45,000	21,475	66,475	63,864	2,611
Energy (natural gas)	52,000	-	52,000	26,254	25,746
Energy (electricity)	104,000	(15,450)	88,550	69,520	19,030
Other objects	2,000	-	2,000	1,644	356
Total	<u>489,650</u>	<u>(25,035)</u>	<u>464,615</u>	<u>410,527</u>	<u>54,088</u>
Undistributed expenditures - Care and upkeep of grounds					
Salaries	72,817	30,200	103,017	103,001	16
Purchased professional and technical services	14,650	3,150	17,800	17,771	29
Cleaning, repair, and maintenance service	9,000	(2,825)	6,175	6,159	16
General supplies	9,000	4,025	13,025	13,019	6
Other objects	1,000	(1,000)	-	-	-
Total	<u>106,467</u>	<u>33,550</u>	<u>140,017</u>	<u>139,950</u>	<u>67</u>
Undistributed expenditures - Security					
Salaries	3,000	1,797	4,797	4,797	-
Purchased professional and technical services	18,206	(13,564)	4,642	4,600	42
Cleaning, repair, and maintenance service	1,500	1,350	2,850	2,832	18
General supplies	2,000	(1,025)	975	-	975
Other objects	25,000	(13,010)	11,990	11,300	690
Total	<u>49,706</u>	<u>(24,452)</u>	<u>25,254</u>	<u>23,529</u>	<u>1,725</u>
Undistributed expenditures - student transportation service					
Salaries for pupil trans (between home & school) - reg.	8,911	22	8,933	8,932	1
Management fee - esc & ctsa trans. program	500	293	793	793	-
Contract service-aid in lieu pymts-non-public schools	10,608	1,100	11,708	11,698	10
Contract serv-aid in lieu pymts-choice school students	2,652	3,958	6,610	6,154	456
Contr service (oth. than between home & school) - vend	25,000	(1,625)	23,375	20,537	2,838
Contr service (between home & school) - joint agreements	345,818	(9,760)	336,058	333,804	2,254
Contract service (sp ed stds) - joint agreements	58,928	(27,068)	31,860	31,859	1
Contract service (spl. ed. students) - escs & ctsas	-	17,025	17,025	17,009	16
Total	<u>452,417</u>	<u>(16,055)</u>	<u>436,362</u>	<u>430,786</u>	<u>5,576</u>
Unallocated benefits-employee benefits					
Social security contributions	75,880	8,610	84,490	84,489	1
Other retirement contributions - PERS	100,250	(9,515)	90,735	87,741	2,994
Unemployment compensation	15,500	-	15,500	15,500	-
Workmen's compensation	35,056	2,075	37,131	37,125	6
Health benefits	1,012,710	(37,625)	975,085	927,312	47,773
Tuition reimbursement	27,925	-	27,925	24,482	3,443
Other employee benefits	42,213	(2,835)	39,378	38,488	890
Mass severance unused sick payment to terminated/retired staff	9,975	(9,975)	-	-	-
Unused sick payment to terminated/retired staff	-	13,575	13,575	13,547	28
Total	<u>1,319,509</u>	<u>(35,690)</u>	<u>1,283,819</u>	<u>1,228,684</u>	<u>55,135</u>

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (cont'd)					
On-behalf TPAF pension contribution	\$ -	\$ -	\$ -	\$ 283,767	\$ (283,767)
On-behalf TPAF post retirement medical benefits	-	-	-	337,887	(337,887)
Reimbursed TPAF social security contribution	-	-	-	356,446	(356,446)
Total	-	-	-	978,100	(978,100)
 Total undistributed expenditures	 \$ 4,315,875	 \$ (80,082)	 \$ 4,235,793	 \$ 5,051,316	 \$ (815,523)
 Total current	 \$ 7,701,960	 \$ (104,972)	 \$ 7,596,988	 \$ 8,305,492	 \$ (708,504)
Capital outlay					
Equipment					
Undistributed					
Undistributed expenditures - instruction	\$ 24,000	\$ 51,533	\$ 75,533	\$ 13,633	\$ 61,900
Undistributed expenditures - school admin.	85,000	(28,526)	56,474	56,474	-
Undistributed expend. - required maint. for school facilities	-	33,163	33,163	33,145	18
Undistributed expenditures - custodial services	25,000	(25,000)	-	-	-
Total equipment	134,000	31,170	165,170	103,252	61,918
Facilities acquisition and construction service					
Architectural/engineering services	-	26,065	26,065	26,062	3
Other purchased professional and technology services	-	72,020	72,020	53,717	18,303
Construction services	25,000	440,016	465,016	61,285	403,731
Assessment for debt service on SDA funding	1,183	-	1,183	1,183	-
Total facilities acquisition and construction service	26,183	538,101	564,284	142,247	422,037
Total capital outlay	\$ 160,183	\$ 569,271	\$ 729,454	\$ 245,499	\$ 483,955
Total expenditures	\$ 7,862,143	\$ 464,299	\$ 8,326,442	\$ 8,550,991	\$ (224,549)
Excess (deficiency) of revenues over (under) expenditures	\$ (31,829)	\$ (464,299)	\$ (496,128)	\$ 441,608	\$ 937,736
Other financing sources (uses)					
Operating transfer in					
Transfers from capital projects fund	-	-	-	238,171	238,171
Operating transfer out					
Transfer to capital projects fund	-	(25,700)	(25,700)	(25,700)	-
Capital reserve - transfer to capital projects fund	(616,950)	616,950	-	-	-
Total other financing sources (uses)	(616,950)	591,250	(25,700)	212,471	238,171
Excess (deficiency) of revenues & other financing sources					
Over (under) expenditures & other financing uses	(648,779)	126,951	(521,828)	654,079	1,175,907
Fund balances, July 1	1,498,354	-	1,498,354	1,498,354	-
Fund balances, June 30	\$ 849,575	\$ 126,951	\$ 976,526	\$ 2,152,433	\$ 1,175,907

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Recapitulation of excess (deficiency) of revenues over (under) expenditures					
Adjustment for prior year encumbrances	\$ (30,798)	\$ -	\$ (30,798)	\$ (30,798)	\$ -
Increase in capital reserve	75,000	320,000	395,000	668,748	273,748
Interest deposit to capital reserve	250	-	250	-	(250)
Withdrawal from capital reserve	(616,950)	126,950	(490,000)	(490,000)	-
Increase in maintenance reserve	45,000	30,000	75,000	75,000	-
Budgeted fund balance	(121,281)	(349,999)	(471,280)	431,129	902,409
Total	<u>\$ (648,779)</u>	<u>\$ 126,951</u>	<u>\$ (521,828)</u>	<u>\$ 654,079</u>	<u>\$ 1,175,907</u>
Recapitulation of fund balance					
Restricted fund balance					
Excess surplus - designated for subsequent year's expenditures				\$ 103,303	
Excess surplus - current year				112,100	
Committed fund balance					
Capital reserve				896,198	
Emergency reserve				75,300	
Maintenance reserve				250,000	
Assigned fund balance					
Designated for subsequent year's expenditures				2,088	
Year-end encumbrances				450,225	
Unassigned fund balance				<u>263,219</u>	
Fund balance per budgetary basis				2,152,433	
Reconciliation to governmental statements (GAAP)					
Last state aid payments not recognized on GAAP basis				<u>(87,189)</u>	
Fund balance per governmental funds (GAAP)				<u>\$ 2,065,244</u>	

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local sources	\$ -	\$ 15,973	\$ 15,973	\$ -	\$ (15,973)
State sources	-	9,643	9,643	8,286	(1,357)
Federal sources	192,202	-	192,202	175,396	(16,806)
Total revenues	<u>\$ 192,202</u>	<u>\$ 25,616</u>	<u>\$ 217,818</u>	<u>\$ 183,682</u>	<u>\$ (34,136)</u>
Expenditures					
Instruction					
Salaries	\$ 107,772	\$ 525	\$ 108,297	\$ 98,297	\$ 10,000
Purchased professional & technical services	19,731	-	19,731	14,025	5,706
General supplies	13,335	15,872	29,207	13,335	15,872
Textbooks	-	1,313	1,313	1,247	66
Total	<u>140,838</u>	<u>17,710</u>	<u>158,548</u>	<u>126,904</u>	<u>31,644</u>
Support services					
Salaries	24,486	-	24,486	24,486	-
Employee benefits	14,905	(524)	14,381	13,381	1,000
Purchased professional & technical services	962	-	962	962	-
Other purchased professional services	1,500	6,683	8,183	8,183	-
Other purchased services	9,211	(9,211)	-	-	-
Travel	300	8,271	8,571	8,371	200
General supplies	-	2,687	2,687	1,395	1,292
Total	<u>51,364</u>	<u>7,906</u>	<u>59,270</u>	<u>56,778</u>	<u>2,492</u>
Total expenditures	<u>\$ 192,202</u>	<u>\$ 25,616</u>	<u>\$ 217,818</u>	<u>\$ 183,682</u>	<u>\$ 34,136</u>

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to Required Supplementary Information
Budgetary Comparison Schedule

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

<u>Sources/Inflows of Resources</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$ 8,992,599	\$ 183,682
Difference - Budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized:		
Outstanding encumbrances prior year	-	7,758
Outstanding encumbrances current year	-	-
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	84,517	-
State aid receivable current year	(87,189)	-
Total revenues (GAAP Basis)	<u>\$ 8,989,927</u>	<u>\$ 191,440</u>
<u>Uses/Outflows of Resources</u>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 8,550,991	\$ 183,682
Differences-Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes:		
Outstanding encumbrances prior year	-	7,758
Outstanding encumbrances current year	-	-
Total expenditures (GAAP Basis)	<u>\$ 8,550,991</u>	<u>\$ 191,440</u>

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability - Teacher's Pension and Annuity Fund
Last Ten Fiscal Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
District's proportion of the net pension liability (asset) - percentage	N/A	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A	N/A
District's proportion of the net pension liability (asset) - value	N/A	\$ -	\$ -	\$ -	N/A	N/A	N/A	N/A	N/A	N/A
State's proportionate share of the net pension liability (asset) associated with the District	N/A	23,419,537	19,825,900	19,015,161	N/A	N/A	N/A	N/A	N/A	N/A
Total	\$ -	\$ 23,419,537	\$ 19,825,900	\$ 19,015,161	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	N/A	\$ 3,698,702	\$ 3,598,130	\$ 3,671,307	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	N/A	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	28.71%	33.64%	33.76%	N/A	N/A	N/A	N/A	N/A	N/A

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Schedule of District Contributions - Teacher's Pension and Annuity Fund
Last Ten Fiscal Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Contractually required contribution	\$ 283,767	\$ 200,326	\$ 156,927	\$ 243,115	\$ 124,207	\$ 11,458	\$ 11,591	\$ 10,466	\$ 241,055	\$ 244,828
Contributions in relation to the contractually required contribution	(283,767)	(200,326)	(156,927)	(243,115)	(124,207)	(11,458)	(11,591)	(10,466)	(241,055)	(244,828)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 3,594,916	\$ 3,698,702	\$ 3,598,130	\$ 3,671,307	\$ 3,656,942	\$ 3,613,955	\$ 3,824,073	\$ 3,623,846	\$ 3,252,706	\$ 3,163,608
Contributions as a percentage of covered employee payroll	7.89%	5.42%	4.36%	6.62%	3.40%	0.32%	0.30%	0.29%	7.41%	7.74%

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability - Public Employees Retirement System
Last Ten Fiscal Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
District's proportion of the net pension liability (asset) - percentage	N/A	0.0010205625%	0.0093651566%	0.0101401554%	N/A	N/A	N/A	N/A	N/A	N/A
District's proportion of the net pension liability (asset) - value	N/A	\$ 2,290,958	\$ 1,753,413	\$ 1,937,985	N/A	N/A	N/A	N/A	N/A	N/A
District's covered employee payroll	N/A	\$ 720,740	\$ 701,394	\$ 623,478	N/A	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll		317.86%	249.99%	310.83%						
Plan fiduciary net position as a percentage of the total pension liability		47.93%	52.08%	48.72%						

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Schedule of District Contributions - Public Employees Retirement System
Last Ten Fiscal Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Contractually required contribution	\$ 87,741	\$ 77,205	\$ 76,404	\$ 78,816	\$ 75,557	\$ 75,832	\$ 58,495	\$ 54,546	\$ 32,698	\$ 19,346
Contributions in relation to the contractually required contribution	(87,741)	(77,205)	(76,404)	(78,816)	(75,557)	(75,832)	(58,495)	(54,546)	(32,698)	(19,346)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	\$ 724,564	\$ 720,740	\$ 701,394	\$ 623,478	\$ 710,120	\$ 690,413	\$ 678,058	\$ 643,547	\$ 676,492	\$ 622,257
Contributions as a percentage of covered employee payroll	12.11%	10.71%	10.89%	12.64%	10.64%	10.98%	8.63%	8.48%	4.83%	3.11%

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Required Supplementary Information - Part III
(Unaudited)
June 30, 2016

Note 1 - Special funding situation - TPAF

The participating employer allocations included in the Supplemental Schedule of Employer Special Funding Allocations and the Supplemental Schedule of Special Funding Amounts by Employer for each local employer are provided as each local employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the pension expense allocated to the State of New Jersey (the State) under the special-funding situation and include their proportionate share of the net pension liability in their respective notes to their financial statements. For this purpose, the proportionate share was developed based on actual contributions made to the Teachers' Pension and Annuity Fund allocated to employers based upon covered payroll and adjusted by expected State Early Retirement Incentive contributions for the respective fiscal year.

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, 2016

	IDEA Basic	IDEA Preschool	NCLB Title IA	NCLB Title IIA	NCLB Title III	Small, Rural School Achievement	NJ Non-Public	Total
Revenues								
State sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,286	\$ 8,286
Federal sources	96,165	6,131	21,122	10,610	1,657	39,711	-	175,396
Total revenues	\$ 96,165	\$ 6,131	\$ 21,122	\$ 10,610	\$ 1,657	\$ 39,711	\$ 8,286	\$ 183,682
Expenditures								
Instruction								
Instruction								
Salaries	\$ 64,845	\$ 5,695	\$ 17,288	\$ 1,500	\$ -	\$ 8,969	\$ -	\$ 98,297
Purchased professional & technical services	-	-	-	-	-	14,025	-	14,025
General supplies	-	-	-	-	1,357	11,978	-	13,335
Textbooks	-	-	-	-	-	-	1,247	1,247
Total	64,845	5,695	17,288	1,500	1,357	34,972	1,247	126,904
Support services								
Salaries	24,486	-	-	-	-	-	-	24,486
Employee benefits	6,834	436	3,834	-	-	2,277	-	13,381
Purchased professional & technical services	-	-	-	-	-	962	-	962
Other purchased services	-	-	-	-	-	1,500	6,683	8,183
Travel	-	-	-	8,071	300	-	-	8,371
General supplies	-	-	-	1,039	-	-	356	1,395
Total	31,320	436	3,834	9,110	300	4,739	7,039	56,778
Total expenditures	\$ 96,165	\$ 6,131	\$ 21,122	\$ 10,610	\$ 1,657	\$ 39,711	\$ 8,286	\$ 183,682

See independent auditors' report.

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 Project Expenditures
For the Fiscal Year Ended June 30, 2016

Description	Approval Date	Revised Budgetary Appropriations	Expenditures to Date		Unexpended Appropriations 06/30/16
			Prior Years	Current Year	
Addition of a security vestibule and office renovations	6/4/13	\$ 708,593	\$ 293,264	\$ 441,029	\$ (25,700)
Window and roof replacement	1/22/15	870,028	374,576	495,452	-
		<u>\$ 1,578,621</u>	<u>\$ 667,840</u>	<u>\$ 936,481</u>	<u>\$ (25,700)</u>

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures,
and Changes in Net Position - Budgetary Basis
For the Fiscal Year Ended June 30, 2016

Revenues	
State sources - NJ SDA ROD Grants	\$ (158,222)
Local sources - transfers in from capital outlay	25,700
Total revenues	<u>(132,522)</u>
Expenditures	
Purchased professional and technical services	4,964
Construction services	693,346
	<u>698,310</u>
Other financing sources (uses)	
Transfer to capital reserve	<u>(238,171)</u>
Excess (deficiency) of revenues and other financing sources	
Over (under) expenditures and other financing uses	(1,069,003)
Net position - beginning	<u>1,069,003</u>
Net position - ending	<u><u>\$ -</u></u>

See independent auditors' report.

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, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Local sources - transfers from capital reserve	\$ 708,593		\$ 708,593	\$ 708,593
Local sources - transfers from capital outlay		\$ 25,700	25,700	25,700
Total revenues	<u>708,593</u>	<u>25,700</u>	<u>734,293</u>	<u>734,293</u>
Expenditures and other financing uses				
Purchased professional and technical services	62,687	2,368	65,055	65,055
Construction services	230,577	437,824	668,401	668,401
Transfer out to capital reserve		837	837	837
Total expenditures	<u>293,264</u>	<u>441,029</u>	<u>734,293</u>	<u>734,293</u>
Excess (deficiency) of revenues over (under)				
Expenditures	<u>\$ 415,329</u>	<u>\$ (415,329)</u>	<u>\$ -</u>	<u>\$ -</u>

Additional project information

Project number	1160-050-13-3000
Grant date	06/04/13
Bonds authorized	N/A
Bonds issued	N/A
Original authorized cost	\$ 599,620
Additional authorized cost	\$ 134,673
Revised authorized cost	\$ 734,293
Percentage completion	100.00%

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status
Budgetary Basis
Window and Roof Replacement
For the Fiscal Year Ended June 30, 2016

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Local sources - transfers in from capital reserve	\$ 616,950	\$ -	\$ 616,950	\$ 616,950
State source - NJ SDA ROD Grants	411,300	(158,222)	253,078	253,078
Total revenues	<u>1,028,250</u>	<u>(158,222)</u>	<u>870,028</u>	<u>870,028</u>
Expenditures and other financing uses				
Purchased professional and technical services	89,448	2,596	92,044	92,044
Construction services	285,128	255,522	540,650	540,650
Transfer out to capital reserve	-	237,334	237,334	237,334
Total expenditures	<u>374,576</u>	<u>495,452</u>	<u>870,028</u>	<u>870,028</u>
Excess (deficiency) of revenues over (under)				
Expenditures	<u>\$ 653,674</u>	<u>\$ (653,674)</u>	<u>\$ -</u>	<u>\$ -</u>

Additional project information

Project number	1160-050-14-1001
Grant date	01/22/15
Bonds authorized	N/A
Bonds issued	N/A
Original authorized cost	\$ 1,028,250
Additional authorized cost	\$ (158,222)
Revised authorized cost	\$ 870,028
Percentage completion	100.00%

See independent auditors' report.

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
For the Fiscal Year Ended June 30, 2016

Assets	
Current assets	
Cash and cash equivalents	\$ 4,228
Receivables from other governments	
State	180
Federal	5,680
Inventory	1,962
Total current assets	<u>12,050</u>
Noncurrent assets	
Capital assets	34,294
Less: accumulated depreciation	20,176
Total noncurrent assets	<u>14,118</u>
Total assets	<u>26,168</u>
Liabilities	
Current liabilities	
Unearned revenues - Commodities	1,120
Unearned revenues - Prepaid sales	1,987
Total liabilities	<u>3,107</u>
Net position	
Net investment in capital assets	14,118
Unrestricted	8,943
Total net position	<u>\$ 23,061</u>

See independent auditors' report.

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, 2016

Operating revenues	
Charges for services	
Daily sales - Reimbursable programs	\$ 41,329
Daily sales - Non-reimbursable programs	17,356
Total operating revenues	<u>58,685</u>
Operating expenses	
Cost of sales - Reimbursable programs	28,561
Cost of sales - Non-reimbursable programs	11,994
Salaries	35,610
Support services - Employee benefits	5,414
Purchased professional/technical services	1,867
Purchased property services	3,356
Other purchased services	
Insurance	3,370
Management fee	7,621
Supplies and materials	4,695
Depreciation	1,464
Miscellaneous expenditures	631
Total operating expenses	<u>104,583</u>
Operating income (loss)	<u>(45,898)</u>
Non-operating revenues (expenses)	
State sources	
State school lunch program	1,096
Federal sources	
National school lunch program	
Cash assistance	32,641
Non-cash assistance (commodities)	10,230
Interest earned on investments	26
Total non-operating revenues (expenses)	<u>43,993</u>
Change in net position	(1,905)
Net position, beginning	<u>24,966</u>
Net position, ending	<u>\$ 23,061</u>

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Statement of Cash Flows
Food Service Enterprise Fund
For the Fiscal Year Ended June 30, 2016

Cash flows from operating activities	
Receipts from customers	\$ 60,671
Payments to Food Service Management Co.	(89,159)
Payments to vendors (net)	(3,625)
Net cash provided by operating activities	<u>(32,113)</u>
Cash flows from noncapital financing activities	
State sources	1,007
Federal sources	29,363
Net cash provided by (used for) non capital financing activities	<u>30,370</u>
Cash flows from investing activities	
Interest on investments	<u>26</u>
Net increase in cash and cash equivalents	(1,717)
Cash and cash equivalents, July 1	<u>5,945</u>
Cash and cash equivalents, June 30	<u>\$ 4,228</u>
Reconciliation of operating income to net cash provided by operating activities	
Operating income (loss)	\$ (45,898)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities	
Depreciation	1,464
Federal Food Donation Program	10,230
(Increase) decrease in inventory	597
Increase (decrease) in unearned revenue	<u>1,494</u>
Net cash provided by (used for) operating activities	<u>\$ (32,113)</u>

See independent auditors' report.

FIDUCIARY FUND

DETAIL STATEMENTS

Fiduciary funds are used to account for funds received by the School District as an agent for individuals, private organizations, other government and/or other funds.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Combining Statement of Net Position
Fiduciary Funds
June 30, 2016

	Unemployment Compensation Fund	Student Activity Agency Fund	Payroll Agency Fund	Total
Assets				
Cash and cash equivalents	\$ 126,818	\$ 20,890	\$ 45,657	\$ 193,365
Due from other funds	7,147	-	-	7,147
Total assets	<u>\$ 133,965</u>	<u>\$ 20,890</u>	<u>\$ 45,657</u>	<u>\$ 200,512</u>
Liabilities				
Due to other funds	\$ -	\$ -	\$ 7,748	\$ 7,748
Due to students groups	-	20,890	-	20,890
Payroll deductions & withholdings	-	-	37,909	37,909
Total liabilities	<u>-</u>	<u>\$ 20,890</u>	<u>\$ 45,657</u>	<u>66,547</u>
Net position				
Held in trust for unemployment claims & other purposes	<u>\$ 133,965</u>			<u>\$ 133,965</u>

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2016

	Unemployment Compensation Fund
Additions	
Contributions	
Employee contributions	\$ 7,459
Investment earnings - interest	252
Total additions	7,711
 Deductions	
Unemployment claims	-
 Change in net position	7,711
 Net position, beginning of the year	126,254
 Net position, end of the year	\$ 133,965

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Student Activity Agency Fund
Schedule of Receipts & Disbursements
For the Fiscal Year Ended June 30, 2016

	Balance 06/30/15	Additions	Deletions	Balance 06/30/16
Assets				
Cash and cash equivalents	\$ 25,350	\$ 60,645	\$ 65,105	\$ 20,890
Total assets	<u>\$ 25,350</u>	<u>\$ 60,645</u>	<u>\$ 65,105</u>	<u>\$ 20,890</u>
Liabilities				
Due to student groups	\$ 25,350	\$ 60,645	\$ 65,105	\$ 20,890
Total liabilities	<u>\$ 25,350</u>	<u>\$ 60,645</u>	<u>\$ 65,105</u>	<u>\$ 20,890</u>

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EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Payroll Agency Fund
Schedule of Receipts & Disbursements
For the Fiscal Year Ended June 30, 2016

	Balance 06/30/15	Additions	Deletions	Balance 06/30/16
Assets				
Cash and cash equivalents	\$ 42,627	\$ 5,352,159	\$ 5,349,129	\$ 45,657
Total assets	<u>\$ 42,627</u>	<u>\$ 5,352,159</u>	<u>\$ 5,349,129</u>	<u>\$ 45,657</u>
Liabilities				
Due to other funds	\$ 3,572	\$ 7,459	\$ 3,283	\$ 7,748
Payroll deductions and withholdings	39,055	2,460,693	2,461,839	37,909
Net payroll	<u>-</u>	<u>2,884,007</u>	<u>2,884,007</u>	<u>-</u>
Total liabilities	<u>\$ 42,627</u>	<u>\$ 5,352,159</u>	<u>\$ 5,349,129</u>	<u>\$ 45,657</u>

See independent auditors' report.

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
Long-Term Debt
Schedule of Serial Bonds
For the Fiscal Year Ended June 30, 2016

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance 7/1/2015	Issued	Retired	Balance 6/30/2016
			Date	Amount					
2007 Refunding bond	04/17/07	\$1,845,000	01/15/17	\$ 205,000	4.00%				
			01/15/18	215,000	5.00%	\$ 610,000	\$ -	\$ 190,000	\$ 420,000
						<u>\$ 610,000</u>	<u>\$ -</u>	<u>\$ 190,000</u>	<u>\$ 420,000</u>

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local sources					
Local tax levy	\$ 217,950	\$ -	\$ 217,950	\$ 217,950	\$ -
Total revenues	<u>217,950</u>	<u>-</u>	<u>217,950</u>	<u>217,950</u>	<u>-</u>
EXPENDITURES					
Regular debt service					
Redemption of principal	203,975	-	203,975	190,000	13,975
Interest	13,975	-	13,975	27,950	(13,975)
Total expenditures	<u>217,950</u>	<u>-</u>	<u>217,950</u>	<u>217,950</u>	<u>-</u>
Excess (deficiency) of revenues Over (under) expenditures	-	-	-	-	-
Fund balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See independent auditors' report.

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)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Government activities										
Net investment in capital assets	\$ 1,343,485	\$ 1,415,605	\$ 1,558,634	\$ 1,630,478	\$ 1,712,902	\$ 1,896,570	\$ 1,982,622	\$ 2,258,242	\$ 2,921,483	\$ 3,875,104
Restricted	69,328	204,684	216,069	316,516	445,477	595,954	1,081,120	1,481,079	2,036,753	1,221,498
Unrestricted	2,728	145,987	184,286	215,866	173,225	230,515	96,682	(1,717,749)	(1,823,635)	(1,459,906)
Total governmental activities	<u>\$ 1,415,541</u>	<u>\$ 1,766,276</u>	<u>\$ 1,958,989</u>	<u>\$ 2,162,860</u>	<u>\$ 2,331,604</u>	<u>\$ 2,723,039</u>	<u>\$ 3,160,424</u>	<u>\$ 2,021,572</u>	<u>\$ 3,134,601</u>	<u>\$ 3,636,696</u>
Business-type activities										
Net investment in capital assets	\$ 311	\$ -	\$ -	\$ -	\$ -	\$ 4,920	\$ 4,473	\$ 4,026	\$ 15,582	\$ 14,118
Unrestricted	2,322	\$1,736	\$2,658	\$1,772	\$1,990	1,558	2,175	2,771	9,384	8,943
Total business-type activities	<u>\$ 2,633</u>	<u>\$ 1,736</u>	<u>\$ 2,658</u>	<u>\$ 1,772</u>	<u>\$ 1,990</u>	<u>\$ 6,478</u>	<u>\$ 6,648</u>	<u>\$ 6,797</u>	<u>\$ 24,966</u>	<u>\$ 23,061</u>
District-wide										
Net investment in capital assets	\$ 1,343,796	\$ 1,415,605	\$ 1,558,634	\$ 1,630,478	\$ 1,712,902	\$ 1,901,490	\$ 1,987,095	\$ 2,262,268	\$ 2,937,065	\$ 3,889,222
Restricted	69,328	204,684	216,069	316,516	445,477	595,954	1,081,120	1,481,079	2,036,753	1,221,498
Unrestricted	5,050	147,723	186,944	217,638	175,215	232,073	98,857	146,603	(1,814,251)	(1,450,963)
Total district-wide	<u>\$ 1,418,174</u>	<u>\$ 1,768,012</u>	<u>\$ 1,961,647</u>	<u>\$ 2,164,632</u>	<u>\$ 2,333,594</u>	<u>\$ 2,729,517</u>	<u>\$ 3,167,072</u>	<u>\$ 3,889,950</u>	<u>\$ 3,159,567</u>	<u>\$ 3,659,757</u>

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years (Accrual Basis of Accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities										
Instruction										
Regular	\$ 3,357,920	\$ 3,488,678	\$ 3,353,265	\$ 3,599,630	\$ 3,533,207	\$ 3,612,534	\$ 3,738,010	\$ 3,601,495	\$ 4,392,107	\$ 4,037,150
Special education	797,610	898,314	1,013,353	1,022,559	1,049,760	1,118,298	1,060,684	953,478	1,112,211	1,289,730
Other special education	114,465	141,161	170,678	187,076	132,092	90,503	92,562	69,602	127,513	111,261
Other instruction	70,453	76,454	78,592	78,198	77,259	78,738	84,510	114,741	91,954	85,519
Support services										
Tuition	91,597	60,719	65,387	43,250	68,876	36,000	41,300	41,300	75,555	71,253
Student & instruction related services	895,843	916,512	928,158	971,995	945,907	1,057,024	1,113,104	1,214,838	1,524,577	1,716,823
General & business administrative services	659,019	538,886	546,919	560,355	573,240	651,502	606,134	621,351	641,568	826,490
School administration	202,483	192,146	191,632	223,234	242,512	225,723	235,065	235,075	247,784	303,504
Plant operations & maintenance	657,183	634,316	720,339	682,359	692,903	715,130	797,049	777,315	737,910	1,252,073
Pupil transportation	439,639	454,186	453,296	437,161	420,495	408,958	382,429	386,857	408,896	444,932
Interest on long-term debt	98,027	77,789	70,558	65,403	59,390	53,346	42,039	40,688	29,226	20,768
Total governmental activities expenses	<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>	<u>9,389,301</u>	<u>10,159,503</u>
Business-type activities										
Food service	157,766	161,116	161,139	164,944	142,249	143,133	138,443	108,591	109,014	104,583
Total business-type activities	<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>	<u>109,014</u>	<u>104,583</u>
Total district expenses	<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>	<u>\$ 9,498,315</u>	<u>\$ 10,264,086</u>

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Changes in Net Position (continued)
Last Ten Fiscal Years (Accrual Basis of Accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Program revenues										
Governmental activities										
Operating grants & contributions	\$ 204,885	\$ 153,415	\$ 161,014	\$ 272,282	\$ 197,096	\$ 211,666	\$ 195,507	\$ 183,694	\$ 161,467	\$ 191,440
Charges for services	-	-	-	-	-	-	-	404,492	339,889	353,533
Total governmental activities program revenues	<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>	<u>501,356</u>	<u>544,973</u>
Business-type activities										
Charges for services										
Food service	116,428	118,820	115,674	107,787	96,336	83,808	75,725	72,709	68,371	58,685
Operating grants & contributions	22,886	22,279	25,750	30,672	30,000	33,338	32,124	36,000	42,793	43,967
Total business-type activities program revenues	<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>	<u>111,164</u>	<u>102,652</u>
Total district-program revenues	<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>	<u>\$ 612,520</u>	<u>\$ 647,625</u>
Net (expense) revenues										
Governmental activities	\$ (7,179,354)	\$ (7,325,746)	\$ (7,431,163)	\$ (7,598,938)	\$ (7,598,545)	\$ (7,836,090)	\$ (7,997,379)	\$ (7,468,554)	\$ (8,887,945)	\$ (9,614,530)
Business-type activities	(18,452)	(20,017)	(19,715)	(26,485)	(15,913)	(25,987)	(30,594)	118	2,150	(1,931)
Total district-wide net expenses	<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>	<u>\$ (8,885,795)</u>	<u>\$ (9,616,461)</u>

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Changes in Net Position (continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General revenues & other changes in net position										
Governmental activities										
Property taxes levied for general purposes, net	\$ 5,428,320	\$ 5,645,453	\$ 5,871,271	\$ 6,106,122	\$ 6,271,835	\$ 6,397,271	\$ 6,454,847	\$ 6,551,669	\$ 6,649,944	\$ 6,748,018
Taxes levied for debt service	296,679	294,709	278,059	215,950	215,512	214,700	213,700	217,513	215,950	217,950
Unrestricted grants & contributions	1,536,919	1,567,611	1,255,574	1,248,081	1,078,042	1,335,830	1,419,554	1,401,575	2,713,850	3,291,667
Tuition income	34,600	103,141	154,310	165,105	126,182	164,809	225,458	-	-	-
Investment earnings	55,076	39,032	12,262	5,197	6,775	9,428	6,989	7,481	7,594	7,675
Miscellaneous income	11,435	45,035	72,900	87,854	84,943	90,133	83,946	13,045	18,336	19,008
Contributions-Acquisition of capital assets	-	-	-	-	-	5,000	-	-	-	-
Operating transfer	(11,000)	(18,500)	(20,500)	(25,500)	(16,000)	(30,368)	(30,700)	-	(16,000)	-
Capital grants-unallocated	16,600	-	-	-	-	40,722	-	-	411,300	(158,222)
Special item-insurance proceeds for storm damage	-	-	-	-	-	-	60,970	-	-	-
Special item-payment to refunding agent	(22,845)	-	-	-	-	-	-	-	-	-
Special item-gain/(loss) on disposal of assets	-	-	-	-	-	-	-	-	-	(9,471)
Total governmental activities	7,345,784	7,676,481	7,623,876	7,802,809	7,767,289	8,227,525	8,434,764	8,191,283	10,000,974	10,116,625
Business-type activities										
Investment earnings	1,431	620	137	99	131	107	64	31	19	26
Transfers	11,000	18,500	20,500	25,500	16,000	30,368	30,700	-	16,000	-
Total business-type activities	\$12,431	\$19,120	\$20,637	\$25,599	\$16,131	\$30,475	\$30,764	\$31	\$16,019	\$26
Total district-wide	\$ 7,358,215	\$ 7,695,601	\$ 7,644,513	\$ 7,828,408	\$ 7,783,420	\$ 8,258,000	\$ 8,465,528	\$ 8,191,314	\$ 10,016,993	\$ 10,116,651
Change in net position										
Governmental activities	\$ 166,430	\$ 350,735	\$ 192,713	\$ 203,871	\$ 168,744	\$ 391,435	\$ 437,385	\$ 722,729	\$ 1,113,029	\$ 502,095
Business-type activities	(6,021)	(897)	922	(886)	218	4,488	170	149	18,169	(1,905)
Total district	\$ 160,409	\$ 349,838	\$ 193,635	\$ 202,985	\$ 168,962	\$ 395,923	\$ 437,555	\$ 722,878	\$ 1,131,198	\$ 500,190

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General fund										
Restricted	\$ 144,904	\$ 143,248	\$ 198,525	\$ 182,162	\$ 206,925	\$ 224,730	\$ 208,623	\$ 222,010	\$ 224,584	\$ 215,403
Committed	69,328	195,692	216,069	316,516	299,407	484,407	1,081,120	886,592	967,750	1,221,498
Assigned	36,125	100,490	78,492	94,736	44,306	153,703	53,314	114,441	30,798	452,313
Unassigned	216,514	216,641	176,270	212,882	243,221	238,474	216,881	209,694	190,705	176,030
Total general fund	<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>	<u>\$ 1,413,837</u>	<u>\$ 2,065,244</u>
All other governmental funds										
Restricted, reported in										
Capital projects fund	\$ (146,686)	\$ (73,343)	\$ -	\$ -	\$ 146,070	\$ 111,547	\$ -	\$ 594,487	\$ 1,069,003	\$ -
Debt service fund	20	8,993	-	-	-	-	-	-	-	-
Total all other governmental funds	<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>	<u>\$ 1,069,003</u>	<u>\$ -</u>

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Tax levy	\$ 5,724,999	\$ 5,940,162	\$ 6,149,330	\$ 6,322,072	\$ 6,487,347	\$ 6,611,971	\$ 6,668,547	\$ 6,769,182	\$ 6,865,894	\$ 6,965,968
Tuition charges	34,600	103,141	154,310	165,105	126,182	164,809	225,458	244,521	255,471	276,992
Interest earnings	55,076	39,032	12,262	5,197	6,775	9,428	6,989	7,481	7,594	7,675
Rents and royalties										6,001
Miscellaneous	11,435	45,035	72,900	87,854	97,213	116,243	85,513	79,807	103,476	89,548
State sources	1,572,176	1,581,990	1,257,539	1,250,052	1,078,078	1,348,231	1,419,554	1,401,787	2,058,330	1,711,757
Federal sources	186,228	139,036	159,049	270,311	184,790	213,877	193,940	182,159	160,745	183,154
Total revenues	7,584,514	7,848,396	7,805,390	8,100,591	7,980,385	8,464,559	8,600,001	8,684,937	9,451,510	9,241,095
Expenditures										
Instruction										
Regular instruction	2,323,218	2,455,401	2,466,284	2,616,000	2,525,779	2,604,108	2,570,371	2,524,077	2,598,538	2,489,180
Special education instruction	453,191	614,661	739,322	698,990	704,935	718,883	684,787	604,865	638,358	607,723
Other special instruction	76,902	79,369	112,287	117,588	84,454	47,961	47,471	35,438	62,870	77,067
School sponsored/other instructional	68,190	74,434	76,690	76,427	75,481	76,994	82,490	83,497	89,547	80,206
Support services										
Tuition	53,535	29,413	35,974	4,000	68,876	36,000	41,300	41,300	75,555	71,253
Student & inst related services	633,368	643,247	685,502	681,437	689,390	722,184	742,722	807,583	890,500	974,377
General administration	285,251	289,665	289,152	297,667	285,970	306,196	295,625	276,689	278,481	277,838
School administration services	147,245	153,340	159,193	168,036	154,046	159,682	160,734	162,875	170,559	150,076
Central services	187,501	124,642	129,491	131,659	140,594	153,385	157,667	163,686	166,117	178,072
Administration info technology	10,215	7,045	7,345	4,000	2,395	2,395	5,786	4,040	4,790	4,790
Plant operations & maintenance	569,419	568,733	707,954	580,969	571,298	601,933	695,720	652,233	649,605	757,340
Pupil transportation	439,639	454,186	453,296	437,161	420,495	408,958	382,429	386,857	408,896	430,786
Employee benefits	945,283	917,177	946,182	1,057,596	1,091,551	1,107,553	1,153,251	1,166,309	1,155,666	1,228,684
On-behalf TPAF pension & social security contribution	733,378	738,576	474,191	515,812	523,392	649,435	789,070	676,297	789,278	978,100
Capital outlay		42,683	157,095	42,577	32,558	38,981	64,149	174,002	10,207	244,316
Special revenue funds	204,885	153,415	161,014	272,282	197,096	211,666	195,507	183,694	161,467	191,440
Capital projects	100,248	-	-	-	21,930	75,245	-	55,513	612,327	698,310
Debt service										
Principal	193,343	223,343	213,343	150,000	155,000	160,000	165,000	175,000	180,000	190,000
Interest & other charges	103,336	62,393	73,709	65,950	60,512	54,700	49,115	43,696	37,133	29,133
Total expenditures	7,528,147	7,631,723	7,888,024	7,918,151	7,805,752	8,136,259	8,283,194	8,217,651	8,979,894	9,658,691

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds (continued)
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Excess (deficiency) of revenues over (under) expenditures	\$ 56,367	\$ 216,673	\$ (82,634)	\$ 182,440	\$ 174,633	\$ 328,300	\$ 316,807	\$ 467,286	\$ 471,616	\$ (417,596)
Other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Prior year receivable canceled	-	-	-	-	-	-	-	-	-	-
Capital leases (non-budgeted)	-	-	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	73,343	73,343	73,343	-	-	-	-	-	-	-
Insurance claim proceeds for storm damage	-	-	-	-	-	-	60,970	-	-	-
Transfers in (out)	(11,000)	(18,500)	(20,500)	(45,500)	(41,000)	(55,368)	(30,700)	-	(16,000)	-
Total other financing sources (uses)	121,256	54,843	160,269	(45,500)	(41,000)	(55,368)	30,270	-	(16,000)	-
Net change in fund balances	\$ 177,623	\$ 271,516	\$ 77,635	\$ 136,940	\$ 133,633	\$ 272,932	\$ 347,077	\$ 467,286	\$ 455,616	\$ (417,596)
Debt service as a percentage of non-capital expenditures	4.16%	3.91%	3.86%	2.82%	2.86%	2.75%	2.67%	2.81%	2.67%	2.58%

Source: District records

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

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
General Fund - Other Local Revenues by Source
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Interest income	\$ 55,076	\$ 39,032	\$ 12,262	\$ 5,197	\$ 6,775	\$ 9,428	\$ 6,989	\$ 7,481	\$ 7,594	\$ 7,675
Tuition	34,600	103,141	154,310	165,105	126,182	164,809	225,458	244,521	255,471	276,992
Building use fees	4,600	5,219	5,818	5,350	5,050	6,362	9,826	5,703	5,866	6,001
Milford Board of Education - interlocal government fees	-	29,659	51,344	53,514	54,320	56,703	59,708	63,976	78,552	70,540
Insurance rebates	-	-	-	3,283	2,962	-	-	-	-	-
Prior year refunds	1,588	760	4,059	768	-	-	-	1,770	1,300	1,260
Lost books and fines	455	1,012	190	199	132	86	120	-	96	44
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	4,772	8,026	7,852	7,564	6,874	6,698	3,210	-	12,628	11,936
Miscellaneous	-	359	-	1	-	1,179	23	-	3,312	5,768
Solar bond excess	-	-	-	-	-	-	5,000	-	-	-
Energy audit	-	-	-	-	-	-	2,855	-	-	-
Transportation fees	-	-	-	-	405	-	500	-	-	-
Safety incentive	-	-	-	-	-	-	1,000	-	1,000	-
Sale of plans & specifications	-	-	-	-	950	-	-	-	-	-
Bully prevention aid	-	-	-	-	-	747	-	-	-	-
FEMA aid	-	-	-	-	-	-	-	750	-	-
Prior year accounts payable canceled	-	-	-	-	-	-	-	3,732	-	-
Outstanding checks voided	-	-	-	-	-	3,507	-	2,253	-	-
Annual totals	\$ 101,091	\$ 187,208	\$ 239,472	\$ 258,156	\$ 217,900	\$ 264,370	\$ 316,389	\$ 330,486	\$ 365,819	\$ 380,216

Source: District Records

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Vacant land	\$ 14,327,800	\$ 14,132,800	\$ 13,832,800	\$ 13,767,300	\$ 13,492,900	\$ 12,970,200	\$ 9,304,400	\$ 8,780,700	\$ 8,399,600	\$ 8,636,700
Residential	518,694,600	523,094,200	527,491,700	527,938,000	531,967,900	533,983,300	447,094,600	448,217,200	450,127,700	451,287,800
Farm regular	141,016,700	141,769,700	140,841,000	141,055,000	138,144,900	138,541,500	118,965,000	118,396,800	116,320,800	115,158,200
Q farm	5,014,720	5,287,057	5,528,620	5,544,700	5,264,900	4,983,300	4,982,900	4,985,500	4,972,000	4,986,275
Commercial	103,801,561	103,980,461	94,686,561	94,870,161	95,119,461	94,992,961	87,525,600	87,284,700	85,051,600	85,095,500
Industrial	-	-	-	-	-	-	-	-	-	-
Apartment	2,188,600	2,188,600	2,188,600	2,142,700	2,142,700	2,142,700	2,262,200	2,262,200	2,262,200	2,262,200
Total assessed value	785,043,981	790,452,818	784,569,281	785,317,861	786,132,761	787,613,961	670,134,700	669,927,100	667,133,900	667,426,675
Public utilities (a)	1,263,700	1,272,179	1,261,509	2,216,404	1,831,762	1,837,214	1,757,313	876,506	916,552	913,321
Net valuation taxable	\$ 786,307,681	\$ 791,724,997	\$ 785,830,790	\$ 787,534,265	\$ 787,964,523	\$ 789,451,175	\$ 671,892,013	\$ 670,803,606	\$ 668,050,452	\$ 668,339,996
Estimated actual county equalized value	\$ 849,173,621	\$ 843,679,175	\$ 808,335,681	\$ 810,322,624	\$ 809,164,636	\$ 785,298,888	\$ 754,125,900	\$ 726,528,329	\$ 726,140,924	\$ 731,145,385
Percentage of net valuation to estimated actual equalized value	92.60%	93.84%	97.22%	97.19%	97.38%	100.53%	89.10%	92.33%	92.00%	91.41%
Total direct school tax rate (b)	\$ 0.755	\$ 0.776	\$ 0.804	\$ 0.824	\$ 0.839	\$ 0.845	\$ 1.008	\$ 1.024	\$ 1.043	\$ 1.061

*

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. 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

See independent auditors' report.

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			Regional School Rate	Overlapping Rates			Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6) Total Direct School Tax Rate		Municipality	County	Fire District	
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
2015	1.010	0.033	1.043	0.595	0.224	0.404	0.034	2.30
2016	1.028	0.034	1.062	0.622	0.235	0.407	0.035	2.36

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 pre-budget by more than the spending growth limitation calculated as follows: the pre-budget 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

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Principal Property Taxpayers,
Current Year and Nine Years Ago

	2016			2007		
	Taxable Assessed	Rank	% of Total District Net Assessed Value	Taxable Assessed	Rank	% of Total District Net Assessed Value
	Value			Value		
Texas Eastern Trans Co.	\$ 37,706,600	1	5.64%	\$ 42,282,000	1	5.38%
The Ridge at Back Brook Road	10,500,000	2	1.57%	19,756,700	2	2.51%
Algonquin Gas Trans c/o Duke Energy	6,536,100	3	0.98%	8,288,100	3	1.05%
Bousum/ Neely Partnership	3,527,000	4	0.53%	1,741,800	8	0.22%
Hunterdon Storage	1,781,000	5	0.27%	2,781,000	4	0.35%
Southwark Farm, LLC	1,720,900	6	0.26%	-	-	-
Back Brook Farm, LLC	1,708,300	7	0.26%	-	-	-
Ringoes TLC LLC c/o David L. Bonnani	1,513,000	8	0.23%	1,700,000	9	0.22%
Jordan Sidney & T/A Ifida Realty	1,511,900	9	0.23%	1,811,600	7	0.23%
Perangelo, Tiffany	1,483,900	10	0.22%	-	-	-
Buckeye Pipeline Co	-	-	-	2,636,700	5	0.34%
Individual Property Owner	-	-	-	1,947,700	6	0.25%
M & H Associates	-	-	-	1,467,400	10	0.19%
	<u>\$ 67,988,700</u>		<u>10.17%</u>	<u>\$ 84,413,000</u>		<u>10.74%</u>

Source: Municipal Tax Assessor

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Years

Year Ending December 31,	Taxes Levied for the Year	Collected within the Year of the Levy (a)	
		Amount	Percentage of Levy
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%
2014	15,341,328	15,037,558	98.02%
2015	15,377,111	15,108,451	98.25%

Source: 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.

See independent auditors' report.

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	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
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%	283
2013	965,000	-	-	-	-	965,000	0.33%	243
2014	790,000	-	-	-	-	790,000	0.26%	199
2015	610,000	-	-	-	-	610,000	0.20%	154
2016	420,000	-	-	-	-	420,000	N/A	107

NOTES: (1) Details regarding the District's outstanding debt can be found in the notes to the financial statements.

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

See independent auditors' report.

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		Net General Bonded Debt Outstanding	% of Actual Taxable Value of Property (a)	Per Capita (b)
	General Obligation Bonds	Deductions			
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%	323
2012	1,130,000		1,130,000	0.14%	284
2013	* 965,000		965,000	0.14%	244
2014	790,000		790,000	0.12%	200
2015	610,000		610,000	0.09%	155
2016	420,000		420,000	0.06%	107

NOTES: 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

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of December 31, 2015

Governmental Unit	<u>Debt Outstanding</u>	<u>Estimated % Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Municipality	\$ 4,779,809	100.00%	\$ 4,779,809
Regional High School	11,870,000	8.02%	951,697
County general obligation debt	62,494,492	3.50%	<u>2,185,616</u>
Subtotal, overlapping debt			7,917,122
School District direct debt			<u>610,000</u>
Total direct and overlapping debt			<u><u>\$ 8,527,122</u></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.

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Legal Debt Margin Information
Last Ten Fiscal Years

Legal debt margin calculation for fiscal year 2016

		Equalized valuation basis
	2015	\$ 725,803,856
	2014	728,260,789
	2013	725,803,856
		<u>\$2,179,868,501</u>
Average equalized valuation of taxable property		<u>\$ 726,622,834</u>
Debt limit (3.0% of average equalization value)	(a)	21,798,685
Total net debt applicable to limit		<u>420,000</u>
Legal debt margin		<u>\$ 21,378,685</u>

	Fiscal Year				
	2012	2013	2014	2015	2016
Debt limit	\$ 23,961,866	\$ 23,417,001	\$ 23,417,001	\$ 22,073,297	\$ 21,798,685
Total net debt applicable	<u>1,130,000</u>	<u>965,000</u>	<u>965,000</u>	<u>610,000</u>	<u>420,000</u>
Legal debt margin	<u>\$ 22,831,866</u>	<u>\$ 22,452,001</u>	<u>\$ 22,452,001</u>	<u>\$ 21,463,297</u>	<u>\$ 21,378,685</u>
Total net debt applicable to the limit as a percentage of debt limit	4.72%	4.12%	4.12%	2.76%	1.93%

	Fiscal Year				
	2007	2008	2009	2010	2011
Debt limit	\$ 21,939,305	\$ 23,836,848	\$ 24,671,896	\$ 23,234,325	\$ 24,486,256
Total net debt applicable	<u>2,031,686</u>	<u>1,808,343</u>	<u>1,595,000</u>	<u>610,000</u>	<u>1,290,000</u>
Legal debt margin	<u>\$ 19,907,619</u>	<u>\$ 22,028,505</u>	<u>\$ 23,076,896</u>	<u>\$ 22,624,325</u>	<u>\$ 23,196,256</u>
Total net debt applicable to the limit as a percentage of debt limit	9.26%	7.59%	6.46%	2.63%	5.27%

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

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population (a)	Personal Income (b)	Per Capita Personal Income (c)	Unemployment Rate (d)
2007	\$ 4,498	\$ 306,750,106	\$ 68,197	2.9%
2008	4,482	309,508,992	69,056	3.8%
2009	4,485	295,696,050	65,930	6.8%
2010	4,012	266,465,004	66,417	7.0%
2011	3,992	280,609,656	70,293	6.9%
2012	3,973	296,473,206	74,622	7.1%
2013	3,962	294,606,396	74,358	7.2%
2014	3,958	308,502,352	77,944	4.6%
2015	3,958	N/A	N/A	3.9%
2016	3,925	N/A	N/A	N/A

Sources:

- (a) Population information provided by the NJ Dept of Labor and Workforce
- (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 U.S. Bureau of Economic Analysis.
- (d) Unemployment data provided by the NJ Dept of Labor and Workforce

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Principial Employers
Current Year and Nine Years Ago

2016

Employer	Employees	Rank	Percentage of Total Municipal Employment
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INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

2007

Employer	Employees	Rank	Percentage of Total Municipal Employment
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INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Full Time Equivalent District Employees by Function/Program
Last Nine Fiscal Years

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Function/Program										
Instruction										
Regular	36.2	36.1	37.1	38.1	38.1	37.7	37.1	37.2	36.7	34.6
Special education	14.4	14.8	18.3	17.3	16.3	16.0	15.5	15.0	17.5	17.0
Support services										
Student and instruction related services	8.8	9.0	6.8	6.8	6.8	6.1	5.2	5.2	5.2	5.2
General administration	2.1	2.1	2.5	2.5	2.5	2.7	2.9	3.0	3.0	3.2
School administration services	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4
Central services	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.2
Administrative information technology	-	-	-	-	-	-	-	-	-	1.0
Plant operations and maintenance	4.5	4.5	4.5	4.5	4.5	4.5	4.5	5.0	5.0	5.0
Food service	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u><u>73.4</u></u>	<u><u>72.9</u></u>	<u><u>75.6</u></u>	<u><u>75.6</u></u>	<u><u>73.6</u></u>	<u><u>72.4</u></u>	<u><u>70.6</u></u>	<u><u>69.8</u></u>	<u><u>71.8</u></u>	<u><u>70.6</u></u>

Source: District personnel records

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures (a)</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff (b)</u>	<u>Teacher Ratio</u>	<u>Average Daily Enrollment (ADE) (c)</u>	<u>Average Daily Attendance (ADA) (c)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2007	494	\$ 7,131,220	\$ 14,436	7.09%	57	1 to 8.66	496.5	486.4	2.18%	97.97%
2008	489	7,303,304	14,935	3.46%	54	1 to 9.05	489.6	480.6	-1.39%	98.16%
2009	487	7,443,877	15,285	2.34%	55	1 to 8.85	488.6	470.4	-0.20%	96.28%
2010	501	7,659,624	15,289	0.02%	58	1 to 8.64	501.3	482.3	2.60%	96.21%
2011	475	7,535,752	15,865	3.77%	57	1 to 8.33	475.4	465.5	-5.17%	97.92%
2012	446	7,807,333	17,505	10.34%	56	1 to 7.96	446.2	430.3	-6.14%	96.44%
2013	425	8,004,930	18,835	7.60%	53	1 to 8.08	429.6	413.0	-3.72%	96.14%
2014	410	7,769,440	18,950	0.61%	52	1 to 7.88	414.5	399.3	-3.51%	96.33%
2015	393	8,156,227	20,754	9.52%	54	1 to 6.70	390.9	375.7	-5.69%	96.11%
2016	371	8,496,932	22,903	10.35%	52	1 to 7.19	368.7	354.7	-5.67%	96.20%

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).

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years

District Building	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Elementary (1939)										
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	530	530	530	530	530	530	530	530	530
Enrollment	494	489	487	501	475	450	450	410	393	371

Number of Schools at June 30, 2016

 Elementary 1

Source: District facilities office

N/A = Not available

NOTE: 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.

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Schedule of Required Maintenance
Last Ten Fiscal Years

Undistributed Expenditures - Required Maintenance for School Facilities

<u>Fiscal Year Ending</u>	<u>Amount</u>	<u>Total</u>
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
2015	96,765	96,765
2016	192,515	192,515
	<hr/>	<hr/>
Total school facilities	\$ 875,972	\$ 875,972
	<hr/> <hr/>	<hr/> <hr/>

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

Source: District records

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Insurance Schedule
June 30, 2016
(Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
School commercial package policy - NJ School Boards Assoc.		
Insurance group		
Property - building blanket and contents (fund limit)	\$ 400,000,000	\$ 1,000
Equipment Breakdown	100,000,000	5,000
Electronic Data Processing	945,000	1,000
Comprehensive General Liability	11,000,000	None
Comprehensive Automobile Liability	11,000,000	None
Pollution Liability	1,000,000	25,000
Comprehensive Crime Coverage	100,000	500
Excess Liability	50,000,000	-
Employee Benefits	11,000,000	1,000
Student Accident	5,000,000	-
School Board Legal Liability - NJ Schools Insurance Group:		
Directors and Officers Policy	11,000,000	5,000
Workmen's Compensation - New Jersey Schools Insurance Group	2,000,000	-
Public Employees' Faithful Performance:		
New Jersey Schools Insurance Group		
Business Administrative Bond	200,000	-

Source: District records

See independent auditors' report.



Bedard, Kurowicki & Co.
Certified Public Accountants, PC
www.bkc-cpa.com

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

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 and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the Governmental Activities, the Business-type Activities, and the aggregate remaining fund information of the East Amwell Township School District, County of Hunterdon, the State of New Jersey, (the District), as of and for the year ended June 30, 2016, and the related Notes to the Financial Statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 10, 2016.

Internal Control over Financial Reporting

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

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

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


Compliance and Other Matters

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

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* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bedard, Kurowicki & Co.
BEDARD, KUROWICKI & CO., CPA'S, PC


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

November 10, 2016
Flemington, New Jersey



Bedard, Kurowicki & Co.
Certified Public Accountants, PC
www.bkc-cpa.com

**Independent Auditors' Report on Compliance for Each Major Program
and on Internal Control Over Compliance Required by The Uniform Guidance and New Jersey
OMB Circular Letter 15-08**

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 Program and State Program

We have audited the East Amwell Township School District's, (the District), compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the New Jersey OMB Circular Letter 15-08 that could have a direct and material effect on each of the District's major federal and New Jersey programs for the year ended June 30, 2016. East Amwell Township School District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal and New Jersey programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and New Jersey OMB Circular 15-08. Those standards, the Uniform Guidance and OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the East Amwell Township School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and New Jersey programs for the year ended June 30, 2016.

Report on Internal Control over Compliance


Management of the East Amwell Township School District, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal 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 the Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the East Amwell Township School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal 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 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 the Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Bedard, Kurowicki & Co.
BEDARD, KUROWICKI & CO., CPA'S, PC


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

November 10, 2016
Flemington, New Jersey

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards - Schedule A
For the Fiscal Year Ended June 30, 2016

Grantor/Program Title	Federal	FAIN Number	Project Number	Program or Award Amount	Grant		Balance 06/30/15	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustment	Repayment	Balance June 30, 2016					
	CFDA Number				Period From	To						of Prior Year Balance	Accounts Receivable	Deferred Revenue	Due to Grantor			
U.S. Department of Education passed through State Department of Education																		
Special Revenue Fund																		
IDEA basic	84.027	H027A150100	IDEA-1680-16	96,165	07/01/15	06/30/16	\$ -	\$ -	\$ 38,466	\$ 96,165	\$ -	\$ -	\$ (57,699)	\$ -	\$ -			
IDEA preschool	84.173	H173S150114	IDEA-1680-16	6,131	07/01/15	06/30/16	-	-	3,039	6,131	-	-	(3,092)	-	-			
NCLB Title I A	84.010A	S010S150030	NCLB-1680-15	\$ 21,799	07/01/14	06/30/15	(10,346)	-	10,346	-	-	-	-	-	-			
NCLB Title I A	84.010A	S010S150030	NCLB-1680-16	21,122	07/01/15	06/30/16	-	-	7,152	21,122	-	-	(13,970)	-	-			
NCLB Title II A	84.367A	S367A150029	NCLB-1680-15	10,813	07/01/14	06/30/15	(1,500)	-	1,500	-	-	-	-	-	-			
NCLB Title II A	84.367A	S367A150029	NCLB-1680-16	10,710	07/01/15	06/30/16	-	-	7,972	10,610	-	-	(2,638)	-	-			
NCLB Title III	84.365A	S365A150030	NCLB-1680-16	1,657	07/01/15	06/30/16	-	-	1,657	1,657	-	-	-	-	-			
Rural Education Achievement Program	84.358A	S358B150030	S358A-3750-14	34,844	07/01/13	09/30/14	(3,227)	-	3,227	-	-	-	-	-	-			
Rural Education Achievement Program	84.358A	S358B150030	S358A-3750-15	32,588	07/01/14	09/30/15	(8,402)	-	32,588	24,186	-	-	-	-	-			
Rural Education Achievement Program	84.358A	S358B150030	S358A-3750-16	32,231	07/01/15	09/30/16	-	-	9,490	15,525	-	-	(6,035)	-	-			
Total Special Revenue Fund							<u>(23,475)</u>	<u>-</u>	<u>115,437</u>	<u>175,396</u>	<u>-</u>	<u>-</u>	<u>(83,434)</u>	<u>-</u>	<u>-</u>			
U.S. Department of Agriculture passed through State Department of Education																		
Enterprise Fund																		
Child Nutrition Center																		
National School Lunch Program non-cash assistance (commodities)	10.555	16161NJ304N1099	N/A	11,267	07/01/14	06/30/15	1,613	-	-	1,613	-	-	-	-	-			
National School Lunch Program non-cash assistance (commodities)	10.555	16161NJ304N1099	N/A	9,737	07/01/15	06/30/16	-	-	9,737	8,617	-	-	-	1,120	-			
National School Lunch Program cash assistance	10.555	16161NJ304N1099	N/A	30,130	07/01/14	06/30/15	(2,402)	-	2,402	-	-	-	-	-	-			
National School Lunch Program cash assistance	10.555	16161NJ304N1099	N/A	32,641	07/01/15	06/30/16	-	-	26,961	32,641	-	-	(5,680)	-	-			
Total Enterprise Fund							<u>(789)</u>	<u>-</u>	<u>39,100</u>	<u>42,871</u>	<u>-</u>	<u>-</u>	<u>(5,680)</u>	<u>1,120</u>	<u>-</u>			
Total Federal Financial Assistance							<u>\$ (24,264)</u>	<u>\$ -</u>	<u>\$ 154,537</u>	<u>\$ 218,267</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (89,114)</u>	<u>\$ 1,120</u>	<u>\$ -</u>			

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance - Schedule B
For the Fiscal Year Ended June 30, 2016

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period		Balance June 30, 2015		Cash Received	Budgetary Expenditure	Adjustments/Repayments	Balance June 30, 2016			Memo	
			From	To	Deferred Rev. (Accts. Rec)	Due to Grantor				Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure
State Department of Education														
General Fund														
Special Education Categorical Aid	16-495-034-5120-089	\$280,435	07/01/15	06/30/16	\$ -	\$ -	\$ 252,429	\$ 280,435	\$ -	\$ -	\$ -	\$ -	\$ (28,006)	\$ 280,435
Security Aid	16-495-034-5120-084	37,939	07/01/15	06/30/16	-	-	34,150	37,939	-	-	-	-	(3,789)	37,939
Adjustment Aid	16-495-034-5120-085	98,275	07/01/15	06/30/16	-	-	88,461	98,275	-	-	-	-	(9,814)	98,275
Transportation Aid	16-495-034-5120-014	181,957	07/01/15	06/30/16	-	-	163,785	181,957	-	-	-	-	(18,172)	181,957
PARCC Readiness Aid	16-495-034-5120-098	3,620	07/01/15	06/30/16	-	-	3,258	3,620	-	-	-	-	(362)	3,620
Per Pupil Growth Aid	16-495-034-5120-097	3,620	07/01/15	06/30/16	-	-	3,258	3,620	-	-	-	-	(362)	3,620
School Choice Aid	16-495-034-5120-068	267,200	07/01/15	06/30/16	-	-	240,516	267,200	-	-	-	-	(26,684)	267,200
Non-public Transportation Aid	16-495-034-5120-014	1,996	07/01/15	06/30/16	-	-	-	1,996	-	(1,996)	-	-	-	1,996
Non-public Transportation Aid	15-495-034-5120-014	2,088	07/01/14	06/30/15	(2,088)	-	2,088	-	-	-	-	-	-	2,088
Extraordinary Special Education Costs Aid	16-100-034-5120-473	11,223	07/01/15	06/30/16	-	-	-	11,223	-	(11,223)	-	-	-	11,223
Extraordinary Special Education Costs Aid	15-100-034-5120-473	23,422	07/01/14	06/30/15	(23,134)	-	23,134	-	-	-	-	-	-	23,422
On behalf TPAF pension contribution - Teachers' Pension & Annuity Fund	16-495-034-5094-002	270,302	07/01/15	06/30/16	-	-	270,302	270,302	-	-	-	-	-	270,302
On behalf TPAF pension contribution - Non-contributory insurance	16-495-034-5094-004	13,465	07/01/15	06/30/16	-	-	13,465	13,465	-	-	-	-	-	13,465
On behalf TPAF pension contribution - Post retirement medical	16-495-034-5094-001	337,887	07/01/15	06/30/16	-	-	337,887	337,887	-	-	-	-	-	337,887
Reimbursed TPAF Social Security contribution	16-495-034-5094-003	356,446	07/01/15	06/30/16	-	-	356,446	356,446	-	-	-	-	-	356,446
Reimbursed TPAF Social Security contribution	15-495-034-5094-003	270,934	07/01/14	06/30/15	(13,160)	-	13,160	-	-	-	-	-	-	270,934
Total General Fund					(38,382)	-	1,802,339	1,864,365	-	(13,219)	-	-	(87,189)	2,160,809
Special Revenue Fund														
Nonpublic Handicapped Aid - Supplemental	16-100-034-5120-066	520	07/01/15	06/30/16	-	-	520	520	-	-	-	-	-	2,904
Nonpublic Handicapped Aid - Examination	16-100-034-5120-066	2,384	07/01/15	06/30/16	-	-	2,384	2,384	-	-	-	-	-	-
Nonpublic Textbook Aid	16-100-034-5120-064	1,313	07/01/15	06/30/16	-	-	1,313	1,247	-	-	-	66	-	1,247
Nonpublic Nursing Services	16-100-034-5120-070	3,780	07/01/15	06/30/16	-	-	3,780	3,779	-	-	-	1	-	3,779
Nonpublic Technology Initiative	16-100-034-5120-373	598	07/01/15	06/30/16	-	-	598	356	-	-	-	242	-	356
Nonpublic Security Aid	16-100-034-5120-509	1,050	07/01/15	06/30/16	-	-	1,050	-	-	-	-	1,050	-	-
Character Education	06-495-034-5120-053	4,000	07/01/05	06/30/06	64	-	-	-	-	-	64	-	-	-
Total Special Revenue Fund					64	-	9,645	8,286	-	-	64	1,359	-	8,286
Capital Projects Fund														
NJ School Development Authority														
Capital Projects Fund (EDA)														
Window and Roof Replacement	1160-050-14-1001	411,300	06/04/13	06/30/16	-	-	211,948	211,948	-	-	-	-	-	253,077
Total capital projects fund					-	-	211,948	211,948	-	-	-	-	-	253,077

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance - Schedule B (continued)
For the Fiscal Year Ended June 30, 2016

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period		Balance June 30, 2015		Cash Received	Budgetary Expenditure	Adjustments/ Repayments	Balance June 30, 2016			Memo		
			From	To	Deferred Rev. (Accts. Rec)	Due to Grantor				Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure	
State Department of Agriculture Enterprise Fund															
State School Lunch program	16-100-010-3350-023	1,096	07/01/15	06/30/16	\$ -	\$ -	\$ 916	\$ 1,096	\$ -	\$ (180)	\$ -	\$ -	\$ -	\$ -	\$ 1,096
State School Lunch program	15-100-010-3350-023	1,161	07/01/14	06/30/15	(91)	-	91	-	-	-	-	-	-	-	1,161
Total Enterprise Fund					(91)	-	1,007	1,096	-	(180)	-	-	-	-	2,257
Total State Financial Assistance					<u>\$ (38,409)</u>	<u>\$ -</u>	<u>\$2,024,939</u>	<u>2,085,695</u>	<u>\$ -</u>	<u>\$ (13,399)</u>	<u>\$ 64</u>	<u>\$1,359</u>	<u>\$ (87,189)</u>	<u>\$2,424,429</u>	
Less: On behalf TPAF Pension System contributions								(621,654)							
Total for State financial assistance - major program determination								<u>\$1,464,041</u>							

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Schedule of Awards and Financial Assistance
June 30, 2016

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, Kingwood 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 \$2,672 for the General Fund and \$7,758 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:

	Federal	State	Total
General Fund	\$ -	\$ 1,861,693	\$ 1,861,693
Special Revenue Fund	183,154	8,286	191,440
Food Service Fund	42,871	1,096	43,967
	<u>\$ 226,025</u>	<u>\$ 1,871,075</u>	<u>\$ 2,097,100</u>

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Schedule of Awards and Financial Assistance
June 30, 2016

- 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, 2016. 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, 2016.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2016

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

State Awards

What was the dollar threshold used to distinguish between Type A and Type B programs? \$750,000

Did the auditee qualify as a low-risk auditee? X Yes No

What was the type of Auditor's Report Issued on Compliance for Major Programs? Unmodified

Internal Control Over Major Programs:

1. Were material weakness(es) identified? Yes X No
2. Were reportable conditions identified that are not considered to be material weaknesses? Yes X No

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

Identification of Major Programs:

GMIS Numbers	Amount	Name of State Program
<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

**EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2016**

Section II - Financial Statement Findings

There were no findings or questioned costs for the year ended June 30, 2016.

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, 2016.

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**EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2016**

Schedule of Prior Year Findings and Questioned Costs

There were no prior year findings or questioned costs.