

EAST WINDSOR REGIONAL SCHOOL DISTRICT

Hightstown, New Jersey
County of Mercer

*Comprehensive Annual Financial Report
For the Year Fiscal Ended
June 30, 2016*

East Windsor Regional School District

Hightstown, New Jersey

Comprehensive Annual Financial Report
Year Ended June 30, 2016

Prepared by
Business Office

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Introductory Section

East Windsor Regional School District

December 2, 2016

Honorable President and
Members of the Board of Education
East Windsor Regional School District
County of Mercer, New Jersey

Dear Board Members:

I am pleased to submit The Comprehensive Annual Financial Report of the East Windsor Regional School District (hereafter the "District") for the fiscal year ending June 30, 2016. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the District. To the best of our knowledge, 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 the results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: Introductory, Financial, Statistical and Single Audit. The Introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The Financial section includes the independent Auditor's Report, Management Discussion and Analysis (MD&A) and the basic financial statements including the government-wide financial statements presented in conformity with Governmental Accounting Standards Board Statement No. 34. The basic financial statements also include individual fund financial statements, notes to the financial statements and required supplemental information (RSI). The Statistical section includes selected financial and demographic information presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996, the Federal Uniform Guidance, and the New Jersey OMB Circular 04-04 and/or 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 on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the Single Audit section of this report.

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

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular, vocational as well as special education for handicapped and preschool handicapped children. The District had 5,139 students enrolled October 15, 2015. Enrollment is defined as students on roll (both full and shared time count as one) and students placed out of district including Mercer County Special Services School District. The following details the changes in the student enrollment of the District over the last fifteen years.

ENROLLMENT

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2006-07	5,004	+1.32%
2007-08	4,972	- 0.64%
2008-09	5,025	+1.07%
2009-10	5,029	+0.08%
2010-11	5,075	+0.91%
2011-12	5,072	- 0.06%
2012-13	5,072	+0.00%
2013-14	5,106	+0.67%
2014-15	5,019	-1.70%
2015-16	5,139	+2.39%

2) ECONOMIC CONDITION AND OUTLOOK: New residential development has leveled off. Commercial development continues to increase and is helping add to the tax base. Student enrollment will increase as students become school age the increased housing stock. The District will continue to manage the state aid revenues.

3) MAJOR INITIATIVES: Expenditures made during the 2015-2016 school year were designed to support the district's mission, goals and instructional action plans as well as the state's core curriculum standards and migration to a new mandated assessment (PARCC) in grades K to 12. The following district initiatives were supported in 2015-2016:

1. The continuation of the alignment process of our curriculum with the NJCCCS and assessments:

The continued purchase of textbooks and instructional materials that support the NJCCCS
High School Language Arts, MATH, SCIENCE, DUAL ENROLLMENT CLASSES
Middle School Language Arts, Mathematics, Social Studies
Elementary K- 2 Language Arts, Mathematics, Social Studies, Science
Bilingual Program Resources

2. The continuation of a professional development program consistent with our vision and NJ DOE initiatives including:

- Leveraging Technology in The Classroom
- The use of technology (Google Apps) in advancing student achievement
- Genesis Lesson Planner / Web Pages
- Utilization of data (Performance Matters) to drive instruction
- Familiarity with expectations and format of the PARCC Assessment reports / Evidence Tables
- Elementary Formative / Summative Assessment / Report Card
- Understanding the Core Curriculum Content Standards (Literacy, Social Studies, Language Arts, Mathematics)

3. Continued development of the District's technology with an emphasis on:
 - The deployment of software to determine the instructional reading level and functional mathematics level of all students in grades 1 to 12.
 - Additional Chromebook Carts Every grade 3 to 5 classroom / every SS, LA and Science class in grades 6 to 8 have a Chromebook lab
4. Continued to support new robust elective opportunities in grades 9-12 to address student needs:
 - Dual enrolment World Language, Language Arts, Math,
 - Rock Band
 - Drama

4. INTERNAL ACCOUNTING 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 estimate and judgments by management.

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

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

5. BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund and the special revenue fund and debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line items basis. Open encumbrances at year-end either are canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2016.

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

7. CASH MANAGEMENT: The investment policy of the District is by state statute as detailed in “Notes to the Financial Statements”, Note 3. 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. 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.

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

9. OTHER INFORMATION:

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

10. ACKNOWLEDGEMENTS:

We would like to express our appreciation to the members of the East Windsor Regional School District 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.

Respectfully submitted,



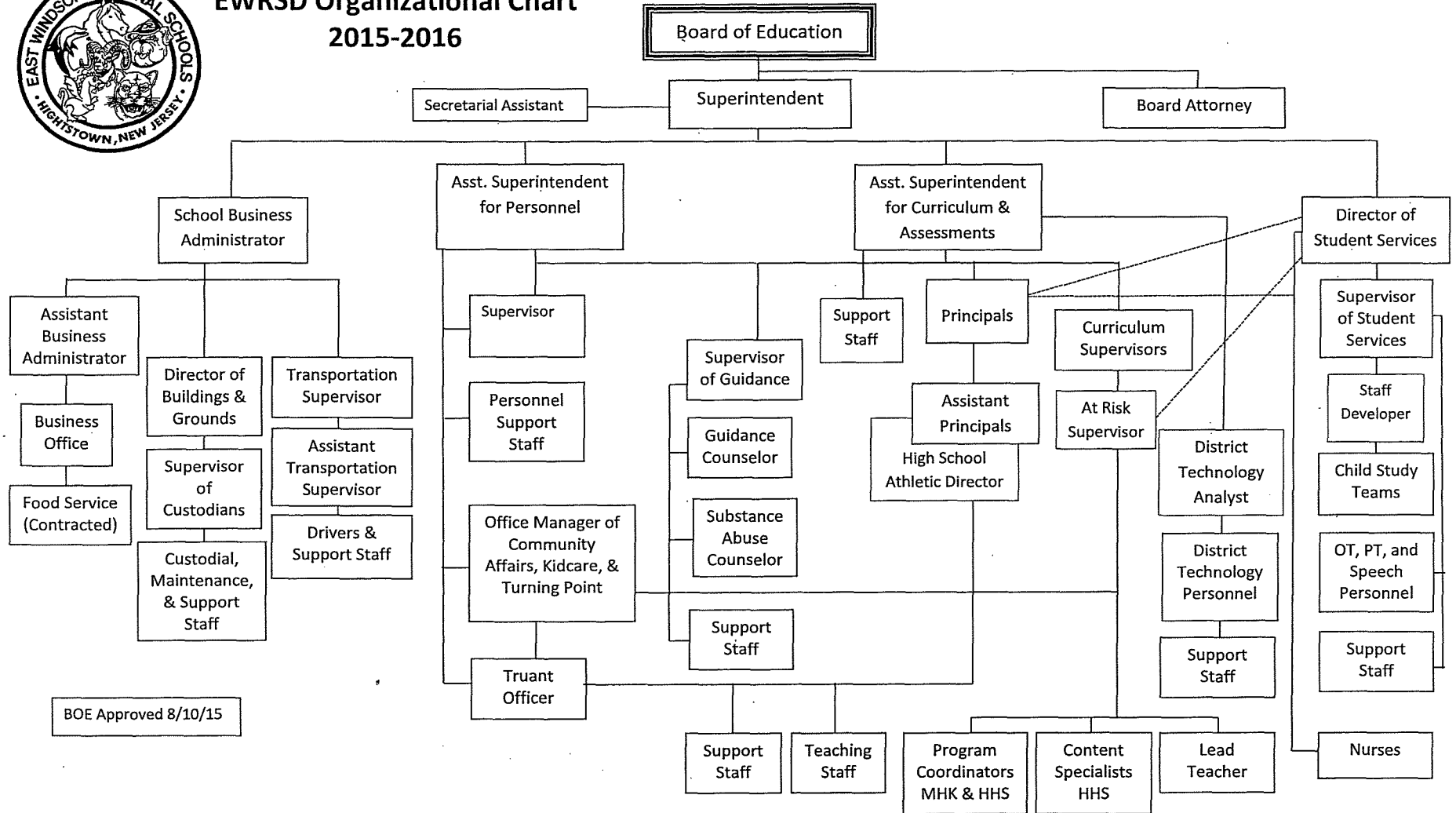
Superintendent



Board Secretary/Business Administrator



EWRSD Organizational Chart 2015-2016



**East Windsor Regional School District
Hightstown, New Jersey**

Roster of Officials

June 30, 2016

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Alice Weisman, President	2018
Paul Connolly, Vice President	2018
Pete Bussone	2017
Bertrand Fougnyes	2017
Lilia Gobaira	2016
Christine Harrington	2016
Tracy Healy	2017
Robert Laverty	2016
Kennedy Paul	2018

Other Officials

Richard Katz, Ed.D., Superintendent

Paul Todd, Business Administrator / Board Secretary

Patrick Pisano, Assistant Business Administrator

John Calavano, Treasurer of School Monies

David Coates, Esq., Solicitor

**East Windsor Regional School District
Hightstown, New Jersey**

Independent Auditors and Advisors

Attorney

Turp, Coates, Essl & Diggers
170 South Main Street
Hightstown, New Jersey 08520

Independent Auditors

Wiss & Company, LLP
354 Eisenhower Parkway
Livingston, NJ 07039

Official Depository

TD Bank
Princeton-Hightstown Road
East Windsor, New Jersey 08520

Financial Section

Independent Auditors' Report

Honorable President and Members
of the Board of Education
East Windsor Regional School District
County of Mercer
Hightstown, 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 Windsor Regional School District, County of Mercer, 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 as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards and requirements 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

Opinions

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

Emphasis of Matter

Correction of an Error - Restatement

As discussed in Note 18 to the financial statements, the June 30, 2015 net position in the government-wide governmental activities and the associated opening balances of the capital asset footnote were restated as a result of adjustments relating to a reconciliation of the District's capital assets and related accumulated depreciation to the annual capital asset appraisal updated during the June 30, 2016 fiscal year. Our opinion was not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

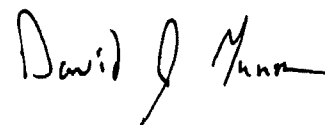
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual fund financial statements, long-term debt schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, respectively, and are also not a required part of the basic financial statements.

The combining and individual fund financial statements and long-term debt schedules and the schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and long-term debt schedules and the schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 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 the 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.



David J. Gannon
Licensed Public School Accountant
No. 2305



WISS & COMPANY, LLP

December 2, 2016
Livingston, New Jersey

Required Supplementary Information – Part I
Management's Discussion and Analysis

East Windsor Regional School District
Hightstown, New Jersey

Management's Discussion and Analysis
Year Ended June 30, 2016

As management of the East Windsor Regional School District ("District"), we offer readers of the District's financial statements this narrative discussion, overview, and analysis of the financial activities of the District for the year ended June 30, 2016. We encourage readers to consider the information presented, in conjunction with additional information that we have furnished in our letter of transmittal.

Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Certain comparative information between the current year (2015-2016) and the prior year (2014-2015) is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for fiscal 2016 are as follows:

- Total net position of the governmental activities and business-type activities is \$61,591,612 at June 30, 2016. It is comprised of both current and capital assets and deferred outflows of resources less deferred inflows of resources and current and outstanding long-term liabilities (Schedule A-1).
- General revenues accounted for \$103,790,092 of total revenue or 95 percent of all revenues. Program specific revenues in the form of charges for services, grants, aid, and contributions accounted for \$6,065,359 or 5 percent of total revenues of \$109,855,451 (Schedule A-2).
- The District had \$97,327,834 in governmental fund expenditures (Schedule B-2). Of that amount, the General Fund expenditures totaled \$89,030,246 including \$8,963,546 in State on-behalf TPAF pension and social security contributions. Grant-related expenditures in the special revenue fund totaled \$2,021,484. Business-type activities expenses were \$2,515,626.
- The District maintains an internal service fund to provide service and fuel for the District's vehicles. This fund had \$337,640 in service charges, and \$331,588 in expenses for supplies and fuel costs.
- The District commenced various capital projects during the year ended June 30, 2016. As a result, there was a transfer of \$2,547,276 from capital reserve to the capital projects fund.
- The District transferred unrestricted funds during the year into restricted capital reserves in the amount of \$1,272,239 to fund future capital projects of the District to support the local share of various SDA approved projects and \$200,000 into the restricted maintenance reserve.

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 the East Windsor Regional School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This document also contains required and supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the assets, deferred outflows of resources, deferred inflows of resources and liabilities of the District, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

The government-wide financial statements can be found on pages 20-21 of this report.

Fund financial statements. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, special revenue fund, capital projects fund and debt service fund, all of which are considered to be major funds.

The District adopts an annual appropriated budget for its general fund, special revenue fund and debt service fund. Budgetary comparison statements have been provided as required supplementary information for the general fund and the special revenue fund and as supplementary information for the debt service fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 22-24 of this report.

Proprietary funds. The District maintains proprietary fund types in the form of enterprise funds and one internal service fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses enterprise funds to account for the operations of its food service and Kid Care, each of which are considered major funds of the District. Enterprise funds provide the same type of information as the government-wide financial statements, only in more detail. The internal service fund provides services and fuel to the District's vehicles and limited other districts.

The proprietary fund financial statements can be found on pages 25-27 of this report.

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

The District uses agency funds to account for resources held for student activities and groups and payroll related liabilities. The District uses trust funds to account for unemployment compensation claims and its private-purpose scholarships. The fiduciary fund financial statements can be found on pages 28-29 of this report.

Notes to the basic financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 30-65 of this report.

Other information. The required supplementary information and combining statements referred to earlier in connection with governmental funds and proprietary funds are presented immediately following the notes to the basic financial statements. Combining and individual fund statements and schedules can be found on pages 66-98 of this report.

The School District as a Whole

The Statement of Net Position provides the perspective of the District as a whole. Net position may serve as an indicator of a government's financial position. However, as noted earlier, net position is not the primary basis for decision making for each budget cycle.

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

The following table provides a summary of net position relating to the District's governmental and business-type activities as of June 30, 2016 and 2015:

East Windsor Regional School District

Net Position

June 30, 2016 and 2015

	Governmental Business-type			Governmental Business-type		Total (as restated) 2015
	Activities	Activities	Total	Activities (as restated)	Activities	
	2016	2016	2016	2015	2015	
Current and other						
Assets	\$ 8,661,830	\$ 1,551,903	\$ 10,213,733	\$ 7,733,752	\$ 1,238,857	\$ 8,972,609
Restricted cash	7,186,444		7,186,444	8,661,481		8,661,481
Capital assets, net	102,169,856	237,717	102,407,573	101,683,124	278,395	101,961,519
Total assets	<u>118,018,130</u>	<u>1,789,620</u>	<u>119,807,750</u>	<u>118,078,357</u>	<u>1,517,252</u>	<u>119,595,609</u>
Deferred Outflows of Resources:						
Deferred loss on refunding of debt	1,105,085		1,105,085	1,200,028		1,200,028
Pension deferrals	5,062,942		5,062,942	2,370,539		2,370,539
Total deferred outflows	<u>6,168,027</u>		<u>6,168,027</u>	<u>3,570,567</u>		<u>3,570,567</u>
Current liabilities	2,555,363	7,054	2,562,417	1,810,187	127	1,810,314
Net pension liability	26,409,585		26,409,585	22,102,707		22,102,707
Unearned revenue	31,842	26,882	58,724	47,990	15,463	63,453
Long-term liabilities outstanding	<u>34,864,506</u>		<u>34,864,506</u>	<u>37,952,662</u>		<u>37,952,662</u>
Total liabilities	<u>63,861,296</u>	<u>33,936</u>	<u>63,895,232</u>	<u>61,913,546</u>	<u>15,590</u>	<u>61,929,136</u>
Deferred Inflows of Resources:						
Pension deferrals	<u>488,933</u>		<u>488,933</u>	<u>1,317,201</u>		<u>1,317,201</u>
Net position:						
Net investment in capital assets	69,467,999	237,717	69,705,716	66,115,732	278,395	66,394,127
Restricted	10,665,161		10,665,161	9,808,188		9,808,188
Unrestricted(deficit)	<u>(20,297,232)</u>	<u>1,517,967</u>	<u>(18,779,265)</u>	<u>(17,505,641)</u>	<u>1,223,267</u>	<u>(16,282,375)</u>
Total net position	<u>\$59,835,928</u>	<u>\$ 1,755,684</u>	<u>\$61,591,612</u>	<u>\$58,418,279</u>	<u>\$ 1,501,662</u>	<u>\$59,919,940</u>

The largest portion of the District's net position is its net investment in capital assets, e.g. land, construction in progress, buildings and improvements, and furniture and equipment, less any related debt (general obligation bonds payable and capital leases) used to acquire those assets that are still outstanding, which amounts to \$69,467,999. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The decrease in the District's long-term liabilities is the result of the district paying off

debt in the current year in the amount of \$3,221,435.

The net pension liability recorded as of June 30, 2016 is the result of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment to GASB Statement No. 68*. The increase of \$4,306,878 from the prior year relates to changes in the actuarial calculation from the prior year and the pension funding status of the State of New Jersey.

Capital assets and the net position related to the net investment in capital assets increased due to expenditures that were capitalized relating to various capital projects and the reduction of debt outstanding.

An additional portion of the District's net position (restricted) represents resources that are subject to external restrictions on how they may be used, which total \$10,665,161 at June 30, 2016. Restricted net position is a result of additional funds being deposited into the capital reserve and maintenance reserve with balances of \$2,790,645 and \$4,395,799, respectively at June 30, 2016. Furthermore, \$845,076 was restricted for subsequent year's expenditures from prior year excess fund balance, and \$800,000 was recognized as current year excess surplus to be utilized in the 2017-2018 budget. Lastly, \$1,833,641 is restricted for capital projects within the Capital Projects fund. The remaining balance of unrestricted net position may be used to meet the District's ongoing obligations to citizens and creditors.

Business type assets increased by approximately \$272,000 resulting from increases from the prior year in the cash balances in the food service enterprise fund and the Kid Care enterprise fund in the amounts of \$167,687 and \$113,782, respectively. These increases to cash were directly correlated to increased participation from the prior year in the food service enterprise fund federal reimbursable school lunch program and the Kid Care enterprise fund after school program.

Overall the activity within the business-type activities increased approximately \$250,000. The increase in net position in the food service enterprise fund pertained to a reduction in labor hours and consistent revenue from the prior year. The increase in net position in the Kid Care enterprise fund was directly related to the District's option not to charge a usage fee for the year ended June 30, 2016.

District activities. The key elements of the District’s changes in net position for the years ended June 30, 2016 and 2015 are as follows:

**East Windsor Regional School District
Change in Net Position
Years ended June 30, 2016 and 2015**

	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
	2016	2016	2016	2015	2015	2015
Revenues:						
Program revenues:						
Charges for services	\$ 525,533	\$ 1,592,802	\$ 2,118,335	\$ 1,146,167	\$1,602,428	\$2,748,595
Operating and capital grants and contributions	2,772,723	1,174,301	3,947,024	18,026,976	1,073,302	19,100,278
General revenues:						
Property taxes	64,651,590		64,651,590	63,479,787		63,479,787
Grants and contributions not restricted to specific programs	38,936,163		38,936,163	20,526,963		20,526,963
Other	199,794	2,545	202,339	738,355	(400,000)	338,355
Total revenues	107,085,803	2,769,648	109,855,451	103,918,249	2,275,730	106,193,979
Expenses:						
Instructional services	68,396,251		68,396,251	35,957,092		35,957,092
Support services	36,099,134		36,099,134	30,287,691		30,287,691
Special Schools	48,765		48,765	42,676		42,676
Interest and other charges on long-term debt	1,124,003		1,124,003	1,412,946		1,412,946
Unallocated Expenses				33,640,623		33,640,623
Food Service Expenses		1,778,459	1,778,459		1,681,029	1,681,029
Kid care Expenses		737,167	737,167		753,458	753,458
Total expenses	105,668,153	2,515,626	108,183,779	101,341,028	2,434,487	103,775,515
Change in net position	1,417,650	254,022	1,671,672	2,577,221	(158,758)	2,418,464
Net position – beginning of year (as restated)	58,418,278	1,501,662	59,919,940	55,841,058	1,660,420	57,501,478
Net position – end of year	\$ 59,835,928	1,755,684	\$ 61,591,612	\$58,418,278	\$ 1,501,661	\$ 59,919,940

The increase in governmental activities revenues is mainly the result of the increase in the TPAF pension amount of \$10,953,931 pertaining to the District’s proportionate share of the TPAF liability paid for by the State.

The increase in governmental activities expenses is the result of an increase in instructional expenses primarily driven by full year recognition of Source 4 Teachers, and the expansion of their services to include long-term substitute teachers.

The activity in the business-type revenues and expenses is relatively flat.

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. The District's fund balance amounts are classified as restricted, assigned or unassigned.

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, Special Revenue Fund and Debt Service Fund revenues for the fiscal year ended June 30, 2016, and the increases and decreases in relation to the prior year:

Revenues				
Year Ended June 30, 2016				
Revenue	Amount	Percent of Total	Increase (Decrease) from 2015	Percent of Increase (Decrease)
Local sources	\$ 65,436,178	68.6%	\$ 976,937	1.52%
State sources	27,895,624	29.2%	1,102,942	4.12%
Federal sources	2,048,759	2.2%	(50,128)	(2.4)%
Total	\$ 95,380,561	100.0%	\$ 2,029,751	3.24%

The increase in local sources is mainly related to the increase in the 2016 tax levy.

The increase in state sources is mainly related to increase in on-behalf TPAF pension contributions.

The decrease in federal sources is mainly due to the District receiving an increase in additional SEMI funds in 2015 that were awarded to school districts during the year ended June 30, 2015. The District did not receive these funds in the current year.

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

Expenditures				
Year Ended June 30, 2016				
Expenditures	Amount	Percent of Total	Increase (Decrease) from 2015	Percent of Increase (Decrease)
Current expenditures:				
Instruction	\$ 37,068,521	39.3%	\$ 1,111,428	3.1 %
Support services	51,918,096	55.0%	813,765	1.6 %
Capital outlay	2,065,113	2.2%	(300,925)	(12.7) %
Debt service	3,273,585	3.5%	(140,750)	(4.2) %
Total	\$ 94,325,315	100.0%	\$ 1,483,518	12.12 %

The increase in instructional and support services relates to contracted salary and health benefit increases.

The decrease in capital outlay expenditures resulted from the District utilizing less funds in the current year to close out several projects. All other fluctuations less than 10% are considered immaterial and have not been explained.

General Fund Budgeting Highlights (Schedule C-1)

The District's budget is prepared according to New Jersey statutes. The most significant budgeted fund is the General Fund. The largest difference to the budget from the revenue perspective was due to an increase in the local tax levy approved by the District in the current year.

Fiscal discipline freed up funds in some budget areas, allowing selected budgetary transfers to be made between budgetary line items and approved by the Board for various reasons including:

- Undistributed instruction – District transferred approximately \$1,700,000 into general supplies to meet the needs of the newly renovated science labs and high school classrooms.
- Undistributed expenditures – Tuition to CSSD and regional day schools- Due to a reduction in enrollment from projected amounts, the District transferred out approximately \$860,000 from this account line.
- Undistributed expenditures – Required maintenance for school facilities- Due to the renovations mentioned above. The District encountered unforeseen cleaning, repair, and maintenance costs. Therefore, approximately \$600,000 was transferred to this account line.
- Unallocated benefits – Health insurance- Due to more favorable premium costs from Aetna, the District transferred out \$1,125,716 from the health insurance account.

Capital Assets and Debt Administration

Capital Assets. At June 30, 2016, the District's governmental funds had capital assets of \$102,169,856 (net of accumulated depreciation), including land, construction in progress, school buildings and improvements, machinery, equipment and vehicles.

The District's governmental activities capital assets (as restated), net of accumulated depreciation consisted of the following at June 30, 2016 and 2015:

	June 30	
	2016	2015 (as restated)
Land	\$ 149,550	\$ 149,550
Construction in progress	1,007,750	4,321,354
Buildings and improvements	96,047,358	91,544,675
Site and site improvements	2,222,688	2,463,613
Machinery, equipment and vehicles	2,742,510	3,203,932
Total capital assets, net	<u>\$ 102,169,856</u>	<u>\$ 101,683,124</u>

More detailed information about the District's capital assets can be found in Note 4 to the basic financial statements.

Debt Administration and Long-term Liabilities. During the 2016 fiscal year, the District's governmental activities had outstanding long-term liabilities of \$61,274,091, of which \$3,022,869 was classified as the current portion.

At June 30, 2016 and 2015, the District's long-term liabilities consisted of:

	<u>June 30</u>	
	<u>2016</u>	<u>2015</u>
Bonds payable, net of premiums	\$28,375,000	\$30,440,000
Lease obligations payable	2,746,479	3,419,534
Compensated absences payable	1,057,564	1,145,476
Unamortized bond premium	2,685,463	2,907,886
Early retirement incentive program		39,766
Total long-term liabilities	<u>\$34,864,506</u>	<u>\$37,952,662</u>

The District's net pension obligation as of June 30, 2016 and 2015 is \$26,409,585 and \$22,102,707, respectively.

More detailed information about the District's long-term liabilities and outstanding debt can be found in Note 5 to the basic financial statements.

Requests for Information

This financial report is designed to provide a general overview of the East Windsor Regional School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the School Business Administrator, 25A Leshin Lane, Hightstown, NJ, 08520.

Basic Financial Statements

Government-wide Financial Statements

The government-wide financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all governmental activities and business-type activities as of and for the year ended June 30, 2016.

East Windsor Regional School District

Statement of Net Position

June 30, 2016

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 6,756,077	\$ 1,313,730	\$ 8,069,807
Accounts receivable	1,878,695	192,882	2,071,577
Inventories	27,058	45,291	72,349
Restricted assets:			
Cash and cash equivalents	7,186,444		7,186,444
Capital assets, non-depreciable	1,157,300		1,157,300
Capital assets, depreciable, net	101,012,556	237,717	101,250,273
Total assets	<u>118,018,130</u>	<u>1,789,620</u>	<u>119,807,750</u>
Deferred Outflows of Resources			
Deferred loss on refunding of debt	1,105,085		1,105,085
Pension deferrals	<u>5,062,942</u>		<u>5,062,942</u>
Total deferred outflows of resources	<u>6,168,027</u>		<u>6,168,027</u>
Liabilities			
Accounts payable and accrued expenses	2,107,479	7,054	2,114,533
Accrued interest payable	447,884		447,884
Unearned revenue	31,842	26,882	58,724
Net pension liability	26,409,585		26,409,585
Current portion of long-term obligations	3,022,869		3,022,869
Noncurrent portion of long-term obligations	<u>31,841,637</u>		<u>31,841,637</u>
Total liabilities	<u>63,861,296</u>	<u>33,936</u>	<u>63,895,232</u>
Deferred Inflows of Resources			
Pension deferrals	<u>488,933</u>		<u>488,933</u>
Net Position			
Net investment in capital assets	69,467,999	237,717	69,705,716
Restricted for:			
Capital projects	1,833,641		1,833,641
Other purposes	8,831,520		8,831,520
Unrestricted (deficit)	<u>(20,297,232)</u>	1,517,967	<u>(18,779,265)</u>
Total net position	<u>\$ 59,835,928</u>	<u>\$ 1,755,684</u>	<u>\$ 61,591,612</u>

East Windsor Regional School District

Statement of Activities

Year ended June 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities							
Instruction							
Regular Instruction	\$ 43,048,737	\$ 441,934	\$ 91,472		\$ (42,515,331)		\$ (42,515,331)
Special Education Instruction	18,572,594		1,644,010		(16,928,584)		(16,928,584)
Other Special Education Instruction	4,889,786				(4,889,786)		(4,889,786)
Other Instruction	1,857,950				(1,857,950)		(1,857,950)
Community Svc. Program / Operations	27,184				(27,184)		(27,184)
Support Services							
Student and Instruction Related Services	13,487,234		286,002		(13,201,232)		(13,201,232)
School Administration	6,227,047				(6,227,047)		(6,227,047)
Other Administration Services	2,505,451				(2,505,451)		(2,505,451)
Plant Operation and Maintenance	9,715,746			\$ 751,239	(8,964,507)		(8,964,507)
Pupil transportation	4,153,905	83,599			(4,070,306)		(4,070,306)
Charter Schools	9,751				(9,751)		(9,751)
Special schools	48,765				(48,765)		(48,765)
Interest on long-term debt	1,124,003				(1,124,003)		(1,124,003)
Total governmental activities	105,668,153	525,533	2,021,484	751,239	(102,369,897)		(102,369,897)
Business-type activities							
Food service	1,778,459	751,380	1,174,301			\$ 147,222	147,222
Kid Care	737,167	841,422				104,255	104,255
Total business-type activities	2,515,626	1,592,802	1,174,301			251,477	251,477
Total primary government	\$ 108,183,779	\$ 2,118,335	\$ 3,195,785	\$ 751,239	(102,369,897)	251,477	(102,118,420)
General revenues:							
Taxes:							
Property taxes, levied for general purposes					61,483,692		61,483,692
Property taxes, levied for debt service					3,167,898		3,167,898
Federal sources					108,840		108,840
State sources—unrestricted					38,827,323		38,827,323
Investment income					33,883		33,883
Miscellaneous					165,911	2,545	168,456
Total general revenues					103,787,547	2,545	103,790,092
Change in net position					1,417,650	254,022	1,671,672
Net Position—beginning (as restated)					58,418,278	1,501,662	59,919,940
Net Position—ending					\$ 59,835,928	\$ 1,755,684	\$ 61,591,612

See accompanying notes to basic financial statements.

Fund Financial Statements

Governmental Funds

East Windsor Regional School District
Governmental Funds

Balance Sheet

June 30, 2016

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Assets					
Cash and cash equivalents	\$ 5,806,228		\$ 923,880	\$ 25,969	\$ 6,756,077
Accounts receivable:					
State	488,464		909,761		1,398,225
Federal	14,732	\$ 399,774			414,506
Other	20,338				20,338
Interfund	112,046				112,046
Restricted assets:					
Cash and cash equivalents	7,186,444				7,186,444
Total assets	<u>\$ 13,628,252</u>	<u>\$ 399,774</u>	<u>\$ 1,833,641</u>	<u>\$ 25,969</u>	<u>\$ 15,887,636</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable and accrued expenses	\$ 743,843	\$ 121,200			\$ 865,043
Intergovernmental payables:					
State		186,497			186,497
Other liabilities	1,202				1,202
Interfund payable		60,235		\$ 1	60,236
Unearned revenue		31,842			31,842
Total liabilities	<u>745,045</u>	<u>399,774</u>		<u>1</u>	<u>1,144,820</u>
Fund balances:					
Restricted for:					
Excess surplus - current year	800,000				800,000
Excess surplus - prior year - designated for subsequent year's expenditures	845,076				845,076
Capital reserve	2,790,645		\$ 1,833,641		4,624,286
Maintenance Reserve	4,395,799				4,395,799
Debt service				25,968	25,968
Assigned to:					
Designated for subsequent year's expenditures	55,683				55,683
Other purposes	3,677,302				3,677,302
Unassigned:					
General fund	318,702				318,702
Total fund balances	<u>12,883,207</u>	<u>-</u>	<u>1,833,641</u>	<u>25,968</u>	<u>14,742,816</u>
Total liabilities and fund balances	<u>\$ 13,628,252</u>	<u>\$ 399,774</u>	<u>1,833,641</u>	<u>25,969</u>	

Amounts reported for governmental activities in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$161,222,656 and the accumulated depreciation is \$59,052,800.	102,169,856
Internal service funds are used by the District to charge the costs of the District's fuel facility fund to the individual funds. The assets and liabilities of the internal service funds are included with governmental activities.	20,874
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.	(447,884)
Deferred loss on bond refunding.	1,105,085
Deferred pension costs in governmental activities are not financial resources and therefore are not reported in the funds.	4,574,009
Accrued pension contributions for the June 30, 2016 plan year end are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.	(1,054,737)
Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds.	(26,409,585)
Long-term liabilities, including bonds payable, capital leases and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(34,864,506)
Net position of governmental activities	<u>\$ 59,835,928</u>

East Windsor Regional School District
Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2016

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Revenues					
Local sources:					
Local tax levy	\$ 61,483,692			\$ 3,167,898	\$ 64,651,590
Transportation fees	83,599				83,599
Tuition	441,934				441,934
Rents and royalties	23,011				23,011
Interest on investments	33,856		\$ 27		33,883
Miscellaneous	142,855	\$ 59,333	1,173,396		1,375,584
Total local sources	62,208,947	59,333	1,173,423	3,167,898	66,609,601
State sources	27,741,737	22,232	751,239	131,655	28,646,863
Federal sources	108,840	1,939,919			2,048,759
Total revenues	90,059,524	2,021,484	1,924,662	3,299,553	97,305,223
Expenditures					
Instruction:					
Regular instruction	25,257,691	91,472			25,349,163
Special education instruction	6,231,324	1,644,010			7,875,334
Other special instruction	2,727,753				2,727,753
Other instruction	1,100,372				1,100,372
Community Svc Program/Operations	15,899				15,899
Support services:					
Tuition	5,652,013				5,652,013
Student and instruction related services	7,671,390	278,307			7,949,697
School administration services	3,062,994				3,062,994
Other admin services	2,210,539				2,210,539
Plant operations and maintenance	6,749,160				6,749,160
Pupil transportation	3,782,275				3,782,275
Employee benefits and on-behalf TPAF social security and pension contributions	22,452,902				22,452,902
Capital outlay	2,057,418	7,695	3,002,519		5,067,632
Special schools	48,765				48,765
Principal				2,065,000	2,065,000
Interest				1,208,585	1,208,585
Contribution to charter schools	9,751				9,751
Total expenditures	89,030,246	2,021,484	3,002,519	3,273,585	97,327,834
Excess (deficiency) of revenues over (under) expenditures	1,029,278	-	(1,077,857)	25,968	(22,611)
Other financing sources (uses):					
Transfers in	27		2,547,276		2,547,303
Transfers out	(2,547,276)		(27)		(2,547,303)
Total other financing sources (uses)	(2,547,249)	-	2,547,249	-	-
Net change in fund balances	(1,517,971)	-	1,469,392	25,968	(22,611)
Fund balances, July 1	14,401,178	-	364,249	-	14,765,427
Fund balances, June 30	\$ 12,883,207	\$ -	\$ 1,833,641	\$ 25,968	\$ 14,742,816

The reconciliation of the fund balances of governmental funds to the net position of governmental activities in the statement of activities is presented in an accompanying schedule (B-3).

East Windsor Regional School District
Governmental Funds

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances to the Statement of Activities

Year ended June 30, 2016

Total net change in fund balances - governmental funds (from B-2) **\$ (22,611)**

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

Capital additions are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount by which capital asset additions exceeded depreciation in the period.

Depreciation expense	\$ (4,016,500)	
Capital asset additions	<u>4,503,232</u>	486,732

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. This represents the change from the prior year. (42,896)

Governmental Funds report the effect of premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

The net effect of these transactions is as follows:

Amortization of premium on bonds	222,423	
Amortization of deferred loss on defeasance	<u>(94,944)</u>	127,479

The Internal Service Fund is used by the District to service and charge the cost of fuel to other funds. The activity of this fund is included in the Statement of Activities. 6,052

The obligations of lease purchase agreements and the repayment of the principal on long-term debt consumes the current financial resources of governmental funds. These transactions, however, have no effect on net position.

Repayment of long-term debt	2,065,000	
Payments on lease purchase agreements	<u>673,055</u>	2,738,055

Repayment of principal on the early retirement incentive program is an expenditure in the governmental funds, but the payment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.

Principal payment	39,766
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In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). 87,912

Certain expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds

Pension expense	(829,488)
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Lease proceeds recognized in the government-wide statements in the prior year that were realized in the fund statements during the current year. (1,173,351)

Change in net position of governmental activities (A-2) **\$ 1,417,650**

Proprietary Funds

East Windsor Regional School District
Proprietary Funds

Statement of Net Position

June 30, 2016

	Major Funds			Governmental Activities
	Business Type Activities - Enterprise Funds			
	Food Service	Kid Care	Totals	
Assets				
Current assets:				
Cash and cash equivalents	\$ 401,257	\$ 912,473	\$ 1,313,730	
Accounts receivable:				
State	3,813		3,813	
Federal	189,069		189,069	
Other				\$ 45,626
Inventory	45,291		45,291	27,058
Total current assets	<u>639,430</u>	<u>912,473</u>	<u>1,551,903</u>	<u>72,684</u>
Noncurrent assets:				
Equipment	1,062,226		1,062,226	30,025
Accumulated depreciation	(824,509)		(824,509)	(30,025)
Total capital assets, net	<u>237,717</u>	<u>-</u>	<u>237,717</u>	<u>-</u>
Total assets	<u>877,147</u>	<u>912,473</u>	<u>1,789,620</u>	<u>72,684</u>
Liabilities				
Current liabilities:				
Accrued salaries payable		7,054	7,054	
Interfund payable				51,810
Unearned revenue	26,882		26,882	
Total current liabilities	<u>26,882</u>	<u>7,054</u>	<u>33,936</u>	<u>51,810</u>
Total liabilities	<u>26,882</u>	<u>7,054</u>	<u>33,936</u>	<u>51,810</u>
Net Position				
Net investment in capital assets	237,717		237,717	
Unrestricted	612,548	905,419	1,517,967	20,874
Total net position	<u>\$ 850,265</u>	<u>\$ 905,419</u>	<u>\$ 1,755,684</u>	<u>\$ 20,874</u>

See accompanying notes to basic financial statements.

East Windsor Regional School District
Proprietary Funds

Statement of Revenues, Expenditures and Changes in Net Position

Year ended June 30, 2016

	Major Funds			Governmental Activities Internal Service Fund
	Business Type Activities - Enterprise Funds			
	Food Service	Kid Care	Totals	
Operating revenues:				
Local sources:				
Daily sales non-reimbursable programs	\$ 751,380		\$ 751,380	
Tuition		\$ 841,422	841,422	
Charges for Services				\$ 337,640
Total operating revenues	751,380	841,422	1,592,802	337,640
Operating expenses				
Salaries	525,154	529,221	1,054,375	
Employee benefits	153,251	123,155	276,406	
Purchased professional services	148,911	29,808	178,719	
Other purchased services		54,983	54,983	
Supplies and materials	171,413		171,413	331,588
Depreciation	38,133		38,133	
Cost of sales - non-program	99,206		99,206	
Cost of sales - program	606,639		606,639	
Miscellaneous	35,752		35,752	
Total operating expenses	1,778,459	737,167	2,515,626	331,588
Operating (loss) income	(1,027,079)	104,255	(922,824)	6,052
Non-operating revenues:				
State sources:				
State school lunch program	20,917		20,917	
Federal sources:				
School breakfast program	153,682		153,682	
National school lunch program	818,947		818,947	
Special milk program	3,738		3,738	
HHFKA	25,568		25,568	
Food donation program	151,449		151,449	
Gain on disposal of capital assets	2,545		2,545	
Total nonoperating revenues	1,176,846	-	1,176,846	-
Change in net position	149,767	104,255	254,022	6,052
Total net position-beginning	700,498	801,164	1,501,662	14,822
Total net position-ending	\$ 850,265	\$ 905,419	\$ 1,755,684	\$ 20,874

East Windsor Regional School District
Proprietary Funds

Statement of Cash Flows

Year ended June 30, 2016

	Major Funds			
	Business Type Activities -			Governmental
	Enterprise Funds			Activities
	Food Service	Kid Care	Total	Internal Service Fund
Cash flows from operating activities				
Receipts from customers	\$ 759,456	\$ 844,022	\$ 1,603,478	\$ 343,891
Receipts from contributions				
Payments to employees	(525,154)	(522,167)	(1,047,321)	
Payments for benefits	(153,251)	(123,155)	(276,406)	
Payments to suppliers	(1,076,447)	(84,918)	(1,161,365)	(329,420)
Net cash (used in) provided by operating activities	(995,396)	113,782	(881,614)	14,471
Cash flows from noncapital financing activities				
Cash received from state and federal sources	1,160,538		1,160,538	
Transfer from other funds				51,810
Payment of bank overdraft				(66,281)
Net cash provided by (used in) noncapital financing activities	1,160,538	-	1,160,538	(14,471)
Cash flows from capital and related financing activities				
Gain on disposal of asset	2,545		2,545	
Net cash provided by capital and related financing activities	2,545		2,545	
Net increase in cash and cash equivalents	167,687	113,782	281,469	-
Cash and cash equivalents, beginning of year	233,570	798,691	1,032,261	-
Cash and cash equivalents, end of year	<u>\$ 401,257</u>	<u>\$ 912,473</u>	<u>\$ 1,313,730</u>	<u>\$ -</u>
Reconciliation of operating (loss) income to net cash (used in) provided by operating activities:				
Operating (loss) income	\$ (1,027,079)	\$ 104,255	\$ (922,824)	\$ 6,052
Adjustments to reconcile operating (loss) income to net cash (used in) provided by operating activities:				
Depreciation	38,133		38,133	
Change in assets and liabilities:				
Decrease in other accounts receivable		2,600		6,251
(Increase) decrease in inventory	(14,526)		(14,526)	2,168
Increase in accounts payable		6,927	6,927	
Increase in unearned revenue	8,076		8,076	
Net cash (used in) provided by operating activities	<u>\$ (995,396)</u>	<u>\$ 113,782</u>	<u>\$ (881,614)</u>	<u>\$ 14,471</u>

Noncash noncapital financing activities:

The District received \$154,792 of food commodities from the U.S. Department of Agriculture for the year ended June 30, 2016.

Fiduciary Funds

East Windsor Regional School District
Fiduciary Funds

Statement of Fiduciary Net Position

June 30, 2016

	Private-Purpose Scholarship Trust Funds	Unemployment Compensation Trust Fund	Agency Fund
Assets			
Cash and cash equivalents	\$ 23,332	\$ 1,376,762	\$ 265,515
Investments	31,664		
Total assets	54,996	1,376,762	\$ 265,515
Liabilities			
Accounts payable		7,548	
Payroll deductions payable			\$ 46,336
Due to student groups			219,179
Total liabilities		7,548	\$ 265,515
Net position			
Held in trust for unemployment claims		\$ 1,369,214	
Held in trust for scholarships	\$ 54,996		

East Windsor Regional School District
Fiduciary Funds

Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2016

	Private-Purpose Scholarship Trust Funds	Unemployment Compensation Trust Fund
Additions		
Interest income	\$ 303	\$ 833
Donations	12,013	
Employee Contributions		106,866
Total additions	12,316	107,699
Deductions		
Scholarship payments	23,900	
Unemployment payments		87,486
Change in investment value	1,686	
Total deductions	25,586	87,486
Change in net position	(13,270)	20,213
Net position-beginning	68,266	1,349,001
Net position-ending	\$ 54,996	\$ 1,369,214

East Windsor Regional School District
Notes to the Basic Financial Statements

Year ended June 30, 2016

1. Summary of Significant Accounting Policies

The financial statements of the East Windsor Regional School District (the "District") have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. Reporting Entity

The financial reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable, and c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

The District, as the primary government for financial reporting entity purposes, has oversight responsibility and control over all activities related to the East Windsor Regional School District. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

The District has no component units that are required to be included within the reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

B. Government-wide and Fund Financial Statements

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

East Windsor Regional School District
Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

1. Summary of Significant Accounting Policies (continued)

intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers 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. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements. The New Jersey Department of Education (“DOE”) requires all funds be reported as major to promote consistency among school districts in the State of New Jersey.

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, the net pension liability and capital leases, are recorded only when payment is due.

East Windsor Regional School District
Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

1. Summary of Significant Accounting Policies (continued)

Property taxes, interest, and state equalization monies 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 year.

The District has reported 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.

Special Revenue Fund: The District maintains one special revenue fund, which includes the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes, other than debt service or capital projects.

Capital Projects Fund: The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to an expenditure for capital outlays, including the acquisition or construction of major capital facilities and other capital assets (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds and state aid 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 accounts for and reports financial resources that are restricted, committed, or assigned to an expenditure for the principal and interest on long-term general obligation debt of governmental funds.

The District reports the following major proprietary funds:

Food Service Enterprise Fund: The food service fund accounts for all revenues and expenses pertaining to cafeteria operations. The food service fund is utilized to account

East Windsor Regional School District
Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

1. Summary of Significant Accounting Policies (continued)

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.

Kid Care Enterprise Fund: This fund accounts for the revenues and expenses pertaining to the District's extended day care program.

Fueling Facility Internal Service Fund: The District's internal service fund provides services and fuel for the District's vehicles, and certain limited outside parties through shared service agreements.

Additionally, the District reports the following fund types:

Fiduciary funds of the District include the unemployment compensation and private purpose scholarship trust funds and agency funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurements of results of operations. The following is a description of the fiduciary funds of the District.

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

Trust Funds: The unemployment compensation and private-purpose scholarship funds are accounted for in essentially the same manner as governmental funds. The unemployment compensation fund is used to account for contributions from employees and interest earned on the balance as well as payments to the State for reimbursement of unemployment claims. The private-purpose scholarship fund is utilized to provide scholarships to students and to account for the related transactions.

Agency Funds (Payroll and Student Activity Fund): Agency funds are used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

East Windsor Regional School District
Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

1. Summary of Significant Accounting Policies (continued)

Amounts reported as program revenues include 1) charged to customers or applicants for goods, services, or privileges 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 taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District enterprise funds are charges for sales of food and tuition. Operating expenses for enterprise funds include the cost of sales, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The District reports unearned revenue on its statement of net position and balance sheet. Unearned revenue arises when resources are received by the District before it has legal claim to them, as when federal assistance is received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

Ad Valorem (Property) taxes are susceptible to accrual as, under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount certified prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable." The County Board of Taxation is responsible for the assessment of properties and the Township of East Windsor and Borough of Hightstown Tax Collectors are responsible for collection of taxes. Assessments are certified and taxes are levied on January 1; taxes are due February 1, May 1, August 1 and November 1. Unpaid taxes are considered delinquent the following January 1 and are then subject to lien.

D. Budgets/Budgetary Control

In accordance with P.L. 2011, which became effective January 17, 2012, the District elected to move the annual school board election from April to the date of the annual November general election, thereby eliminating the vote on the annual based budget. 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 Mercer County office of the DOE

East Windsor Regional School District
Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

1. Summary of Significant Accounting Policies (continued)

for approval. Budgets are prepared using the modified accrual basis of accounting and the special revenue fund uses a non-GAAP budget (budgetary basis). 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 referred in N.J.A.C. 6A:23. The overexpenditure in the general fund is due to the inclusion of the non-budgeted on behalf payments made by the State of New Jersey as District expenditures. These amounts are offset by related revenues and as such do not represent budgetary overexpenditures. All budget amendments must be approved by School Board resolution. Budget amendments were made during the year ended June 30, 2016 and were not significant.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States with the exception of the legally mandated revenue recognition of the last state aid payments for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Open encumbrances at year-end are reappropriated in the subsequent year's budget. 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. Interfund Receivables/Payables

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.

F. Inventories

Inventories, which benefit future periods, other than those recorded in the enterprise fund, are recorded as an expenditure during the year of purchase.

Proprietary funds inventories are valued at cost, which approximates market. At June 30, 2016, \$18,806 of USDA commodities are reported as unearned revenue in the food service enterprise fund.

East Windsor Regional School District
Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

1. Summary of Significant Accounting Policies (continued)

G. Capital Assets

Capital assets, which include land, construction in progress, site and site improvements, buildings and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$2,000. Such assets are recorded at historical cost or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair value on the date of donation. The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend the assets lives are not capitalized.

Buildings, machinery and equipment of the District is depreciated using the straight line method. The following estimated useful lives are used to compute depreciation:

	<u>Years</u>
Machinery and equipment	2-20
Buildings	40
Building improvements	20
Vehicles	5-10

H. Compensated Absences

A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with Districts' agreements with the various employee unions.

The liability for vested compensated absences of the District is recorded in the government-wide financial statements and includes salary related payments.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2016, a liability existed for compensated absences in the government-wide financial statements in the amount of \$1,057,564 and no liability existed for compensated absences in the proprietary fund types.

East Windsor Regional School District
Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

1. Summary of Significant Accounting Policies (continued)

I. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has two items that qualify for reporting in this category, including deferred amounts from the refunding of debt and deferred amounts related to pensions. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category, deferred amounts related to pensions.

J. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type 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.

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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 premiums on debt issuances are reported as other financing uses.

K. Deferred Loss on Defeasance of Debt

Deferred loss on refunding arising from the issuance of the refunding bonds is recorded as a deferred outflow of resources. It is amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense. As of June 30, 2016, the District has recorded an unamortized balance of \$1,105,085 as a deferred outflow of resources and recognized amortization expense of \$94,944.

East Windsor Regional School District
Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

1. Summary of Significant Accounting Policies (continued)

L. Net Position

Net Position represents the difference between assets, deferred outflows of resources, deferred inflows of resources, and liabilities in the government-wide financial statements. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted in the government-wide financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

M. Fund Balances

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

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

East Windsor Regional School District
Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

1. Summary of Significant Accounting Policies (continued)

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

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

Of the \$12,883,207 of fund balances in the General Fund, \$3,677,302 of encumbrances is assigned to other purposes, \$845,076 has been classified as restricted fund balance designated for subsequent years expenditures – prior year excess surplus, \$7,186,444 has been classified as restricted for maintenance reserve and capital reserve in the amounts of \$4,395,799 and \$2,790,645, respectively, \$800,000 has been restricted for excess surplus – current year, \$55,683 is assigned to designated for subsequent year's expenditures and \$318,702 is classified as unassigned.

Of the fund balance in the Capital Projects Fund, \$1,833,641 is restricted for capital projects. All of the fund balance in the debt service fund in the amount of \$25,968 is restricted for future debt service payments.

N. Management Estimates

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

East Windsor Regional School District
Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

1. Summary of Significant Accounting Policies (continued)

O. On-Behalf Payments

Revenues and expenditures of the general fund include payments made by the State of New Jersey for social security and post-retirement medical and pension contributions for certified teachers and other members of the New Jersey Teachers Pension and Annuity Fund. Additionally, revenues and expenses related to on-behalf pension contributions in the government-wide financial statements have been increased by \$10,953,931 to adjust for the full accrual basis expense incurred by the State of New Jersey during the most recent measurement period. The amounts are not required to be included in the District's annual budget.

P. Calculation of Excess Surplus

The designation for restricted fund balance -- excess surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2016 was \$1,645,076. Of this amount, \$845,076 has been appropriated in the 2016/17 budget and the remaining \$800,000 is required to be appropriated in the 2017/18 budget.

Q. GASB Pronouncements

GASB Pronouncements implemented in the 2016 Fiscal Year

In February, 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application* ("GASB 72"). The objective of this Statement is to provide guidance for applying fair value for certain assets and liabilities and disclosures related to all fair value measurements. The requirements of this Statement mandate the use of valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value. The requirements of this Statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015. The District has adopted GASB No. 72 during the year ended June 30, 2016.

Recently Issued Accounting Pronouncements to be implemented in future years

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB No. 75"). The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions

East Windsor Regional School District
Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

1. Summary of Significant Accounting Policies (continued)

(other postemployment benefits or OPEB). It also improves information provided by state and local government employers about financial support for OPEB that is provided by other entities. The Statement will become effective for the District in the 2018 fiscal year. Management has not yet determined the impact of this Statement on the financial statements.

GASB Statement No. 77, *Tax Abatement Disclosures* ("GASB No. 77"). This Statement requires governments that enter into tax abatement agreements to disclose certain information about the agreements. The Statement will become effective for the District in the 2017 fiscal year. Management has not yet determined the impact of this Statement on financial statement note disclosures.

R. Subsequent Events

Management has reviewed and evaluated all events and transactions from June 30, 2016 through December 2, 2016, the date that the financial statements are issued and the effects of those that provide additional pertinent information about conditions that existed at the balance sheet date, have been recognized in the accompanying financial statements and no items have come to the attention of the District that would require disclosure.

2. Reconciliation of Government-Wide and Fund Financial Statements

Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds payable, unamortized premiums, capital leases and compensated absences payable are not due and payable in the current period and therefore are not reported in the funds.

The details of this \$34,864,506 difference are as follows:

Bonds payable	\$ 28,375,000
Premium on bonds	2,685,463
Capital leases payable	2,746,479
Compensated absences	<u>1,057,564</u>
Net adjustment to reduce fund balance-total governmental funds to arrive at net position – governmental activities	<u>\$ 34,864,506</u>

East Windsor Regional School District
Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

3. Deposits and Investments

Cash and cash equivalents include petty cash, change funds, amounts on deposit and short-term investments with original maturities of three months or less.

Investments are stated at fair value in accordance with Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application* and Governmental Accounting Standards Board (GASB) Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. The Board classifies certificates of deposit, which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments and are stated at 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.

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

Deposits

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

East Windsor Regional School District
Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

3. Deposits and Investments (continued)

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

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

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

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

Operating cash accounts are held in the District's name by several commercial banking institutions. At June 30, 2016 the carrying amount of the District's deposits was \$16,953,524 and the bank balance was \$19,821,997. Of the bank balance, \$527,988 of the District's cash deposits on June 30, 2016 was secured by federal depository insurance. The New Jersey Governmental Unit Deposit Protection Act (GUDPA) covered the bank balance of \$18,650,580. \$675,093 held in the District's agency accounts are not covered by GUDPA.

Pursuant to GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40"), the District's operating cash accounts are profiled in order to determine exposure, if any, to Custodial Credit Risk (risk that in the event of failure of the counterparty the District would not be able to recover the value of its deposits and investments). Deposits are considered to be exposed to Custodial Credit Risk if they are: uncollateralized (securities not pledged to the depositor), collateralized with securities held by the pledging financial institution, or collateralized with securities held by the financial institution's trust department or agent but not in the government's name.

The District does not have a policy for the management of custodial credit risk, other than depositing all of its funds in banks covered by GUDPA. At least five percent of the District's deposits were fully collateralized by funds held by the financial institution, but not in the name of the District. Due to the nature of GUDPA, further information is not available regarding the full amount that is collateralized.

East Windsor Regional School District
Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

3. Deposits and Investments (continued)

Investments

New Jersey statutes permit the Board to purchase the following types of securities:

- a. Bonds and other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Agency or of any United States Bank, which have a maturity date not greater than twelve months from the date of purchase.
- c. New Jersey Cash Management Fund, New Jersey Asset and Rebate Management Fund and MBIA.

New Jersey Cash Management Fund

In order to maximize liquidity, the District utilizes the New Jersey Cash Management Fund ("NJCMF"). The NJCMF is administered by the State of New Jersey, Department of the Treasury and issues a separate report that can be obtained directly from the Department of the Treasury. It invests pooled monies from various State and non-State agencies in primarily short-term investments. The pooled shares are equal to the value of the District's shares. These investments include: U.S. Treasuries, short-term Commercial Paper, U.S. Agency Bonds, Corporate Bonds, and Certificates of Deposit. Agencies that participate in the NJCMF typically earn returns that mirror short-term investments rates. Monies can be freely added or withdrawn from the NJCMF on a daily basis without penalty. At June 30, 2016, the District's balance was \$340,333.

All investments in the NJCMF are governed by the regulations of the Investment Council, which prescribes specific standards designed to ensure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other-than-State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis.

Custodial Credit Risk: Pursuant to GASB 40, the NJCMF, which is a pooled investment, is exempt from custodial credit risk exposure. The District does not have a policy for custodial credit risk.

East Windsor Regional School District
Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

3. Deposits and Investments (continued)

Credit Risk: The District does not have an investment policy regarding the management of credit risk. GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or investments guaranteed by the U.S. government. The NJCMF is not rated by a rating agency.

Concentration of Credit Risk: The District places no limit on the amount the District may invest in any one issuer. At June 30, 2016, all of the District's cash investments were invested at the NJCMF.

Interest Rate Risk: The District does not have a policy to limit interest rate risk. The average maturity of the District's investments in the NJCMF and trust fund mutual funds, are less than one year.

4. Capital Assets

The following is a summarization of the governmental activities changes in capital assets for the fiscal year ended June 30, 2016:

	Beginning Balance, (as restated)	Increases	Transfers	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 149,550			\$ 149,550
Construction in process	4,321,354	\$ 3,428,842	(\$6,742,446)	1,007,750
Total capital assets, not being depreciated	4,470,904	3,428,842	(6,742,446)	1,157,300
Capital assets, being depreciated:				
Site and site improvements	4,263,488	\$ 15,057		4,278,545
Buildings and building improvements	136,394,052	1,050,777	6,742,446	144,187,275
Machinery, equipment and vehicles	11,560,955	8,556		11,569,511
Machinery, equipment – Internal Service	30,025			30,025
Total capital assets being depreciated	152,248,520	1,074,390	6,742,446	160,065,356
Less accumulated depreciation for:				
Site and site improvements	1,799,875	255,982		2,055,857
Buildings and building improvements	44,849,377	3,290,540		48,139,917
Machinery, equipment and vehicles	8,357,023	469,978		8,827,001
Machinery, equipment – Internal Service	30,025			30,025
Total accumulated depreciation	55,036,300	4,016,500		59,052,800
Total capital assets, being depreciated, net	97,212,200	(2,942,110)		101,012,556
Governmental activities capital assets, net	\$ 101,683,124	\$ 486,732	-	\$ 102,169,856

East Windsor Regional School District
Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

4. Capital Assets (continued)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$1,673,949
Special Education Instruction	520,053
Other Special Instruction	180,129
Other Instruction	72,664
Community Svc Program/Operations	1,050
Student and Instruction Related Services	524,964
School Administration Services	202,267
Other Admin Services	145,974
Plant Operations and maintenance	445,686
Pupil Transportation	<u>249,764</u>
Total	<u>\$4,016,500</u>

The following is a summarization of the business-type activities changes in capital assets for the fiscal year ended June 30, 2016:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, being depreciated:				
Equipment and vehicles	\$1,064,771		(\$2,545)	\$1,062,226
Less accumulated depreciation for:				
Equipment and vehicles	786,376	\$ 38,133		824,509
Total business-type activities capital assets, net	<u>\$278,395</u>	<u>\$38,133</u>	<u>(\$2,545)</u>	<u>\$237,717</u>

5. Long-Term Liabilities

During the fiscal year ended June 30, 2016, the following changes occurred in long-term liabilities:

	Beginning Balances	Additions	Reductions	Ending Balance	Due within One Year
Governmental activities:					
Compensated absences payable	\$ 1,145,476	\$ 133,279	\$ 221,191	\$ 1,057,564	\$ 60,488
Bonds payable	30,440,000		2,065,000	28,375,000	2,070,000
Premium on bonds	2,907,886		222,423	2,685,463	222,423
Early retirement incentive program	39,766		39,766	-	-
Obligations under capital leases	3,419,534		673,055	2,746,479	669,958
Subtotal	37,952,662	133,279	3,221,435	34,864,506	3,022,869
Net pension liability	22,102,707	4,306,878		26,409,585	
Governmental activities long-term liabilities	<u>\$ 60,055,369</u>	<u>\$ 4,440,157</u>	<u>\$ 3,221,435</u>	<u>\$ 61,274,091</u>	<u>\$ 3,022,869</u>

East Windsor Regional School District
Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

5. Long-Term Liabilities (continued)

The District expects to liquidate the balance in compensated absences with payments made from the District's general fund. Obligations under capital leases will be liquidated with payments from the general fund. Bonds payable will be liquidated with payments from the debt service fund. The net pension liability will be liquidated with payments from the general fund.

Bonds Payable

Bonds are authorized in accordance with State law or by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds. The principal and interest of these bonds will be paid from the debt service fund as required by New Jersey statutes.

In 2012, the District issued \$29,900,000 of refunding bonds. The bonds are due to mature annually through the 2029 fiscal year at annual interest rates from 4.00% to 5.00%.

In 2015, the District issued \$3,280,000 of refunding bonds. The bonds are due to mature annually through the 2024 fiscal year at an annual interest rate of 3.00%.

Principal and interest due on all bonds outstanding are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2017	\$ 2,070,000	\$ 1,171,125	\$ 3,241,125
2018	2,105,000	1,092,825	2,983,106
2019	2,145,000	1,013,025	3,158,025
2020	2,180,000	931,450	3,111,450
2021	2,230,000	830,800	3,060,800
2022-2026	11,365,000	1,983,100	13,348,100
2027-2029	6,280,000	501,200	6,781,200
	<u>\$ 28,375,000</u>	<u>\$ 7,523,525</u>	<u>\$ 35,898,525</u>

East Windsor Regional School District
Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

5. Long-Term Liabilities (continued)

The assets acquired through capital leases are as follows at June 30, 2016:

	<u>Governmental Activities</u>
Asset:	
Land improvements and equipment	\$ 2,232,000
Less accumulated depreciation	<u>(247,028)</u>
Total	<u>\$1,984,972</u>

Other Capital Leases

Governmental Funds

The District has a capital lease outstanding for the science lab and classroom renovations for the high school with an interest rate of 1.64%. The following is a schedule of the future minimum lease payments under this capital lease and the present value of the net future minimum lease payments at June 30, 2016:

Fiscal Year	Amounts
Year ending June 30:	
2017	\$ 715,000
2018	715,000
2019	715,000
2020	<u>715,000</u>
Total minimum lease payment	2,860,000
Less amount representing interest	<u>(113,521)</u>
Present value of net future minimum lease payments	<u>\$ 2,746,479</u>

East Windsor Regional School District
Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

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) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. 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 is considered a cost-sharing multiple-employer plan.

Teachers' Pension and Annuity Fund

The Teachers' Pension and Annuity Fund was established in January 1955 under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively, with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively, with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

Public Employee's Retirement System

The Public Employees' Retirement System was established in January 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school Board or public agency provided the employee is not a member of another State-

East Windsor Regional School District
Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

6. Pension Plans (continued)

administered retirement system. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issued publicly available financial reports that include the financial statements 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.

Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing members. Plan member and employer contributions may be amended by State of New Jersey legislation. Under the provisions of Chapter 78,

P.L. 2011, employee contribution rates for TPAF and PERS increased from 5.5% to 6.5% of employees' annual compensation. An additional increase is to be phased in annually through July 2018 that will bring the total pension contribution rate to 7.5% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate in both the TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the Board is a non-contributing employer of the TPAF.

During the year ended June 30, 2016, the State of New Jersey contributed \$6,343,107 to the TPAF for post-retirement medical benefits and other pension costs on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$2,620,439 during the year ended June 30,

East Windsor Regional School District
Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

6. Pension Plans (continued)

2016 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the government-wide and fund financial statements.

The Board's actuarially determined contributions to PERS for each of the years ended June 30, 2016, 2015, and 2014 was \$1,021,477, \$983,231, and \$868,532, respectively, equal to the required contributions for each year. These respective contributions include annual ERI liability payment contributions of \$10,021.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

Public Employee's Retirement System (PERS)

At June 30, 2016, the District reported a liability of \$26,409,585 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2014, which was rolled forward to June 30, 2015. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2015, the District's proportion was 0.1176478520 percent, which was a decrease of 0.0004049169 from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized full accrual pension expense of \$1,840,944 in the government-wide financial statements. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

East Windsor Regional School District
Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

6. Pension Plans (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 2,836,179	
Net difference between projected and actual earnings on pension plan investments		\$ 424,615
Changes in proportion	541,986	64,318
Difference between expected and actual experience	630,040	
District contributions subsequent to the measurement date	1,054,737	
	\$ 5,062,942	\$ 488,933

\$1,054,737 is reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2017	\$ 661,912
2018	661,912
2019	661,912
2020	991,209
2021	542,327
	\$ 3,519,272

East Windsor Regional School District
Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

6. Pension Plans (continued)

Actuarial Assumptions

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. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

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

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.

Mortality Rates

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former member with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expecting future real rates of return by the target asset allocation percentage and by adding expected inflation.

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

6. Pension Plans (continued)

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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	1.04%
US Treasuries	1.75%	1.64%
Investment Grade 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 US Equities	27.25%	8.52%
Developed Foreign Markets	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%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%
	<u>100.00%</u>	

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 7.90%, 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.

East Windsor Regional School District
Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

6. Pension Plans (continued)

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate

The following presents the District's proportionate share of the net pension liability as of June 30, 2015 calculated using the discount rate as disclosed above as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90 percent) or 1-percentage-point higher (5.90 percent) than the current rate:

	At 1% Decrease (3.90%)	At Current Discount Rate (4.90%)	At 1% Increase (5.90%)
District's proportionate share of the net pension liability	\$ 32,823,883	\$ 26,409,585	\$ 21,031,884

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report for the State of New Jersey Public Employees Retirement System.

Additional Information

Collective balances of the local group at June 30, 2015 are as follows:

Deferred outflows of resources	\$ 3,578,755,666
Deferred inflows of resources	\$ 993,410,455
Net pension liability	\$ 22,447,996,119
 District's Proportion	 0.1176478520%

Collective pension expense for the Local Group for the measurement period ended June 30, 2015 is \$1,481,308,816.

East Windsor Regional School District
Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

6. Pension Plans (continued)

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at June 30, 2015 and 2014 is 5.72 and 6.44 years, respectively.

Teachers Pensions and Annuity Fund (TPAF)

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

The State's proportionate share of the TPAF net pension liability associated with the District as of June 30, 2015 was \$226,819,461. The District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The State's proportionate share of the net pension liability associated with the District was based on a projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2015, the State's proportionate share of the TPAF net pension liability associated with the District was 0.3588673050 percent, which was an increase of 0.0064223966 from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized on-behalf pension expense and revenue in the government wide financial statements of \$13,849,370 for contributions incurred by the State.

East Windsor Regional School District
Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

6. Pension Plans (continued)

Actuarial assumptions

The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.50%
Salary increases	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment rate of return	7.90%

Mortality Rates

Mortality rates were based on the RP-2000 Health Annuitant Mortality Tables for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

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, 2009 to June 30, 2012.

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 TPAF's target asset allocation as of June 30, 2015 are summarized in the following table:

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

6. Pension Plans (continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	0.53%
US Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgages	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
US High Yield Bonds	2.00%	4.57%
US Equity Market	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Markets Equity	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds - MultiStrategy	4.00%	4.59%
Hedge Funds - Equity Hedge	4.00%	5.68%
Hedge Funds - Distressed	4.00%	4.30%
	100.00%	

Discount Rate

The discount rate used to measure the total pension liability was 4.13% as of June 30, 2015. This single blended discount rate was based on the long-term rate of return on pension plan investments of 7.90%, 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. 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 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

East Windsor Regional School District
Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

6. Pension Plans (continued)

Sensitivity of the State's proportionate share of the net pension liability associated with the District to changes in the discount rate

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2015 calculated using the discount rate as disclosed above as well as what the State's proportionate share of the net pension liability associated with the District would be if it were calculated using a discount rate that is 1-percentage-point lower (3.13 percent) or 1-percentage-point higher (5.13 percent) than the current rate:

	At 1% Decrease (3.13%)	At Current Discount Rate (4.13%)	At 1% Increase (5.13%)
State's proportionate share of the net pension liability associated with the District	\$ 269,566,451	\$ 226,819,461	\$ 189,990,371

Pension plan fiduciary net position

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

Additional Information

Collective balances of the local group at June 30, 2015 are as follows:

Deferred outflows of resources	\$ 7,522,890,856
Deferred inflows of resources	\$ 623,365,110
Net pension liability	\$ 63,204,270,305
State's proportionate share associated with the District	0.3588673050%

East Windsor Regional School District
Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

6. Pension Plans (continued)

Collective pension expense for the plan for the measurement period ended June 30, 2015 is \$3,854,529,454.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at June 30, 2015 and 2014 is 8.3 and 8.5 years, respectively.

7. Post-Retirement Benefits

Plan Description

The District contributes to the New Jersey State Health Benefits Program (the "SHBP"), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the State of New Jersey Division of Pension and Benefits. SHBP provide medical, prescription drug, mental health/substance abuse and Medicare Part B reimbursement to retirees and their covered dependents. The State Health Benefits Program Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pension and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SHBP. That report may be obtained by writing to Division of Pension and Benefits, PO Box 295, Trenton, NJ 08625-0295.

Funding Policy

P.L. 1987, chapter 384 and P.L. 1990, chapter 6 required Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, chapter 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2015, there were 107,314 retirees receiving 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 P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

East Windsor Regional School District
Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

7. Post-Retirement Benefits (continued)

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

The State will set the contribution rate based on the *annual required contribution of the employers* (ARC), an amount actuarially determined in accordance with parameters of GASB 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the SHBP Fund for TPAF retirees' post-retirement benefits on behalf of the District for the years ended June 30, 2016, 2015, and 2014 were \$3,447,668, \$3,080,017, and \$2,444,656, respectively, which equaled the required contributions for each year. The State's contributions to the SHBP Fund for PERS retirees' post-retirement benefits on behalf of the District was not determined or made available by the State of New Jersey.

8. Interfund Receivables and Payables

The total interfund accounts receivable and payable for the District at June 30, 2016 amounted to \$112,046 analyzed as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 112,046	
Special Revenue Fund		\$ 60,235
Debt Service Fund		1
Internal Service Fund – Fueling Facility		51,810
	\$112,046	\$112,046

The interfund receivable in the General Fund of \$112,046 is comprised of an interfund receivable in the special revenue fund in the amount of \$60,235, debt service fund in the amount of \$1 and internal service fund – fueling facility in the amount of \$51,810, which represents short-term loans to provide those funds with sufficient cash flow until cash is received for accounts receivable.

All interfunds are expected to be liquidated within one year.

9. Economic Dependency

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

East Windsor Regional School District
Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

10. Contingent Liabilities

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable at June 30, 2016 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

The District is also involved in several claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the Board.

11. 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 and does not retain risk of loss. There have been no significant reductions in insurance coverage from the prior year and no settlements have exceeded insurance coverages over the past three years. A complete schedule of insurance coverage can be found in the statistical section of this report.

The District participates in the NJSBA Insurance Group and public entity risk pool. The risk pool provides its members with the following coverages:

Property – Blanket Building & Grounds	General & Automobile Liability
Boiler & Machinery	Workers' Compensation
School Board Legal Liability	Crime Coverage

New Jersey Unemployment Compensation Insurance

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

East Windsor Regional School District
Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

12. Deferred Compensation Plans

The Board offers its employees deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts unearned under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Aetna/ING Direc	American Century	Ameriprise Financial	AIM Investments
AXA Equitable	H.C. Copeland/Metlife #64	Fidelity	Valic
Janus Group	Lincoln Financial	Lincoln Investment	Prudential
NEA/Security Benefit	Oppenheimer	Metlife Annuity #78	Putnam
Travelers/Metlife #79	United Way	USAA Life	Vanguard
Great American/Galic			

13. Restricted Assets

The funds set aside for capital and maintenance reserve are classified as restricted assets (cash and cash equivalents) as they are restricted for use for future capital projects and maintenance requirements.

14. Maintenance Reserve Account

A maintenance reserve account was established by the District by way of a Board approved resolution on June 8, 2009 for the accumulation of funds for use as maintenance expenditures in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget. Funds placed in the maintenance reserve account are restricted to maintenance projects in the District's approved Comprehensive Maintenance Plan (CMP).

Upon submission of the CMP to the New Jersey Department of Education, the District may increase the balance in the maintenance reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line – item appropriation amounts, or both. The 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 N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the account cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

East Windsor Regional School District
Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

14. Maintenance Reserve Account (continued)

The activity of the maintenance reserve for the July 1, 2015 to June 30, 2016 fiscal year is as follows:

Beginning balance, July 1, 2015	\$	4,595,799
Withdrawal:		
Approved by a resolution of the Board of Education		(200,000)
Ending balance, June 30, 2016	\$	4,395,799

The balance in the maintenance reserve does not exceed four percent of the replacement cost of the school district's school facilities for the current year at June 30, 2016. The District has budgeted \$200,000 of the June 30, 2016 maintenance reserve balance in its 2016-17 fiscal year budget.

15. Capital Reserve Account

A capital reserve account was established by the District in July 1, 2001, by way of a Board resolution, and issued for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget. Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a District may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line – item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A. 19:60-2*. Pursuant to *N.J.A.C. 6A:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Beginning balance, July 1, 2015	\$	4,065,682
Deposit:		
Approved by June 2016 Board resolution		1,272,239
Withdrawal:		
Approved by a resolution of the Board of Education		(2,547,276)
Ending balance, June 30, 2016	\$	2,790,645

East Windsor Regional School District
Notes to the Basic Financial Statements (continued)

Year ended June 30, 2016

15. Capital Reserve Account (continued)

The June 30, 2016 long-range facility plan (LRFP) balance of local support costs of uncompleted projects exceeds the amount set aside in the capital reserve.

16. Commitments

The District has contractual commitments at June 30, 2016 to various vendors, which are recorded in the general fund as fund balance assigned to other purposes in the amount of \$3,677,302 and, in the capital projects fund as balance restricted for capital projects in the amount of \$1,833,641.

17. Transfers

The following presents a reconciliation of transfers during the 2016 fiscal year:

	In	Out
General Fund	\$ 27	\$ 2,547,276
Capital Projects Fund	2,547,276	27
	\$ 2,547,303	\$ 2,547,303

\$27 transfer of interest from capital projects fund was transferred to the general fund.

\$2,547,276 transfer was made by Board approved resolution to transfer capital reserve funds from the general fund to the capital project fund to provide the local share of SDA projects.

18. Correction of an Error - Restatement

The District has restated its June 30, 2015 net position, net investment in capital assets, in order to reflect the correct asset values and related accumulated depreciation to align to the report prepared by a third-party appraisal company.

The following presents the effects of the restatement of net position:

Beginning Net Position, Governmental Activities	\$ 56,694,789
Adjustment to restate the value of prior year capital assets net of related accumulated depreciation	1,723,489
Beginning Net Position, Governmental Activities, as Restated	\$ 58,418,278

Required Supplementary Information – Part II

Schedules Related to Accounting and Reporting for
Pensions (GASB 68)

East Windsor Regional School District
 Schedule of the District's Proportionate Share of the Net Pension Liability
 Public Employee's 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) - Local Group	0.117648%	0.118053%	0.113940%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
District's proportionate share of the net pension liability (asset)	\$ 26,409,585	\$ 22,102,707	\$ 21,776,106	n/a	n/a	n/a	n/a	n/a	n/a	n/a
District's covered-employee payroll	\$ 7,900,026	\$ 8,106,472	\$ 8,075,037	\$ 7,919,559	\$ 7,668,007	\$ 7,558,262	8,255,842	\$ 7,995,582	\$ 7,786,158	\$ 8,075,882
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	334.30%	272.66%	269.67%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Plan fiduciary net position as a percentage of the total pension liability - Local Group	47.93%	52.08%	48.72%	n/a	n/a	n/a	n/a	n/a	n/a	n/a

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

See notes to required supplementary information

East Windsor Regional School District
 Schedule of District Contributions
 Public Employee's Retirement System

Last Ten Fiscal Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Contractually required contribution	\$ 1,054,733	\$ 1,021,477	\$ 983,231	\$ 868,532	\$ 934,611	\$ 837,121	\$ 629,897	\$ 753,376	\$ 492,026	\$ 288,604
Contributions in relation to the contractually required contribution	(1,054,733)	(1,021,477)	(983,231)	(868,532)	(934,611)	(837,121)	(629,897)	(753,376)	(492,026)	(288,604)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 8,106,472	\$ 8,075,037	\$ 7,919,559	\$ 7,668,007	\$ 7,558,262	\$ 8,255,842	\$ 7,995,582	\$ 7,786,158	\$ 8,075,882	\$ 7,853,961
Contributions as a percentage of covered-employee payroll	13.01%	12.65%	12.42%	11.33%	12.37%	10.14%	7.88%	9.68%	6.09%	3.67%

East Windsor Regional School District
Schedule of the State's Proportionate Share of the Net Pension
Liability Associated with the District
Teachers' Pension and Annuity Fund

Last Ten Fiscal Years*

	2016	2015	2014
State's proportion of the net pension liability (asset) associated with the District - Local Group	0.358867%	0.352445%	0.344233%
District's proportionate share of the net pension liability (asset)	\$ -	\$ -	-
State's proportionate share of the net pension liability (asset) associated with the District	\$ 226,819,461	\$ 188,370,333	\$ 173,972,871
Total proportionate share of the net pension liability (asset) associated with the District	<u>\$ 226,819,461</u>	<u>\$ 188,370,333</u>	<u>\$ 173,972,871</u>
Plan fiduciary net position as a percentage of the total pension liability	28.71%	33.64%	33.76%

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

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, governments should present information for those years for which information is available.

Covered payroll information is not presented since the Teachers' Pension and Annuity Fund is a special funding situation in which the District does not make contributions to this plan.

See notes to required supplementary information.

East Windsor Regional School District
Notes to Required Supplementary Information
Year Ended June 30, 2016

1. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 5.39% as of June 30, 2014 to 4.90% as of June 30, 2015.

2. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.68% as of June 30, 2014 to 4.13% as of June 30, 2015.

Required Supplementary Information – Part III

Budgetary Comparison Schedules

East Windsor Regional School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues					
Local sources:					
Local tax levy	\$ 61,483,692		\$ 61,483,692	\$ 61,483,692	
Tuition for other sources	410,024		410,024	441,934	\$ 31,910
Transportation Fees	55,000		55,000	83,599	28,599
Interest on investments				33,856	33,856
Interest on maintenance reserve	100		100		(100)
Interest on capital reserve	100		100		(100)
Rents and royalties	35,000		35,000	23,011	(11,989)
Miscellaneous	115,000		115,000	142,855	27,855
Total revenues - local sources	62,098,916		62,098,916	62,208,947	110,031
State sources:					
Extraordinary aid	160,000		160,000	276,288	116,288
Special Education Aid	2,941,036		2,941,036	2,941,036	
Equalization Aid	14,553,606		14,553,606	14,553,606	
Security Aid	499,780		499,780	499,780	
Transportation Aid	404,533		404,533	404,533	
PARCC Readiness Aid	49,945		49,945	49,945	
Per Pupil Growth Aid	49,945		49,945	49,945	
Other State Aid				21,300	21,300
On-behalf TPAF pension contributions (non-budgeted)				6,343,107	6,343,107
Reimbursed TPAF social security contributions (non-budgeted)				2,620,439	2,620,439
Total - state sources	18,658,845		18,658,845	27,759,979	9,101,134
Federal sources:					
Medical Assistance Program	65,876		65,876	108,840	42,964
Total - federal sources	65,876		65,876	108,840	42,964
Total revenues	80,823,637		80,823,637	90,077,766	9,254,129
Expenditures					
Current expenditures:					
Instruction - regular programs:					
Salaries of teachers:					
Kindergarten	526,684	\$ 16,902	543,586	543,586	
Grades 1-5	8,559,305	(234,175)	8,325,130	8,312,252	12,878
Grades 6-8	5,528,361	(273,634)	5,254,727	5,254,727	
Grades 9-12	7,621,976	(228,619)	7,393,357	7,351,559	41,798
Home instruction - regular programs:					
Salaries of teachers	25,500	13,988	39,488	39,488	
Purchased professional-educational services	125,000	10,700	135,700	108,566	27,134
Undistributed instruction - regular programs:					
Other salaries for instruction		3,700	3,700		3,700
Purchased professional-educational services	150,800	654,099	804,899	777,646	27,253
Purchased technical services	164,269	(18,872)	145,397	128,329	17,068
Other purchased services	17,350	(11,150)	6,200	4,436	1,764
General supplies	1,312,829	1,659,792	2,972,621	2,397,358	575,263
Textbooks	576,525	(222,549)	353,976	333,602	20,374
Other objects	9,400	(1,477)	7,923	6,142	1,781
Total instruction - regular programs	24,617,999	1,368,705	25,986,704	25,257,691	729,013

East Windsor Regional School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures					
Special education:					
Cognitive-mild:					
Purchased professional education services		\$ 2,000	\$ 2,000		\$ 2,000
Total cognitive-mild		2,000	2,000		2,000
Learning and/or language disabilities:					
Salaries of teachers	\$ 456,448	32,662	489,110	\$ 489,110	
Other salaries for instruction	177,223	(23,100)	154,123	149,943	4,180
General supplies	5,000	(4,951)	49		49
Total learning and/or language disabilities	638,671	4,611	643,282	639,053	4,229
Multiple disabilities:					
Salaries of teachers	157,861	(3,400)	154,461	127,155	27,306
Other salaries for instruction		56,272	56,272	56,272	
Purchased professional - educational services		2,250	2,250	1,870	380
General supplies	3,000	(2,796)	204	204	
Total multiple disabilities	160,861	52,326	213,187	185,501	27,686
Resource room/center:					
Salaries of teachers	4,478,476	(323,641)	4,154,835	4,153,911	924
Other salaries for instruction	307,858	15,562	323,420	322,910	510
Purchased professional - educational services		153,775	153,775	153,775	
General supplies	4,158	(4,144)	14		14
Total resource room/center	4,790,492	(158,448)	4,632,044	4,630,596	1,448

East Windsor Regional School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Expenditures (continued)					
Current expenditures (continued):					
Special education (continued):					
Autism:					
Salaries of teachers	\$ 213,690	\$ 68,746	\$ 282,436	\$ 282,436	
Other salaries for instruction	90,665	30,019	120,684	120,174	\$ 510
Purchased professional-educational services		500	500		500
General supplies		300	300	287	13
Total autism	<u>304,355</u>	<u>99,565</u>	<u>403,920</u>	<u>402,897</u>	<u>1,023</u>
Preschool disabilities - part time:					
Salaries of teachers	227,526	(3,511)	224,015	223,884	131
Other salaries for instruction	143,647	2,528	146,175	145,665	510
Purchased professional - educational services		320	320		320
General supplies	4,000		4,000	3,728	272
Total preschool disabilities - part time	<u>375,173</u>	<u>(663)</u>	<u>374,510</u>	<u>373,277</u>	<u>1,233</u>
Total special education	<u>6,269,552</u>	<u>(609)</u>	<u>6,268,943</u>	<u>6,231,324</u>	<u>37,619</u>
Basic skills/remedial - instruction:					
Salaries of teachers	1,019,787	(195,110)	824,677	821,677	3,000
Purchased professional educational services		19,879	19,879	19,765	114
Total basic skills/remedial - instruction	<u>1,019,787</u>	<u>(175,231)</u>	<u>844,556</u>	<u>841,442</u>	<u>3,114</u>
Bilingual education - instruction:					
Salaries of teachers	1,977,348	(159,793)	1,817,555	1,776,617	40,938
Other salaries for instruction	60,750	589	61,339	60,830	509
Purchased professional - educational services		51,661	51,661	29,449	22,212
General supplies	4,000	15,415	19,415	19,415	
Textbooks	10,000	(9,995)	5		5
Total bilingual education - instruction	<u>2,052,098</u>	<u>(102,123)</u>	<u>1,949,975</u>	<u>1,886,311</u>	<u>63,664</u>
School - sponsored cocurricular activities:					
Salaries	261,103	7,824	268,927	264,749	4,178
Purchased services	5,500	(1,562)	3,938	3,906	32
Supplies and materials	4,000	(4,000)			
Other objects	7,100	4,999	12,099	12,041	58
Total school spn. cocurricular activities	<u>277,703</u>	<u>7,261</u>	<u>284,964</u>	<u>280,696</u>	<u>4,268</u>
School - sponsored athletics - instruction:					
Salaries	767,725	(39,052)	728,673	623,306	105,367
Purchased services	70,275	(3,547)	66,728	66,221	507
Supplies and materials	78,420	24,798	103,218	89,164	14,054
Other objects	4,700	5,390	10,090	10,090	
Total school - sponsored athletics - instruction	<u>921,120</u>	<u>(12,411)</u>	<u>908,709</u>	<u>788,781</u>	<u>119,928</u>
Other supplemental/at-risk programs:					
Salaries of teachers	26,937	3,958	30,895	30,895	
Other salaries of instruction	904		904		904
Total Other supplemental/at-risk programs	<u>27,841</u>	<u>3,958</u>	<u>31,799</u>	<u>30,895</u>	<u>904</u>

East Windsor Regional School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Community Service Programs					
Salaries	\$ 17,179		\$ 17,179	\$ 13,732	\$ 3,447
Purchased services	2,200		2,200	2,167	33
Supplies and materials	500		500	500	500
Total community service programs	<u>19,879</u>		<u>19,879</u>	<u>15,899</u>	<u>3,980</u>
Total instruction	35,205,979	\$ 1,089,550	36,295,529	35,333,039	962,490
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs w/in the state - special	5,000		5,000		5,000
Tuition to county voc school district-Regular	685,351	(52,001)	633,350	633,350	
Tuition to CSSD and regional day schools	5,041,365	(860,311)	4,181,054	4,143,462	37,592
Tuition to private schools for the handicapped - within state	455,000	334,315	789,315	783,154	6,161
Tuition to private schools disabled & other LEAs-Spl, O/S St	35,000	39,348	74,348	74,348	
Tuition - state facilities	35,398	(17,699)	17,699	17,699	
Total instruction	<u>6,257,114</u>	<u>(556,348)</u>	<u>5,700,766</u>	<u>5,652,013</u>	<u>48,753</u>
Attendance and social work services:					
Salaries	58,021	774	58,795	58,795	
Purchased professional and technical services	800		800	650	150
Other purchased services	250		250	51	199
Supplies and materials	3,000		3,000	2,445	555
Total attendance and social work services	<u>62,071</u>	<u>774</u>	<u>62,845</u>	<u>61,941</u>	<u>904</u>
Health services:					
Salaries	722,376	(2,300)	720,076	715,791	4,285
Purchased professional and technical services	50,080	19,385	69,465	60,715	8,750
Other purchased services		73,083	73,083	73,083	
Supplies and materials	11,394	12,913	24,307	22,159	2,148
Total health services	<u>783,850</u>	<u>103,081</u>	<u>886,931</u>	<u>871,748</u>	<u>15,183</u>
Speech, OT, PT & related services:					
Salaries	659,326	(50,570)	608,756	606,016	2,740
Purchased professional - educational services	14,000	64	14,064	11,400	2,664
Supplies and materials	5,000	(571)	4,429	4,429	
Total other support services - Speech, OT, PT, & related services	<u>678,326</u>	<u>(51,077)</u>	<u>627,249</u>	<u>621,845</u>	<u>5,404</u>
Other support services - students - extra services:					
Salaries	109,554	14,575	124,129	123,925	204
Purchased professional educational services	500	(500)			
Total other support services - students - extra services	<u>110,054</u>	<u>14,075</u>	<u>124,129</u>	<u>123,925</u>	<u>204</u>

East Windsor Regional School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Guidance:					
Salaries of other professional staff	\$ 1,428,470	\$ (66,374)	\$ 1,362,096	\$ 1,362,096	
Salaries of secretarial and clerical assistants	87,522	858	88,380	88,380	
Purchased professional - educational services	2,000	(16)	1,984	1,713	\$ 271
Other purchased professional and technical services	20,000	2,595	22,595	20,595	2,000
Other purchased services	3,000	625	3,625	2,628	997
Supplies and materials	55,060	(14,940)	40,120	28,656	11,464
Other objects	4,080	(480)	3,600	3,600	3,600
Total guidance	<u>1,600,132</u>	<u>(77,732)</u>	<u>1,522,400</u>	<u>1,504,068</u>	<u>18,332</u>
Child study teams:					
Salaries of other professional staff	1,803,030	(150,439)	1,652,591	1,635,851	16,740
Salaries of secretarial and clerical assistants	150,431	1,266	151,697	151,697	
Purchased professional - educational services	130,000	76,510	206,510	168,719	37,791
Other purchased professional and technical services	30,000	(11,893)	18,107	17,881	226
Other purchased services	6,500	(6,500)			
Miscellaneous purchased services		21,140	21,140	20,496	644
Supplies and materials	25,000	30,326	55,326	39,509	15,817
Other objects	4,500	1,000	5,500	4,485	1,015
Total child study teams	<u>2,149,461</u>	<u>(38,590)</u>	<u>2,110,871</u>	<u>2,038,638</u>	<u>72,233</u>
Improvement of instructional services:					
Salaries of supervisors of instruction	1,093,524	(38,681)	1,054,843	844,623	210,220
Salaries of secretarial and clerical assistants	47,741	468	48,209	48,209	
Other salaries	60,000	(29,400)	30,600	12,580	18,020
Purchased professional - educational services	131,000	18,701	149,701	137,886	11,815
Other purchased professional and technical services	22,000	17,749	39,749	33,989	5,760
Other purchased services	3,000		3,000	156	2,844
Supplies and materials	4,500	9,726	14,226	13,892	334
Other objects	15,000		15,000	8,615	6,385
Total improvement of instructional services	<u>1,376,765</u>	<u>(21,437)</u>	<u>1,355,328</u>	<u>1,099,950</u>	<u>255,378</u>
Educational media services/school library:					
Salaries	865,721	11,221	876,942	852,855	24,087
Purchased professional - technical services	190,290	(15,610)	174,680	157,949	16,731
Other purchased services	350	(350)			
Supplies and materials	40,200	(3,209)	36,991	33,115	3,876
Total educational media services/school library	<u>1,096,561</u>	<u>(7,948)</u>	<u>1,088,613</u>	<u>1,043,919</u>	<u>44,694</u>
Instructional staff training services:					
Salaries of other professional staff	264,684	(28,728)	235,956	224,556	11,400
Purchased professional - educational services	28,848	16,753	45,601	32,757	12,844
Other purchased services	180,810	(122,834)	57,976	47,203	10,773
Supplies and materials	1,000	(160)	840	840	
Total instructional staff training services	<u>475,342</u>	<u>(134,969)</u>	<u>340,373</u>	<u>305,356</u>	<u>35,017</u>

East Windsor Regional School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Support services-general administration:					
Salaries	\$ 249,617		\$ 249,617	\$ 244,869	\$ 4,748
Legal services	96,000	\$ 25,674	121,674	110,199	11,475
Audit fees	55,000	(3,500)	51,500	51,238	262
Architectural/engineering services	50,000	(30,747)	19,253	11,580	7,673
Other purchased professional services	15,000	35,595	50,595	23,336	27,259
Communications/telephone	257,000	(24,688)	232,312	230,931	1,381
BOE other purchased services	4,000		4,000	1,914	2,086
Miscellaneous purchased services	218,491	(218,491)			
Other purchased services		193,861	193,861	190,476	3,385
General supplies	10,500	2,059	12,559	5,696	6,863
Miscellaneous Expenditures	10,500	1,600	12,100	9,820	2,280
BOE membership dues and fees	27,000		27,000	26,663	337
Total support services-general administration	<u>993,108</u>	<u>(18,637)</u>	<u>974,471</u>	<u>906,722</u>	<u>67,749</u>
Support services-school administration:					
Salaries of principals/ assistant principals	1,979,666	(45,998)	1,933,668	1,912,828	20,840
Salaries of other professional staff	117,321	1,150	118,471	118,471	
Salaries of secretarial and clerical assistants	921,793	(34,890)	886,903	883,181	3,722
Unused vacation payment to term		47,108	47,108	33,369	13,739
Purchased professional and technical services	8,500	43,553	52,053	38,568	13,485
Other purchased services	1,129	(599)	530	193	337
Supplies and materials	22,760	18,851	41,611	34,940	6,671
Other objects	46,020	(75)	45,945	41,444	4,501
Total support services-school administration	<u>3,097,189</u>	<u>29,100</u>	<u>3,126,289</u>	<u>3,062,994</u>	<u>63,295</u>
Central services:					
Salaries	780,107	40,330	820,437	814,485	5,952
Purchased professional services	8,000	13,405	21,405	21,075	330
Purchased technical services	156,500	(19,077)	137,423	131,060	6,363
Misc. purchased services	16,600	17,138	33,738	32,182	1,556
Supplies and materials	43,000	980	43,980	8,949	35,031
Interest on lease purchase agreements	41,945		41,945	41,945	
Other objects		4,095	4,095	3,445	650
Miscellaneous expenditures	4,875	(4,875)			
Total central services	<u>1,051,027</u>	<u>51,996</u>	<u>1,103,023</u>	<u>1,053,141</u>	<u>49,882</u>
Administrative information technology:					
Salaries	149,908	1,157	151,065	151,065	
Purchased technical services	7,000	(7,000)			
Other purchased services	5,000	(1,947)	3,053	1,795	1,258
Supplies and materials	75,000	23,217	98,217	97,816	401
Total administrative information technology	<u>236,908</u>	<u>15,427</u>	<u>252,335</u>	<u>250,676</u>	<u>1,659</u>

East Windsor Regional School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Expenditures (continued)					
Current expenditures (continued):					
Undistributed expenditures (continued):					
Required maintenance for school facilities:					
Salaries	\$ 1,329,572	\$ (45,696)	\$ 1,283,876	\$ 1,283,876	
Cleaning, repair and maintenance services	236,194	603,018	839,212	784,883	\$ 54,329
General supplies	236,821	80,340	317,161	298,439	18,722
Other objects	8,000	6,870	14,870	14,870	
Total required maintenance for school facilities	<u>1,810,587</u>	<u>644,532</u>	<u>2,455,119</u>	<u>2,382,068</u>	<u>73,051</u>
Custodial services:					
Salaries	1,986,373	(65,109)	1,921,264	1,920,798	466
Purchased professional and technical services		110,000	110,000	106,745	3,255
Cleaning, repair and maintenance services	174,000	(81,723)	92,277	72,561	19,716
Other purchased property services	62,000	37,250	99,250	87,196	12,054
Insurance	321,554	(109,536)	212,018	204,237	7,781
Travel		2,000	2,000	1,300	700
Miscellaneous purchased services	4,000	(4,000)			
General supplies	332,560	(61,211)	271,349	256,871	14,478
Energy (electricity)	1,275,000	(197,171)	1,077,829	1,077,355	474
Energy (natural gas)	425,000	(146,658)	278,342	278,342	
Total custodial services	<u>4,580,487</u>	<u>(516,158)</u>	<u>4,064,329</u>	<u>4,005,405</u>	<u>58,924</u>
Care and upkeep of grounds:					
Salaries	15,300	(1,958)	13,342	11,784	1,558
Cleaning, repair and maintenance services	21,693	11,657	33,350	19,476	13,874
General supplies	18,124		18,124	3,359	14,765
Total care and upkeep of grounds	<u>55,117</u>	<u>9,699</u>	<u>64,816</u>	<u>34,619</u>	<u>30,197</u>
Security:					
Salaries	338,906	2,153	341,059	319,739	21,320
Purchased professional and technical services		7,329	7,329	7,329	
Total security	<u>338,906</u>	<u>9,482</u>	<u>348,388</u>	<u>327,068</u>	<u>21,320</u>
Student transportation services:					
Salaries for pupil transportation:					
Salaries of non-instructional aides	164,780	108	164,888	163,508	1,380
Between home and school - regular	1,813,920	(60,416)	1,753,504	1,733,786	19,718
Between home and school - special	242,901	53,303	296,204	285,156	11,048
Other than between home and school	121,380	243,303	364,683	294,977	69,706
Unused vacation payment to term		7,872	7,872	7,872	
Cleaning, repair and maintenance	30,000	14,206	44,206	34,051	10,155
Other purchased professional and technical services	25,500	43,028	68,528	65,059	3,469
Contracted services:					
Vendors - between home and school	128,000	(97,094)	30,906	17,450	13,456
Joint agreements - Special Ed	475,000	131,000	606,000	605,451	549
ESCs & CTSA's - Regular	5,000	(5,000)			
Aid in lieu - Nonpublic	140,000	(400)	139,600	131,716	7,884
Miscellaneous purchased services	178,287	(4,798)	173,489	173,489	
General Supplies	278,000	(115,514)	162,486	142,290	20,196
Transportation supplies	135,000	(984)	134,016	127,470	6,546
Other objects	13,000	(4,562)	8,438	8,438	
Total student transportation services	<u>3,750,768</u>	<u>204,052</u>	<u>3,954,820</u>	<u>3,782,275</u>	<u>172,545</u>

East Windsor Regional School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (continued)					
Current expenditures (continued):					
Unallocated benefits:					
Group Insurance	\$ 3,900		\$ 3,900	\$ 3,454	\$ 446
Social security contributions	1,000,000	\$ (27,943)	972,057	939,553	32,504
T.P.A.F contributions -ERIP	30,000	1,051,201	1,081,201	17,923	1,063,278
Other retirement contributions - PERS	1,100,231	(45,571)	1,054,660	1,047,420	7,240
Other retirement contributions - ERIP	7,000	3,776	10,776	8,184	2,592
Other retirement contributions - regular	14,800	32,272	47,072	43,461	3,611
Unemployment compensation		1,416	1,416	1,416	
Worker's compensation	530,997	389	531,386	525,580	5,806
Health insurance	11,981,675	(1,125,716)	10,855,959	10,730,347	125,612
Tuition reimbursement	44,000	8,390	52,390	45,763	6,627
Other employee benefits	233,000	(105,373)	127,627	126,255	1,372
Total unallocated benefits	14,945,603	(207,159)	14,738,444	13,489,356	1,249,088
On-behalf TPAF pension contributions (non-budgeted)				6,343,107	(6,343,107)
Reimbursed TPAF social security (non-budgeted)				2,620,439	(2,620,439)
Total Personal services benefits	14,945,603	(207,159)	14,738,444	22,452,902	(7,714,458)
Total Undistributed expenditures	45,449,376	(547,837)	44,901,539	51,581,273	(6,679,734)
Interest earned on maintenance reserve	100	(100)			
Total current expenditures	80,655,455	541,613	81,197,068	86,914,312	(5,717,244)
Capital outlay:					
Equipment:					
Regular programs - instruction:					
Grades 1-5		196,914	196,914	48,401	148,513
Grades 6-8		3,435	3,435	3,435	
Grades 9-12		8,900	8,900	8,900	
School-spons. And other instructional programs		5,775	5,775	2,100	3,675
Support services-students-reg.		6,194	6,194	6,194	
Admin. info. technology		134,645	134,645	12,045	122,600
Undistributed expenditures - required maintenance for school facilities		253,658	253,658	252,700	958
School buses - regular	200,000	583,731	783,731	368,699	415,032
Total equipment	200,000	1,193,252	1,393,252	702,474	690,778
Facilities acquisition and construction services:					
Architectural/engineering services		18,915	18,915	14,395	4,520
Construction services		1,751,016	1,751,016	463,849	1,287,167
Lease Purchase Agreements - Principal	673,055		673,055	673,055	
Assessment for Debt Service on SDA funding	203,645		203,645	203,645	
Total facilities acquisition and construction services	876,700	1,769,931	2,646,631	1,354,944	1,291,687
Interest deposit to capital reserve	100	(100)			
Total expenditures - capital outlay	1,076,800	2,963,083	4,039,883	2,057,418	1,982,465
Special Schools - Instruction:					
Salaries	38,000		38,000	37,453	547
Other Salaries	11,000	312	11,312	11,312	
Total special schools	49,000	312	49,312	48,765	547
Transfer of funds to charter schools	9,751		9,751	9,751	
Total expenditures	81,791,006	3,505,008	85,296,014	89,030,246	(3,734,232)
(Deficiency) excess of revenues (under) over expenditures	(967,369)	(3,505,008)	(4,472,377)	1,047,520	5,519,897
Other financing sources and (uses):					
Transfers in	148,230		148,230	27	(148,203)
Transfers out (capital reserve transfer to capital projects fund)		(2,547,276)	(2,547,276)	(2,547,276)	-
Total other financing sources (uses)	148,230	(2,547,276)	(2,399,046)	(2,547,249)	(148,203)
(Deficiency) excess of revenues (under) over expenditures and other financing sources (uses)	(819,139)	(6,052,284)	(6,871,423)	(1,499,729)	5,371,694
Fund balances, July 1	15,854,102		15,854,102	15,854,102	
Fund balances, June 30	\$ 14,886,733	\$ (6,052,284)	\$ 8,882,679	\$ 14,354,373	\$ 5,371,694

East Windsor Regional School District
General Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Recapitulation of (deficiency) excess of revenues (under) over expenditures and other financing sources (uses)					
Budgeted fund balance	\$ (619,139)		\$ (619,139)	\$ 933,040	\$ 1,552,179
Withdrawal maintenance reserve	(200,000)		(200,000)	(200,000)	-
Withdrawal capital reserve		\$ (2,547,276)	(2,547,276)	1,272,239	3,819,515
Adjustment for prior year encumbrances, net of cancelations		(3,505,008)	(3,505,008)	(3,505,008)	-
Total	<u>\$ (819,139)</u>	<u>\$ (6,052,284)</u>	<u>\$ (6,871,423)</u>	<u>\$ (1,499,729)</u>	<u>\$ 5,371,694</u>
Recapitulation of fund balance:					
Restricted for:					
Excess surplus - current year				\$ 800,000	
Excess surplus - prior year - designated for subsequent year's expenditures				845,076	
Capital reserve				2,790,645	
Maintenance reserve				4,395,799	
Assigned to:					
Year end encumbrances - other purposes				3,677,302	
Designated for subsequent year - assigned				55,683	
Unassigned fund balance				<u>1,789,868</u>	
				14,354,373	
Reconciliation to Government Funds Statements GAAP:					
Last state aid payments not recognized on GAAP basis				<u>(1,471,166)</u>	
Fund balance per Government Funds (GAAP) (B-1)				<u>\$ 12,883,207</u>	

East Windsor Regional School District
Special Revenue Fund

Budgetary Comparison Schedule
(Budgetary Basis)

Year ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues:					
Federal sources	\$ 2,492,678	\$ 26,051	\$ 2,518,729	\$ 1,949,697	\$ (569,032)
State sources	32,238	176,048	208,286	23,560	(184,726)
Other sources	29,649	20,934	50,583	22,750	(27,833)
Total revenues	2,554,565	223,033	2,777,598	1,996,007	(781,591)
Expenditures:					
Current expenditures:					
Instruction:					
Salaries of teachers	831,820	(18,285)	813,535	599,459	214,076
Purchased professional services	552	48	600	476	124
educational services	217,986	164,492	382,478	140,357	242,121
Other purchased services	852,271	25,015	877,286	791,176	86,110
Supplies and materials	267,635	30,353	297,988	169,869	128,119
Textbooks	6,229	852	7,081	968	6,113
Total instruction	2,176,493	202,475	2,378,968	1,702,305	676,663
Support services:					
Salaries of teachers	16,806	319	17,125	12,476	4,649
Salaries of other professional staff	22,000		22,000		22,000
Personal services-employee benefits	188,273	(306)	187,967	162,197	25,770
Purchased professional services	82,150	3,698	85,848	58,097	27,751
Other purchased services	12,339	1,950	14,289	9,073	5,216
Travel	18,000	(2,000)	16,000	13,554	2,446
Supplies and materials	29,004	14,897	43,901	30,610	13,291
Total support services	368,572	18,558	387,130	286,007	101,123
Capital outlay:					
Instructional equipment	9,500	2,000	11,500	7,695	3,805
Total capital outlay	9,500	2,000	11,500	7,695	3,805
Total expenditures	2,554,565	223,033	2,777,598	1,996,007	781,591
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

East Windsor Regional School District
Note to Required Supplementary Information

Budgetary to GAAP Reconciliation

Year ended June 30, 2016

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the Budgetary Comparison Schedule (C-1, C-2)	\$90,077,766	\$ 1,996,007
Differences - Budgetary to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances (net) are recognized as expenditures, and the related revenue is recognized.		25,477
State aid payments from prior year recognized in prior year for budgetary purposes, and recognized for GAAP statements in the current fiscal year.	1,452,924	
State aid payments recognized for budgetary purposes, not recognized for GAAP statements.	(1,471,166)	
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (B-2)	\$ 90,059,524	\$ 2,021,484
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the Budgetary Comparison Schedule (C-1, C-2)	\$ 89,030,246	\$ 1,996,007
Differences - Budgetary to GAAP		
Encumbrances (net) for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year they are received for GAAP purposes.		25,477
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	\$ 89,030,246	\$ 2,021,484

Supplementary Information

Special Revenue Fund

East Windsor Regional School District
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures
Budgetary Basis

Year ended June 30, 2016

	<u>Title I</u>	<u>Title II</u>	<u>Title III</u>	<u>Carl D. Perkins Vocational and Technical Education Act Secondary</u>
Revenues:				
Federal sources	\$ 455,637	\$ 76,430	\$ 119,021	\$ 23,990
State sources				
Other sources				
Total revenues	<u>\$ 455,637</u>	<u>\$ 76,430</u>	<u>\$ 119,021</u>	<u>\$ 23,990</u>
Expenditures:				
Instruction:				
Salaries:				
Salaries of teachers	\$ 328,046	\$ 8,142	\$ 58,629	
Purchased professional services				\$ 476
Purchased professional and educational services				
Tuition				
Supplies and materials	44,303		33,868	21,389
Textbooks				
Total instruction	<u>372,349</u>	<u>8,142</u>	<u>92,497</u>	<u>21,865</u>
Support services:				
Salaries of teachers		10,351		2,125
Personal services—employee benefits	79,725			
Other purchased professional services		39,125	11,950	
Other purchased services	3,073		6,000	
Travel			8,574	
Supplies and materials	490	18,812		
Total support services	<u>83,288</u>	<u>68,288</u>	<u>26,524</u>	<u>2,125</u>
Capital outlay:				
Instructional equipment				
Total capital outlay				
Total expenditures	<u>\$ 455,637</u>	<u>\$ 76,430</u>	<u>\$ 119,021</u>	<u>\$ 23,990</u>

East Windsor Regional School District
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures
Budgetary Basis

Year ended June 30, 2016

	I.D.E.A.		Safety Grant	Nonpublic Technology	NJ Nonpublic Handicapped Services, Ch. 193
	Regular	Preschool			Examination and Classification
Revenues:					
Federal sources	\$ 1,261,320	\$ 13,299		\$ 360	\$ 19,082
State sources			\$ 8,808		
Other sources					
Total revenues	<u>\$ 1,261,320</u>	<u>\$ 13,299</u>	<u>\$ 8,808</u>	<u>\$ 360</u>	<u>\$ 19,082</u>
Expenditures:					
Instruction:					
Salaries:					
Salaries of teachers	\$ 204,642				
Purchased professional services					
Purchased professional and educational services	117,000				\$ 19,082
Tuition	791,176				
Supplies and materials	54,678	\$ 5,604		\$ 360	
Textbooks					
Total instruction	<u>1,167,496</u>	<u>5,604</u>		<u>360</u>	<u>19,082</u>
Support services:					
Salaries of teachers					
Personal services—employee benefits	82,472				
Purchased professional services	3,872				
Other purchased services					
Travel	4,980				
Supplies and materials	2,500		\$ 8,808		
Total support services	<u>93,824</u>		<u>8,808</u>		
Capital outlay:					
Instructional equipment		7,695			
Total capital outlay		<u>7,695</u>			
Total expenditures	<u>\$ 1,261,320</u>	<u>\$ 13,299</u>	<u>\$ 8,808</u>	<u>\$ 360</u>	<u>\$ 19,082</u>

East Windsor Regional School District
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures
Budgetary Basis

Year ended June 30, 2016

	<u>Nonpublic Textbook Aid</u>	<u>Nonpublic Nursing</u>	<u>Local Grants</u>	<u>Totals</u>
Revenues:				
Federal sources				\$ 1,949,697
State sources	\$ 968	\$ 3,150		23,560
Other sources			\$ 13,942	22,750
Total revenues	<u>\$ 968</u>	<u>\$ 3,150</u>	<u>\$ 13,942</u>	<u>\$ 1,996,007</u>
Expenditures:				
Instruction:				
Salaries:				
Salaries of teachers				\$ 599,459
Purchased professional services				476
Purchased professional and educational services			\$ 4,275	140,357
Tuition				791,176
Supplies and materials			9,667	169,869
Textbooks	\$ 968			968
Total instruction	<u>968</u>		<u>13,942</u>	<u>1,702,305</u>
Support services:				
Salaries of teachers				12,476
Personal services—employee benefits				162,197
Other purchased professional services		\$ 3,150		58,097
Other purchased services				9,073
Travel				13,554
Supplies and materials				30,610
Total support services		<u>3,150</u>		<u>286,007</u>
Capital outlay:				
Instructional equipment				7,695
Total capital outlay				<u>7,695</u>
Total expenditures	<u>\$ 968</u>	<u>\$ 3,150</u>	<u>\$ 13,942</u>	<u>\$ 1,996,007</u>

Capital Projects Fund

East Windsor Regional School District
Capital Projects Fund
Summary Schedule of Project Revenues, Expenditures,
Project Balance and Project Status
(Budgetary Basis)
Year ended June 30, 2016

	Current Year
Revenues	
State Sources - SDA Grant	\$ 1,774,931
Transfer from Capital Reserve	2,547,276
Other revenue	45
Interest on investments	27
Total Revenues	4,322,279
Expenditures	
Construction Services	207,023
Other	2,795,496
Total Expenditures	3,002,519
Other financing sources (uses):	
Transfers out	(27)
Cancellation of SDA grant awards	(181,779)
Total other financing sources (uses)	(181,806)
Excess of Revenues Over Expenditures	1,137,954
Fund Balance, July 1	1,791,408
Fund Balance, June 30	\$ 2,929,362
<u>Reconciliation of budgetary basis to GAAP basis:</u>	
Fund Balance, Budgetary Basis	\$ 2,929,362
Less: Revenue not recognized on a GAAP basis	(1,095,721)
Fund Balance - June 30, 2016 GAAP Basis	\$ 1,833,641

East Windsor Regional School District
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status
(Budgetary Basis)

From Inception and for the year ended June 30, 2016

	Prior Periods	Current Year	Totals	Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 1,793,964	\$ 1,593,152	\$ 3,387,116	\$ 3,387,116
Capital Lease Proceeds	5,651,534		5,651,534	5,651,534
Transfer from Capital Reserve	2,574,589	2,547,276	5,121,865	5,121,865
Total Revenues	<u>10,020,087</u>	<u>4,140,428</u>	<u>14,160,515</u>	<u>14,160,515</u>
Expenditures and Other Financing Uses				
Purchased Professional Services				
Construction Services	8,228,679	3,002,519	11,231,198	14,160,515
Other Expense				
Transfer Out to Other Funds				
Total Expenditures	<u>8,228,679</u>	<u>3,002,519</u>	<u>11,231,198</u>	<u>14,160,515</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,791,408</u>	<u>\$ 1,137,909</u>	<u>\$ 2,929,317</u>	<u>\$ -</u>

East Windsor Regional School District
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status
(Budgetary Basis)

High School Turf Field Construction Project

From Inception and for the year ended June 30, 2016

	Prior Periods	Current Year	Totals	Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant				
Capital Lease Proceeds	\$ 2,232,000		\$ 2,232,000	\$ 2,232,000
Transfer from Capital Reserve				
Total Revenues	<u>2,232,000</u>	<u>-</u>	<u>2,232,000</u>	<u>2,232,000</u>
Expenditures and Other Financing Uses				
Purchased Professional Services				
Construction Services	2,232,000		2,232,000	
Other Expense				
Transfer Out to Debt Service Fund				
Total Expenditures	<u>2,232,000</u>	<u>-</u>	<u>2,232,000</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,232,000</u>
Additional project information				
Project number		NA		
Grant date		NA		
Bond authorization date		NA		
Bonds Authorized		NA		
Bonds Issued		NA		
Original Authorized Cost	\$ 2,232,000			
Additional Authorized Cost				
Revised Authorized Cost	\$ 2,232,000			
Percentage Increase over Original Authorized Cost		0%		
Percentage completion		100%		
Original target completion date		June-16		
Revised target completion date		June-16		

East Windsor Regional School District
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status
(Budgetary Basis)

Telecommunication Replacement for Various Schools

From Inception and for the year ended June 30, 2016

	Prior Periods	Current Year	Totals	Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 237,518	\$ (10,839)	\$ 226,679	\$ 226,679
Capital Lease Proceeds				
Transfer from Capital Reserve	340,872		340,872	340,872
Total Revenues	<u>578,390</u>	<u>(10,839)</u>	<u>567,551</u>	<u>567,551</u>
Expenditures and Other Financing Uses				
Purchased Professional Services				
Construction Services	520,550		520,550	
Other Expense				
Transfer Out to Debt Service Fund				
Total Expenditures	<u>520,550</u>	<u>-</u>	<u>520,550</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 57,840</u>	<u>\$ (10,839)</u>	<u>\$ 47,001</u>	<u>\$ 567,551</u>
Additional project information				
Project number	050-14-1001;055-14-1002;060-14-1003;070-14-1004;075-14-1005			
Grant date	January 6, 2014			
Bond authorization date	NA			
Bonds Authorized	NA			
Bonds Issued	NA			
Original Authorized Cost	\$ 578,390			
Additional Authorized Cost	(10,839)			
Revised Authorized Cost	\$ 567,551			
Percentage Increase over Original Authorized Cost	-2%			
Percentage completion	92%			
Original target completion date	December-16			
Revised target completion date	December-16			

East Windsor Regional School District
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status
(Budgetary Basis)

Roof and Door Replacement for Various Schools

From Inception and for the year ended June 30, 2016

	Prior Periods	Current Year	Totals	Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 1,556,446	\$ (170,940)	\$ 1,385,506	\$ 1,385,506
Capital Lease Proceeds				
Transfer from Capital Reserve	2,233,717		2,233,717	2,233,717
Total Revenues	<u>3,790,163</u>	<u>(170,940)</u>	<u>3,619,223</u>	<u>3,619,223</u>
Expenditures and Other Financing Uses				
Purchased Professional Services				
Construction Services	3,229,946	134,214	3,364,160	
Other Expense				
Transfer Out to Debt Service Fund				
Total Expenditures	<u>3,229,946</u>	<u>134,214</u>	<u>3,364,160</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 560,217</u>	<u>\$ (305,154)</u>	<u>\$ 255,063</u>	<u>\$ 3,619,223</u>
Additional project information				
Project number	050-14-1007;055-14-1008;070-14-1010;075-14-1011			
Grant date	February 21, 2014			
Bond authorization date	NA			
Bonds Authorized	NA			
Bonds Issued	NA			
Original Authorized Cost	\$ 3,790,163			
Additional Authorized Cost	(170,940)			
Revised Authorized Cost	3,619,223			
Percentage Increase over Original				
Authorized Cost	-4.51%			
Percentage completion	93%			
Original target completion date	December-16			
Revised target completion date	December-16			

East Windsor Regional School District
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status
(Budgetary Basis)

High School Science Labs Construction Project

From Inception and for the year ended June 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant				
Capital Lease Proceeds	\$ 3,419,534		\$ 3,419,534	\$ 3,419,534
Transfer from Capital Reserve				
Total Revenues	<u>3,419,534</u>		<u>3,419,534</u>	<u>3,419,534</u>
Expenditures and Other Financing Uses				
Purchased Professional Services				
Construction Services	2,246,183	\$ 1,173,351	3,419,534	
Other Expense				
Transfer Out to Debt Service Fund				
Total Expenditures	<u>2,246,183</u>	<u>1,173,351</u>	<u>3,419,534</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 2,246,183</u>	<u>\$ 1,173,351</u>	<u>\$ -</u>	<u>\$ 3,419,534</u>
Additional project information				
Project number		NA		
Grant date		NA		
Bond authorization date		NA		
Bonds Authorized		NA		
Bonds Issued		NA		
Original Authorized Cost	\$ 3,419,534			
Additional Authorized Cost				
Revised Authorized Cost	\$ 3,419,534			
Percentage Increase over Original				
Authorized Cost		0		
Percentage completion		100%		
Original target completion date		June-16		
Revised target completion date		June-16		

East Windsor Regional School District
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status
(Budgetary Basis)

Walter Black Elementary School Roof Project

From Inception and for the year ended June 30, 2016

	Prior Periods	Current Year	Totals	Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant		\$ 972,888	\$ 972,888	\$ 972,888
Capital Lease Proceeds				
Transfer from Capital Reserve		1,396,231	1,396,231	1,396,231
Total Revenues		2,369,119	2,369,119	2,369,119
Expenditures and Other Financing Uses				
Purchased Professional Services				
Construction Services		1,145,220	1,145,220	
Other Expense				
Transfer Out to Debt Service Fund				
Total Expenditures	-	1,145,220	1,145,220	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ 1,223,899	\$ 1,223,899	\$ 2,369,119
Additional project information				
Project number	1245-080-14-G3HQ-00			
Grant date	October 1, 2015			
Bond authorization date	NA			
Bonds Authorized	NA			
Bonds Issued	NA			
Original Authorized Cost	\$	2,369,119		
Additional Authorized Cost				
Revised Authorized Cost	\$	2,369,119		
Percentage Increase over Original				
Authorized Cost	0%			
Percentage completion	48%			
Original target completion date	December-16			
Revised target completion date	December-16			

East Windsor Regional School District
Capital Projects Fund

Schedule of Project Revenues, Expenditures, Project Balance and Project Status
(Budgetary Basis)

Grace Norton Elementary School Roof Project

From Inception and for the year ended June 30, 2016

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant		\$ 802,043	\$ 802,043	\$ 802,043
Capital Lease Proceeds				
Transfer from Capital Reserve		1,151,045	1,151,045	1,151,045
Total Revenues		<u>1,953,088</u>	<u>1,953,088</u>	<u>1,953,088</u>
Expenditures and Other Financing Uses				
Purchased Professional Services				
Construction Services		549,734	549,734	
Other Expense				
Transfer Out to Debt Service Fund				
Total Expenditures	<u>-</u>	<u>549,734</u>	<u>549,734</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 1,403,354</u>	<u>\$ 1,403,354</u>	<u>\$ 1,953,088</u>
Additional project information				
Project number	1245-060-14-G3HN-00			
Grant date	October 1, 2015			
Bond authorization date	NA			
Bonds Authorized	NA			
Bonds Issued	NA			
Original Authorized Cost	\$	1,953,088		
Additional Authorized Cost				
Revised Authorized Cost	\$	1,953,088		
Percentage Increase over Original				
Authorized Cost	0%			
Percentage completion	28%			
Original target completion date	December-16			
Revised target completion date	December-16			

East Windsor Regional School District
Capital Projects Fund

Summary Schedule of Project Expenditures

Year ended June 30, 2016

Issue/Project Title	Date	Appropriations	Expenditures to Date		Unexpended Balance
			Prior Year	Current Year	
Hightstown High School Turf Field Construction	2/14/13	\$ 2,232,000	\$ 2,232,000		
Telecommunication Replacement for Various Schools	1/27/14	567,551	520,550		\$ 47,001
Roof Replacement for Various Schools	5/12/14	3,619,223	3,229,946	\$ 134,214	255,063
Class Room Renovations for High School	3/15/15	3,419,534	2,246,183	1,173,351	
Walter Black Elementary School Roof Project	10/1/15	2,369,119		1,145,220	1,223,899
Grace Norton Elementary School Roof Project	10/1/15	1,953,088		549,734	1,403,354
		<u>\$ 14,160,515</u>	<u>\$ 8,228,679</u>	<u>\$ 3,002,519</u>	<u>\$ 2,929,317</u>
Other					\$ 45
					<u>\$ 2,929,362</u>

Fiduciary Funds

East Windsor Regional School District
Trust and Agency Funds

Combining Statement of Fiduciary Net Position

June 30, 2016

	Trust			Agency		
	Private- Purpose Scholarship Trust Funds	Unemployment Compensation Trust Funds	Total Trust	Student Activity	Payroll	Total Agency
Assets						
Cash and cash equivalents	\$ 23,332	\$ 1,376,762	\$ 1,400,094	\$ 219,179	\$ 46,336	\$ 265,515
Investments	31,664		31,664			
Total assets	<u>54,996</u>	<u>1,376,762</u>	<u>1,431,758</u>	<u>\$ 219,179</u>	<u>\$ 46,336</u>	<u>\$ 265,515</u>
Liabilities						
Accounts payable		7,548	7,548			
Payroll deductions payable					\$ 46,336	\$ 46,336
Due to student groups				\$ 219,179		219,179
Total liabilities		<u>7,548</u>	<u>7,548</u>	<u>\$ 219,179</u>	<u>\$ 46,336</u>	<u>\$ 265,515</u>
Net position						
Held in trust for unemployment claims		1,369,214	1,369,214			
Held in trust for scholarships	54,996		54,996			
Total net position	<u>\$ 54,996</u>	<u>\$ 1,369,214</u>	<u>\$ 1,424,210</u>			

East Windsor Regional School District
Student Activity Agency Fund

Schedule of Cash Receipts and Cash Disbursements

Year ended June 30, 2016

	Balance July 1, 2015	Cash Receipts	Cash Disbursements	Balance June 30, 2016
Elementary Schools	\$ 24,283	\$ 54,197	\$ 66,958	\$ 11,522
Middle Schools	62,511	169,924	167,127	65,308
High Schools	128,197	399,215	385,874	141,538
Officials Department	1,136	45,000	45,325	811
Total	\$ 216,127	\$ 668,336	\$ 665,284	\$ 219,179

East Windsor Regional School District
Payroll Agency Fund

Schedule of Cash Receipts and Cash Disbursements

Year ended June 30, 2016

	Balance July 1, 2015	Cash Receipts	Cash Disbursements	Balance June 30, 2016
Assets				
Cash and equivalents	\$ 25,927	\$ 66,280,901	\$ 66,260,492	\$ 46,336
Total assets	<u>\$ 25,927</u>	<u>\$ 66,280,901</u>	<u>\$ 66,260,492</u>	<u>\$ 46,336</u>
Liabilities				
Payroll deductions and withholdings	\$ 25,927	\$ 66,280,901	\$ 66,260,492	\$ 46,336
Total liabilities	<u>\$ 25,927</u>	<u>\$ 66,280,901</u>	<u>\$ 66,260,492</u>	<u>\$ 46,336</u>

Long-Term Debt

East Windsor Regional School District
Long-Term Debt

Schedule of Serial Bonds Payable

Year ended June 30, 2016

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance	Retired	Balance
			Date	Amount		July 1, 2015		June 30, 2016
2005 Refunding Bonds	7/15/2005	\$ 6,330,000				\$ 425,000.00	\$ 425,000.00	
2012 Refunding Bonds	2/7/2012	29,900,000	3/1/2017	\$ 1,635,000	4.00%			
			3/1/2018	1,680,000	4.00%			
			3/1/2019	1,730,000	4.00%			
			3/1/2020	1,770,000	5.00%			
			3/1/2021	1,830,000	5.00%			
			3/1/2022	1,890,000	5.00%			
			3/1/2023	2,020,000	5.00%			
			3/1/2024	2,080,000	4.00%			
			3/1/2025	2,115,000	4.00%			
			3/1/2026	2,100,000	4.00%			
			3/1/2027	2,110,000	4.00%			
			3/1/2028	2,090,000	4.00%			
			3/1/2029	2,080,000	4.00%	26,735,000.00	1,605,000.00	\$ 25,130,000
2015 Refunding Bonds	3/18/2015	3,280,000	7/15/2016	435,000	3.00%			
			7/15/2017	425,000	3.00%			
			7/15/2018	415,000	3.00%			
			7/15/2019	410,000	3.00%			
			7/15/2020	400,000	3.00%			
			7/15/2021	395,000	3.00%			
			7/15/2022	390,000	3.00%			
			7/15/2023	375,000	3.00%			
						3,280,000	35,000	3,245,000
						\$ 30,440,000	\$ 2,065,000	\$ 28,375,000

East Windsor Regional School District
Long-Term Debt

Schedule of Obligations Under Lease Purchase Agreements

Year ended June 30, 2016

	Interest Rate	Amount of Original Issue	Balance July 1, 2015	Retired	Balance June 30, 2016
TD Equipment Finance, Inc. - High School Classroom Renovation	1.64%	\$ 3,419,534	\$ 3,419,534	\$ 673,055	\$ 2,746,479
			<u>\$ 3,419,534</u>	<u>\$ 673,055</u>	<u>\$ 2,746,479</u>

East Windsor Regional School District
Debt Service Fund

Budgetary Comparison Schedule

Year ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenues:					
Local sources:					
Local tax levy	\$ 3,167,898		\$ 3,167,898	\$ 3,167,898	
State sources:					
Debt Service Aid Type II	<u>131,655</u>		<u>131,655</u>	<u>131,655</u>	
Total revenues	<u>3,299,553</u>		<u>3,299,553</u>	<u>3,299,553</u>	
Expenditures:					
Principal on bonds	2,030,000	\$ 35,000	2,065,000	2,065,000	
Interest on bonds	<u>1,269,553</u>	<u>(35,000)</u>	<u>1,234,553</u>	<u>1,208,585</u>	<u>\$ 25,968</u>
Total expenditures	<u>3,299,553</u>	<u>-</u>	<u>3,299,553</u>	<u>3,273,585</u>	<u>25,968</u>
Net change in fund balances	-		-	25,968	25,968
Fund balance, July 1					
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>25,968</u>	<u>25,968</u>

Statistical Section

Statistical Section
Unaudited

Contents

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.

Revenue Capacity

These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.

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.

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.

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

East Windsor Regional School District
Net Position by Component
Last Ten Fiscal Years

(Accrual Basis of Accounting)
Unaudited

	2007	2008	2009	2010	As of June 30, 2011	2012	2013	2014	2015 (As restated)	2016
Governmental activities										
Net investment in capital assets	\$ 39,998,845	\$ 38,604,144	\$ 79,348,470	\$ 78,261,276	\$ 74,974,954	\$ 67,200,853	\$ 64,359,111	\$ 63,790,253	\$ 66,115,732	\$ 69,467,999
Restricted	2,120,199	2,731,814	1,416,897	1,651,286	160,932	1,358,893	1,197,379	12,504,920	9,808,188	10,665,161
Unrestricted (deficit)	128,394	(289,893)	(2,634,915)	(1,867,704)	3,477,402	5,036,348	11,961,799	1,321,990	(17,505,642)	(20,297,232)
Total governmental activities net position	<u>\$ 42,247,438</u>	<u>\$ 41,046,065</u>	<u>\$ 78,130,452</u>	<u>\$ 78,044,858</u>	<u>\$ 78,613,288</u>	<u>\$ 73,596,094</u>	<u>\$ 77,518,289</u>	<u>\$ 77,617,163</u>	<u>\$ 58,418,278</u>	<u>\$ 59,835,928</u>
Business-type activities										
Net investment in capital assets	\$ 37,490	\$ 26,620	\$ 17,427	\$ 336,040	\$ 259,112	\$ 427,651	\$ 374,041	\$ 32,670	\$ 278,395	\$ 237,717
Unrestricted	520,088	611,530	783,219	559,374	1,048,146	1,360,951	1,234,892	1,338,750	1,223,267	1,517,967
Total business-type activities net position	<u>\$ 557,578</u>	<u>\$ 638,150</u>	<u>\$ 800,646</u>	<u>\$ 895,414</u>	<u>\$ 1,307,258</u>	<u>\$ 1,788,602</u>	<u>\$ 1,608,933</u>	<u>\$ 1,371,420</u>	<u>\$ 1,501,662</u>	<u>\$ 1,755,684</u>
Government-wide										
Net investment in capital assets	\$ 40,036,335	\$ 38,630,764	\$ 79,365,897	\$ 78,597,316	\$ 75,234,066	\$ 67,628,504	\$ 64,733,152	\$ 64,111,923	\$ 66,394,127	\$ 69,705,716
Restricted	2,120,199	2,731,814	1,416,897	1,651,286	160,932	1,358,893	1,197,379	12,504,920	9,808,188	10,665,161
Unrestricted (deficit)	648,482	321,637	(1,851,696)	(1,308,330)	4,525,548	6,397,299	13,196,691	2,660,740	(16,282,375)	(18,779,265)
Total district net position	<u>\$ 42,805,016</u>	<u>\$ 41,684,215</u>	<u>\$ 78,931,098</u>	<u>\$ 78,940,272</u>	<u>\$ 79,920,546</u>	<u>\$ 75,384,696</u>	<u>\$ 79,127,222</u>	<u>\$ 79,277,583</u>	<u>\$ 59,919,940</u>	<u>\$ 61,591,612</u>

Source: CAFR Schedule A-1 and District records.

GASB No. 63 was implemented in the 2013 fiscal year, which required a change in language from net assets to net position. This required presentation did not impact any of the balances from prior years.

GASB 68 was implemented during the 2015 fiscal year, which required the restatement of beginning net position in the amount of \$22,102,707. This amount is not reflected in the June 30, 2014 Net Position, above.

East Windsor Regional School District
Changes in Net Position
Last Ten Fiscal Years

(Accrual Basis of Accounting)
Unaudited

	Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities										
Instruction										
Regular	\$ 22,073,403	\$ 23,449,840	\$ 25,345,118	\$ 23,886,709	\$ 24,278,169	\$ 24,762,899	\$ 25,042,178	\$ 25,711,382	\$ 25,670,386	\$ 43,048,737
Special Education	5,570,021	5,095,269	4,773,122	5,397,548	5,581,332	5,468,678	5,889,788	6,190,211	6,096,653	18,572,594
Other Instruction	1,998,333	1,871,884	1,911,816	2,092,737	1,823,344	2,247,777	2,881,786	2,965,778	2,992,569	6,747,736
Adult/Continuing Education Programs	1,002,373	1,003,549	957,710	1,085,409	972,437	978,725	1,062,581	1,127,451	1,197,485	27,184
Support services:										
Tuition	3,638,173	3,821,728	4,126,763	3,945,612	4,120,939	5,117,547	5,534,737	6,103,650	6,491,066	
Student & Instruction Related Services	7,293,207	8,072,949	8,251,907	7,823,749	6,960,700	7,332,658	7,619,049	7,643,146	7,829,405	13,487,234
School Administrative Services	2,557,995	2,761,945	2,869,315	2,752,790	2,487,568	2,588,907	2,746,109	2,916,851	3,042,989	6,227,047
General and BusinessAdministrative Services	836,058	751,280	3,299,593	878,198	692,000	624,850	642,886	806,864	987,075	2,505,451
Central Services	1,200,835	899,115	924,094	1,074,239	1,007,249	1,108,804	1,216,913	1,030,751	979,006	
Administrative Information Technology	37,179	23,435	19,782	3,994	2,400	2,400	8,650	197,839	235,688	
Plant Operations and Maintenance	6,922,187	7,314,063	7,242,233	7,138,784	6,880,987	6,358,065	7,540,292	7,498,827	7,230,915	9,715,746
Pupil Transportation	3,112,398	2,820,432	2,788,233	2,769,108	2,742,578	2,975,875	3,345,266	3,717,215	3,491,546	4,153,905
Other Support Services	8,243	11,455	6,087	7,591	5,500	5,500	6,500			
Transfers to Charter Schools				4,625		21,904	35,589	11,137		9,751
Special Schools	250,708	114,607	84,087	90,369	31,322	31,247	38,685	38,685	42,676	48,765
Interest on Long-Term Debt	2,078,264	1,954,706	1,894,783	1,813,441	1,745,893	1,658,548	1,443,522	1,557,907	1,532,276	1,124,003
Unallocated Employee Benefits	19,517,986	21,608,173	19,138,142	20,955,114	19,713,416	19,353,724	19,902,244	19,412,671	29,249,738	
Unallocated Amortization of Bond Costs	10,293	10,295	10,295	10,295	10,293	(33,828)	(95,599)	(115,974)	(119,329)	
Unallocated Depreciation	1,696,202	3,082,090	4,234,890	4,359,390	4,884,213	4,006,499	3,868,597	3,816,984	3,842,200	
Cancellation of Intergovernmental Accounts Receivable					741,280					
Unallocated Compensated Absences	(383,611)	19,059	108,933	52,343	(34,057)	(177,261)	665,839	(55,173)	(237,384)	
Loss/Adjustment to Fixed Assets		1,740,424						1,283,869	2,509,558	
Total governmental activities	79,420,247	86,426,298	87,986,903	86,142,045	84,647,563	84,433,518	89,390,174	91,860,071	103,064,518	105,668,153
Business-type activities:										
Food service	1,198,856	1,171,247	1,315,536	1,387,949	1,370,210	1,708,043	2,089,683	1,655,075	1,681,029	1,778,459
Child Care	536,211	767,276	736,575	798,266	484,139	514,615	525,226	714,803	753,458	737,167
Total business-type activities expense	1,735,067	1,938,523	2,052,111	2,186,215	1,854,349	2,222,658	2,614,909	2,369,878	2,434,487	2,515,626
Total district expenses	81,155,314	88,364,821	90,039,014	88,328,260	86,501,912	86,656,176	92,005,083	94,229,949	105,499,005	108,183,779
Program Revenues										
Governmental activities:										
Charges for services										
Instruction (Regular)	1,266,322	1,503,227	1,384,912	1,236,468	1,260,235	1,341,045	1,388,295	1,289,218	1,146,167	525,533
Operating grants and contributions	2,480,135	2,436,666	2,002,750	2,204,545	3,147,814	2,273,215	2,269,808	2,100,542	18,026,976	2,021,484
Capital grants and contributions										751,239
Total governmental activities program revenues	3,746,457	3,939,893	3,387,662	3,441,013	4,408,049	3,614,260	3,658,103	3,389,760	19,173,143	3,298,256
Business-type activities:										
Charges for services										
Food service	805,893	780,950	885,664	811,520	775,048	844,718	794,854	816,347	736,272	751,380
Child Care	500,163	770,818	736,575	745,628	756,865	781,268	727,527	847,004	866,156	841,422
Operating grants and contributions	418,001	467,327	592,368	723,835	734,280	855,844	912,859	988,014	1,073,302	1,174,301
Total business type activities program revenues	1,724,057	2,019,095	2,214,607	2,280,983	2,266,193	2,481,830	2,435,240	2,651,365	2,675,730	2,767,103
Total district program revenues	5,470,514	5,958,988	5,602,269	5,721,996	6,674,242	6,096,090	6,093,343	6,041,125	21,848,873	6,065,359
Net (Expense)/Revenue										
Governmental activities	(75,673,790)	(82,486,405)	(84,599,237)	(82,701,032)	(80,239,514)	(80,819,258)	(85,732,071)	(88,470,311)	(83,891,375)	(102,369,897)
Business-type activities	(11,010)	80,572	162,496	94,768	411,844	259,172	(179,669)	281,487	241,243	251,477
Total government-wide net expense	\$ (75,684,800)	\$ (82,405,833)	\$ (84,436,741)	\$ (82,606,264)	\$ (79,827,670)	\$ (80,560,086)	\$ (85,911,740)	\$ (88,188,824)	\$ (83,650,132)	\$ (102,118,420)

East Windsor Regional School District
Changes in Net Position
Last Ten Fiscal Years

(Accrual Basis of Accounting)
Unaudited

	Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes	\$ 52,392,602	\$ 52,872,974	\$ 53,719,279	\$ 54,619,664	\$ 55,836,916	\$ 56,953,654	\$ 57,937,456	\$ 59,096,205	\$ 60,278,129	\$ 61,483,692
Property taxes levied for debt service	3,418,785	3,392,838	3,487,972	3,399,308	3,498,316	3,477,380	3,364,921	3,231,358	3,201,658	3,167,898
Unrestricted grants and contributions	23,699,464	24,219,874	26,843,711	24,357,173	21,378,829	24,113,975	26,214,282	25,840,199	20,526,963	38,936,163
Investment earnings	501,227	323,676	3,969	2,774	2,965	5,491	47,851	4,698	19,457	33,883
Miscellaneous income	456,028	475,670	419,197	236,519	90,918	74,470	1,747,468	458,385	318,898	165,911
Transfers							342,288	230,000	400,000	
Total governmental activities	80,468,106	81,285,032	84,474,128	82,615,438	80,807,944	84,624,970	89,654,266	88,860,845	84,745,105	103,787,547
Business-type activities:										
Special Items										2,545
Transfers							(342,288)	(230,000)	(400,000)	
Total business-type activities	-	-	-	-	-	-	(342,288)	(230,000)	(400,000)	2,545
Total district-wide	80,468,106	81,285,032	84,474,128	82,615,438	80,807,944	84,624,970	89,311,978	88,630,845	84,345,105	103,790,092
Change in Net Position										
Governmental activities	4,794,316	(1,201,373)	(125,109)	(85,594)	568,430	3,805,712	3,922,195	390,534	853,730	1,417,650
Business-type activities	(11,010)	80,572	162,496	94,768	411,844	259,172	(521,957)	51,487	(158,757)	254,022
Total district	\$ 4,783,306	\$ (1,120,801)	\$ 37,387	\$ 9,174	\$ 980,274	\$ 4,064,884	\$ 3,400,238	\$ 442,021	\$ 694,973	\$ 1,671,672

Source: CAFR Schedules A-2 and District records

GASB No. 63 was implemented in the 2013 fiscal year, which required a change in language from net assets to net position. This required presentation did not impact any of the balances from prior years.

East Windsor Regional School District
Fund Balances - Governmental Funds
Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)
Unaudited

	As of June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved					\$ 339,549					
Restricted	\$ 2,619,827	\$ 3,302,724	\$ 1,970,932	\$ 2,333,238	4,744,225	\$ 7,583,719	\$ 10,866,901	\$ 10,139,379	\$ 9,848,926	\$ 8,831,520
Assigned to					921,208	2,424,858	3,891,165	2,651,497	4,313,306	3,732,985
Unassigned	1,057,490	630,260	12,824	405,956	343,789	381,295	367,106	489,774	238,946	318,702
Total general fund	<u>\$ 3,677,317</u>	<u>\$ 3,932,984</u>	<u>\$ 1,983,756</u>	<u>\$ 2,739,194</u>	<u>\$ 6,348,771</u>	<u>\$ 10,389,872</u>	<u>\$ 15,125,172</u>	<u>\$ 13,280,650</u>	<u>\$ 14,401,178</u>	<u>\$ 12,883,207</u>
All Other Governmental Funds										
Restricted for:										
Capital projects fund	\$ 191,242	\$ 444,764	\$ 190,022	\$ 7,274,856	\$ 1,789,041		\$ 2,836,234	\$ 364,249	\$ 1,833,641	
Special revenue fund			(21,816)							
Debt service fund	201,063	189,848	93,390	93,390			489,774	1	25,968	
Assigned to:										
Debt service fund	2,140,216	396,333	259,869							
Total all other governmental funds	<u>\$ 2,532,521</u>	<u>\$ 1,030,945</u>	<u>\$ 521,465</u>	<u>\$ 7,368,246</u>	<u>\$ 1,789,041</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,326,008</u>	<u>\$ 364,250</u>	<u>\$ 1,859,609</u>

Source: CAFR Schedule B-1 and District records.

GASB 54 was implemented in the 2011 fiscal year, which required the presentation of fund balances to be reported in different classifications from those presented in prior years (see footnote 1 in the basic financial statements). Prior years have not been restated above, nor are they required to be.

East Windsor Regional School District
 Changes in Fund Balances - Governmental Funds
 Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)
 Unaudited

	Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Tax Levy	\$ 55,811,387	\$ 56,265,812	\$ 57,207,251	\$ 58,018,972	\$ 59,335,232	\$ 60,431,034	\$ 61,302,377	\$ 62,327,563	\$ 63,479,787	\$ 64,651,590
Transportation Fees					78,274	63,778.00	79,835	61,721.00	43,521.24	83,599
Tuition Charges	768,993	791,483	801,497	741,119	651,805	643,297	633,498	541,560	560,407	441,934
Interest on Investments	501,227	323,676	3,969	2,774	2,965	5,491	4,806	4,698		33,883
Rents & Royalties										23,011
Miscellaneous	477,356	183,015	459,257	253,494	160,631	161,779	1,807,862	485,027	375,525	1,375,584
State Sources	24,153,822	24,821,624	26,978,059	21,778,799	21,395,164	23,479,316	26,347,826	25,843,624	28,221,958	28,646,863
Federal Sources	2,004,449	1,812,072	1,828,931	4,765,944	3,061,766	2,820,565	2,118,915	2,070,475	2,098,887	2,048,759
Total revenue	83,717,234	84,197,682	87,278,964	85,561,102	84,685,837	87,605,260	92,295,119	91,334,668	94,780,086	97,305,223
Expenditures										
Instruction										
Regular Instruction	22,073,403	23,449,840	25,345,118	23,886,709	24,278,169	24,762,899	25,042,178	25,711,382	25,670,386	25,349,163
Special Education Instruction	5,570,021	5,095,269	4,773,122	5,397,548	5,296,541	5,468,678	5,889,788	6,190,211	6,096,653	7,875,334
Other Special Instruction										2,727,753
Other Instruction	1,998,333	1,871,884	1,911,816	2,092,737	1,823,344	2,247,777	2,881,786	2,965,778	2,992,569	1,100,372
Community Svc Program/Operations	1,002,373	1,003,549	957,710	1,085,409	972,437	978,725	1,062,581	1,127,451	1,197,485	15,899
Support Services:										
Tuition	3,638,173	3,821,728	4,126,763	3,945,612	4,120,939	5,117,547	5,534,737	6,103,650	6,491,066	5,652,013
Student and Instruction Related Services	7,389,353	8,072,949	8,251,907	7,823,749	6,668,667	7,332,658	7,619,049	7,643,146	7,829,405	7,949,697
General administration	836,058	846,957	1,646,843	1,091,451	942,000	874,850	892,886	1,056,864	1,487,075	
School Administration Services	2,557,995	2,761,945	2,869,315	2,752,790	2,487,568	2,588,907	2,746,109	2,916,851	3,042,989	3,062,994
Central services	1,200,835	899,115	924,094	1,074,239	1,007,249	1,108,804	1,216,913	1,034,212	979,006	
Other Admin Services										2,210,539
Admin. Information Technology	37,179	23,435	19,782	3,994	2,400	2,400	8,650	197,839	235,688	
Plant Operations and maintenance	6,469,226	6,648,420	6,754,205	6,687,831	6,346,535	5,720,704	6,271,234	6,809,832	6,699,051	6,749,160
Pupil transportation	3,112,398	2,820,432	2,788,233	2,769,108	2,742,578	2,975,875	3,345,266	3,717,215	3,491,546	3,782,275
Business and Other Support Services	8,243	11,455	6,087	7,591	5,500	5,500				
Employee Benefits	19,529,111	21,628,323	19,158,292	21,032,390	19,701,063	19,382,683	19,933,593	19,446,606	20,805,829	22,452,902
Transfer to Charter School				4,625	21,904	35,589	11,317			9,751
Capital Outlay	5,207,087	2,007,204	1,923,379	6,959,047	2,083,045	1,315,593	1,871,098	4,461,944	8,513,481	5,067,632
Special Schools	250,708	114,607	84,087	90,369	31,322	31,247	33,247	38,685	42,676	48,765
Debt Service:										
Principal	2,063,007	1,979,882	1,911,658	1,839,670	1,767,264	1,692,408	1,525,903	1,367,153	2,020,000	2,065,000
Interest and other charges	1,660,000	1,710,000	1,760,000	1,840,000	1,885,000	1,935,000	1,985,000	2,005,000	1,394,335	1,208,585
Total expenditures	84,603,503	84,766,994	85,212,411	90,384,869	82,161,621	83,564,159	87,902,107	92,805,136	98,989,240	97,327,834
Excess (Deficiency) of revenues over (under) expenditures	(886,269)	(569,312)	2,066,553	(4,823,767)	2,524,216	4,041,101	4,393,012	(1,470,468)	(4,209,154)	(22,611)
Other Financing sources (uses)										
Lease proceeds	(2,837,145)		2,831,000					2,232,000	2,246,183	
Payment to bond refunding escrow agent									(3,366,301)	
Refunding bonds issued									3,442,184	
Premium on refunding bonds										
Recognition of Accounts Receivable										
Cancelled in prior year						(741,280)				
Cancellation of Accounts Receivable		315,499								
Transfers In		24,262	2,000,000		1,085,361		342,288	2,804,589	535,632	2,547,303
Transfers Out	2,837,145	(24,262)	(2,000,000)		(1,047,761)			(2,574,589)		(2,547,303)
Total other financing sources (uses)	-	315,499	2,831,000	-	(703,680)	-	342,288	2,462,000	2,857,698	-
Net change in fund balances	\$ (886,269)	\$ (253,813)	\$ 4,897,553	\$ (4,823,767)	\$ 1,820,536	\$ 4,041,101	\$ 4,735,300	\$ 991,532	\$ (1,351,456)	\$ (22,611)
Debt service as a percentage of noncapital expenditures	4.69%	4.46%	4.41%	4.41%	4.56%	4.41%	4.08%	3.82%	3.77%	3.55%
Source: District records										
Note: Noncapital expenditures are total expenditures less capital outlay.										

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
Unaudited**

FISCAL YEAR ENDING JUNE 30,	PRIOR YEAR REFUNDS	RENTAL OF FACILITIES	TUITION	TRANSPORTATION FEES	INTEREST EARNINGS	MISCELLANEOUS	Annual Totals
2016	\$	\$ 23,011	\$ 441,934	\$ 83,599	\$ 33,856	\$ 142,855	725,255
2015		19,457	560,407	43,521		318,898	942,283
2014	378,518	50,626	541,560	61,721	4,698	29,241	1,066,364
2013	1,397,230	43,045				355,044	1,795,319
2012		28,320				51,641	79,961
2011		33,636				60,247	93,883
2010		24,198				215,095	239,293
2009		380,931				42,824	423,755
2008	147	109,197				346,961	456,305
2007		160,074				655,625	815,699

Source: District records

East Windsor Regional School District
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
Unaudited

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	PERS. PROP	TOTAL ASSESSED VALUE	TAX EXEMPT PROPERTY	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE b	ACTUAL (COUNTY EQUALIZED) VALUE
East Windsor													
2016	\$ 40,292,200	\$ 2,004,509,297	\$ 10,264,300	\$ 1,327,800	\$ 418,307,250	\$ 103,107,300	\$ 158,328,000	\$ 4,537,469	\$ 2,740,673,616	\$ 193,193,200	\$ 2,740,673,616	\$ 2.07	\$ 2,735,678,344
2015	36,112,600	2,007,679,679	17,725,000	1,675,100	421,826,350	105,287,300	158,560,400	4,536,175	2,753,402,604	193,637,200	2,753,402,604	2.01	2,753,402,604
2014	33,339,600	2,009,223,497	15,586,700	1,844,800	427,125,450	105,284,500	158,844,400	4,913,771	2,756,162,718	187,119,800	2,756,162,718	1.97	2,668,935,776
2013	42,318,800	2,017,628,000	11,034,300	1,860,900	434,078,250	109,938,400	152,967,200	4,448,001	2,774,273,851	186,132,200	2,774,273,851	1.92	2,772,380,870
2012	46,305,400	2,048,055,300	11,100,600	1,858,600	441,903,650	112,938,400	152,967,200	4,455,660	2,819,584,810	185,285,000	2,819,584,810	1.87	2,918,188,719
2011	48,562,100	2,048,383,100	11,100,600	1,840,700	457,874,800	120,663,300	155,671,800	4,449,450	2,848,545,850	185,809,900	2,848,545,850	1.81	3,103,069,331
2010	52,958,300	2,041,720,300	10,529,400	1,909,800	459,545,200	122,349,100	168,316,900	5,209,306	2,862,538,306	185,533,900	2,862,538,306	1.76	3,116,896,718
2009	21,696,100	1,028,563,300	5,530,300	1,457,280	224,895,200	66,250,800	72,171,000	1,999,449	1,422,563,429	72,900,600	1,422,563,429	3.49	3,157,202,285
2008	25,868,000	1,024,066,400	5,841,500	1,457,280	224,239,200	52,647,300	72,789,000	1,661,633	1,408,570,313	94,406,400	1,408,570,313	3.46	3,136,963,914
2007	25,567,600	1,019,171,600	5,974,000	1,469,980	230,785,700	52,532,300	73,589,000	1,619,456	1,410,709,636	93,609,900	1,410,709,636	3.43	3,109,938,053
Hightstown													
2016	\$ 3,121,500	\$ 310,610,300			\$ 57,167,600	\$ 3,149,400	\$ 13,043,900	\$ 3,374,648	\$ 390,467,348	\$ 147,275,600	\$ 390,467,348	\$ 2.20	\$ 414,616,885
2015	3,096,100	310,248,700			57,030,300	3,149,400	13,043,900	2,963,474	389,531,874	193,367,200	389,531,874	2.01	415,636,477
2014	2,562,400	311,352,900			57,641,600	3,909,700	13,043,900	3,348,297	391,858,797	143,473,200	391,858,797	2.19	424,168,371
2013	2,650,500	311,548,000			57,767,400	3,909,700	13,043,900	3,647,607	392,567,107	143,249,900	392,567,107	2.13	422,747,231
2012	4,038,700	385,259,000			66,571,600	6,454,300	14,740,200	4,266,822	481,330,622	154,530,900	481,330,622	1.71	464,031,521
2011	4,802,100	388,457,300			69,680,800	6,454,300	14,740,200	4,212,336	488,347,036	153,254,500	488,347,036	1.69	489,101,889
2010	6,324,300	389,086,800			72,008,500	7,051,600	9,540,200	4,417,747	488,429,147	152,508,100	488,429,147	1.71	505,157,060
2009	7,038,500	389,033,990			75,358,900	7,051,600	15,796,500	5,449,518	499,729,008	152,348,100	499,729,008	1.64	532,231,357
2008	3,469,600	168,747,700			33,275,800	1,936,000	7,468,000	1,957,588	216,854,688	92,561,400	216,854,688	3.64	521,034,810
2007	4,246,900	164,513,800			38,822,400	1,979,500	7,492,000	1,752,257	218,806,857	92,798,600	218,806,857	3.48	492,827,649
East Windsor & Hightstown													
2016	\$ 43,413,700	\$ 2,315,119,597	\$ 10,264,300	\$ 1,327,800	\$ 475,474,850	\$ 106,256,700	\$ 171,371,900	\$ 7,912,117	\$ 3,131,140,964	\$ 340,468,800	\$ 3,131,140,964	\$ 4.27	\$ 3,150,295,229
2015	39,208,700	2,317,928,379	17,725,000	1,675,100	478,856,650	108,436,700	171,604,300	7,499,649	3,142,934,478	387,004,400	3,142,934,478	4.02	3,169,039,081
2014	35,902,000	2,320,576,397	15,586,700	1,844,800	484,767,050	109,194,200	171,888,300	8,262,068	3,148,021,515	330,593,000	3,148,021,515	4.16	3,093,104,147
2013	44,969,300	2,329,176,000	11,034,300	1,860,900	491,845,650	113,848,100	166,011,100	8,095,608	3,166,840,958	329,382,100	3,166,840,958	4.05	3,195,128,101
2012	50,344,100	2,433,314,300	11,100,600	1,858,600	508,475,250	119,392,700	167,707,400	8,722,482	3,300,915,432	339,815,900	3,300,915,432	3.58	3,382,220,240
2011	53,364,200	2,436,840,400	11,100,600	1,840,700	527,555,600	127,117,600	170,412,000	8,661,786	3,336,892,886	339,064,400	3,336,892,886	3.50	3,592,171,220
2010	59,282,600	2,430,807,100	10,529,400	1,909,800	531,533,700	129,400,700	177,857,100	9,627,053	3,350,967,453	338,042,000	3,350,967,453	3.47	3,622,053,778
2009	28,734,600	1,417,597,290	5,530,300	1,457,280	300,254,100	73,302,400	87,967,500	7,448,967	1,922,292,437	225,248,700	1,922,292,437	5.13	3,689,433,642
2008	29,337,600	1,192,814,100	5,841,500	1,457,280	257,515,000	54,583,300	80,257,000	3,619,221	1,625,425,001	186,967,800	1,625,425,001	7.10	3,657,998,724
2007	29,814,500	1,183,685,400	5,974,000	1,469,980	269,608,100	54,511,800	81,081,000	3,371,713	1,629,516,493	186,408,500	1,629,516,493	6.91	3,602,765,702

Revaluations in 2009 for Hightstown and 2010 for East Windsor

Source: Municipal Tax Assessors

a. Taxable Value of Machinery, Implements and equipment of Telephone, Telegraph and Messenger System Companies
b. Tax Rates are per \$100

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

(Rate per \$100 of Assessed Value)

Unaudited

EAST WINDSOR REGIONAL SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES		
FISCAL YEAR ENDED JUNE 30,	BASIC RATE	TOTAL DIRECT SCHOOL TAX RATE	BOROUGH OR TOWNSHIP	MERCER COUNTY	TOTAL DIRECT & OVERLAPPING TAX RATE
East Windsor					
2016	\$ 2.07	\$ 2.07	\$ 0.43	\$ 0.58	\$ 3.08
2015	2.01	2.01	0.43	0.57	3.02
2014	1.97	1.97	0.46	0.64	3.06
2013	1.92	1.92	0.55	0.65	3.12
2012	1.87	1.19	0.42	0.64	2.25
2011	1.81	1.81	0.40	0.61	2.82
2010	1.76	1.76	0.38	0.79	2.93
2009	3.47	3.47	0.63	1.17	5.27
2008	3.46	3.46	0.57	1.14	5.17
2007	3.43	3.43	0.51	1.13	5.07
Hightstown					
2016	\$ 2.20	\$ 2.20	\$ 1.18	\$ 0.71	\$ 4.09
2015	2.20	2.20	1.16	0.62	4.06
2014	2.19	2.19	1.18	0.71	4.09
2013	2.13	2.13	1.13	0.70	3.96
2012	1.71	1.71	0.90	0.58	3.19
2011	1.69	1.69	0.88	0.56	3.13
2010	1.71	1.71	0.87	0.57	3.15
2009	1.64	1.64	0.74	0.56	2.94
2008	3.64	3.64	1.60	1.28	6.47
2007	3.48	3.48	1.44	1.14	6.06

Source: Municipal Tax Collectors

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND TEN YEARS AGO
*Unaudited***

NOT AVAILABLE

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
*Unaudited***

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE TAX LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2016	\$ 64,651,590	\$ 64,651,590	100.00%	
2015	63,479,787	63,479,787	100.00%	
2014	62,327,563	62,327,563	100.00%	
2013	61,302,377	61,302,377	100.00%	
2012	60,431,034	60,431,034	100.00%	
2011	59,335,232	59,335,232	100.00%	
2010	58,018,972	58,018,972	100.00%	
2009	57,207,251	57,207,251	100.00%	
2008	56,265,812	56,265,812	100.00%	
2007	55,811,387	55,811,387	100.00%	

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

EAST WINDSOR REGIONAL SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
Unaudited

YEAR ENDED JUNE 20,	GENERAL OBLIGATIONS BONDS b	TOTAL DISTRICT	PER CAPITA INCOME	PERCENTAGE OF PERSONAL INCOME a	DISTRICT POPULATION	PER CAPITA a
2016	\$ 28,375,000	\$ 28,375,000	N/A	N/A	N/A	N/A
2015	30,440,000	30,440,000	N/A	N/A	N/A	N/A
2014	32,480,000	32,480,000	N/A	N/A	33,103	N/A
2013	34,485,000	34,485,000	\$ 56,906	1.83%	33,160	\$ 1,041
2012	36,470,000	36,470,000	55,714	1.98%	32,984	1,106
2011	40,214,000	40,214,000	54,445	2.29%	32,271	1,246
2010	42,099,000	42,099,000	52,496	2.45%	32,684	1,288
2009	43,939,000	43,939,000	51,947	2.64%	32,062	1,370
2008	45,699,000	45,699,000	53,961	2.64%	32,062	1,425
2007	47,409,000	47,409,000	53,156	2.79%	31,957	1,484

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

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

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Unaudited

<u>GENERAL BONDED DEBT OUTSTANDING</u>					
FISCAL YEAR ENDED JUNE 30,	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING	PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
2016	\$ 28,375,000	\$ 25,968	\$ 28,349,032		
2015	30,440,000		30,440,000	1.873%	N/A
2014	32,480,000		32,480,000	1.690%	N/A
2013	34,485,000		34,485,000	2.122%	\$ 1,040
2012	36,470,000		36,470,000	2.244%	1,106
2011	40,214,000		40,214,000	2.474%	1,246
2010	42,099,000	ok	#VALUE!	2.590%	1,288
2009	43,939,000		43,939,000	2.703%	1,370
2008	45,699,000		45,699,000	2.812%	1,425
2007	47,409,000		47,409,000	2.909%	1,484

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

Source: Assessed valuations were provided by the Abstract of Ratables, County Board of Taxation.

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**

As of December 31, 2015

Unaudited

GOVERNMENTAL UNIT	DEBT <u>OUTSTANDING</u>	ESTIMATED PERCENTAGE <u>APPLICABLE</u>	SHARE OF OVERLAPPING <u>DEBT</u>
Debt Repaid With Property Taxes			
East Windsor Township Debt*	\$ 17,657,802	100.0000%	\$ 21,886,371
Hightstown Borough Debt	14,430,551	100.0000%	7,702,371
Mercer County - Township Share	39,717,932	6.5460%	26,008,539
Mercer County - Borough Share	368,345,779	99.8200%	<u>3,676,727</u>
Subtotal, Overlapping Debt			37,387,637
East Windsor Regional School District Direct Debt			<u>30,440,000</u>
Total Direct & Overlapping Debt			<u><u>\$ 67,827,637</u></u>

* As of December 31, 2015

Sources: Assessed value data used to estimate applicable percentages provided by County of Mercer,
Debt outstanding data provided by each governmental unit.

EAST WINDSOR REGIONAL SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Dollars in Thousands)
Unaudited

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Debt limit	\$ 126,096,951	\$ 126,360,057	\$ 130,131,016	\$ 135,939,871	\$ 141,794,070	\$ 143,655,538	\$ 144,776,955	\$ 143,752,169	\$ 136,766,781	\$ 122,553,324
Total Net Debt Applicable to Limit	<u>28,375,000</u>	<u>30,440,000</u>	<u>32,480,000</u>	<u>34,485,000</u>	<u>36,470,000</u>	<u>40,214,000</u>	<u>42,099,000.00</u>	<u>43,939,000</u>	<u>45,699,000</u>	<u>47,409,000</u>
Legal Debt Margin	<u>\$ 97,721,951</u>	<u>\$ 95,920,057</u>	<u>\$ 97,651,016</u>	<u>\$ 101,454,871</u>	<u>\$ 105,324,070</u>	<u>\$ 103,441,538</u>	<u>\$ 102,677,955</u>	<u>\$ 99,813,169</u>	<u>\$ 91,067,781</u>	<u>\$ 75,144,324</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	22.50%	24.09%	24.96%	25.37%	25.72%	27.99%	29.08%	30.57%	33.41%	38.68%

Legal Debt Margin Calculation for Fiscal Year 2016

	Equalized valuation basis		
	East Windsor	Hightstown	Total
2015	\$ 2,753,402,604	\$ 415,636,477	\$ 3,169,039,081
2014	2,668,935,776	424,168,371	3,093,104,147
2013	<u>2,772,380,870</u>	<u>422,747,231</u>	<u>3,195,128,101</u>
	<u>\$ 8,194,719,250</u>	<u>1,262,552,079</u>	<u>9,457,271,329</u>
Average Equalized Valuation of Taxable Property	\$ 2,731,573,083	\$ 420,850,693	\$ 3,152,423,776
Debt limit (4 % of Average Equalization Value)			126,096,951
Net Bonded School Debt			<u>28,375,000</u>
Legal Debt Margin			<u>\$ 97,721,951</u>

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
*Unaudited***

EAST WINDSOR

<u>YEAR</u>	<u>POPULATION (a)</u>	<u>PER CAPITA PERSONAL INCOME (b)</u>	<u>UNEMPLOYMEN T RATE (C)</u>
2016	32,690	N/A	3.70%
2015	N/A	N/A	N/A
2014	33,103	N/A	4.60%
2013	33,160	\$ 56,906	5.11%
2012	32,984	55,933	6.35%
2011	32,271	53,037	7.90%
2010	32,684	51,709	6.55%
2009	32,062	50,991	6.20%
2008	32,062	52,521	3.93%
2007	34,957	51,987	3.65%

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development.^b Per capita information provided by US Dept of Commerce, Bureau of Economic Analysis^c Unemployment data provided by the NJ Dept of Labor and Workforce Development.

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO
*Unaudited***

NOT AVAILABLE

EAST WINDSOR REGIONAL SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
Unaudited

Function/Program	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Instruction:										
Regular	335	320	339	333	326	326	319	327	330	325
Special Education	71	72	72	69	49	50	46	45	69	72
Other Special Education Aides	28	29	28	28	40	36	39	38	30	30
Other Instruction/ Nurse	8	8	8	6	6	6	6	6	6	6
Guidance	15	15	17	17	17	14	14	15	15	12
Support Services:										
Student & Instruction Related Services	46	39	41	41	8	45	45	46	47	49
General Administration	7	7	10	9	9	9	9	11	11	12
School Administrative Services	16	15	15	14	13	13	13	13	12	12
Other Administrative Services	9	10	9	8	8	9	9	13	8	8
Central Services	15	15	20	19	19	44	44	48	45	46
Administrative Information Technology	1	1	1	1	1	1	1	2	2	2
Plant Operations & Maintenance	53	53	54	55	55	54	55	59	60	58
Pupil Transportation	68	74	65	63	59	57	55	50	50	50
Other Support Services VA	34	34	30	25	26	27	27	31	27	25
Campus Monitor	6	6	6	6	6	6	6	6	6	5
Computer Technician	6	6	6	6	6	4	4	3	4	3
Courier	1	1	1	1	1	1	1	1	1	1
Duplicating Eq. Operator	1	1	1	1	1	1	1	1	1	1
Substitute Assignment Officer										1
Child Care	22	23	23	22	22	20	20	19	19	18
Maintenance Supervisor										
Custodial Supervisor	1	1	1	1	1	1	1	1	1	1
Director of Buildings & Grounds	1	1	1	1	1	1	1	1	1	1
Lunch Monitors	17	16	19	16	8	9	9	11	10	8
Total	761	747	767	742	682	734	725	747	755	746

Source: District Personnel Records

EAST WINDSOR REGIONAL SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
Unaudited

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO			AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						ELEMENTARY	MIDDLE SCHOOL	SENIOR HIGH SCHOOL				
2016	5,178	\$ 88,986,617	\$ 17,186	5.29%	411	14.8	12.2	12.4	5,075	5,022	-0.07%	97.00%
2015	5,216	85,139,792	16,323	1.00%	411	14.8	12.2	12.4	5,112	5,059	9.20%	97.00%
2014	5,106	82,520,106	16,161	-0.31%	411	14.6	11.1	11.7	5,091	4,892	0.61%	96.09%
2013	5,090	82,520,106	16,212	4.50%	402	16.5	13.6	12.4	5,060	4,840	1.83%	95.65%
2012	5,068	78,621,158	15,513	2.34%	387	14.4	12.5	11.7	4,969	4,768	-0.08%	95.95%
2011	5,042	76,426,312	15,158	-4.51%	408	13.7	11.3	11.3	5,025	4,805	-0.16%	95.62%
2010	5,024	79,746,152	15,873	8.42%	431	13.0	10.3	10.8	5,033	4,832	0.54%	96.01%
2009	4,968	79,617,374	14,640	-7.89%	392	13.4	12.1	11.9	5,033	4,806	1.41%	95.49%
2008	4,923	78,249,240	15,895	5.04%	450	13.0	11.4	11.7	4,963	4,719	-1.82%	95.08%
2007	5,001	75,673,409	15,132	7.07%	456	13.6	12.6	12.9	5,055	4,839	2.41%	95.73%

Sources: District records

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay.
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

EAST WINDSOR REGIONAL SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
Unaudited

DISTRICT BUILDINGS	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<u>Elementary Schools:</u>										
McKnight ES (1970):										
Square Feet	84,596	84,596	84,596	98,976	98,976	98,976	98,976	98,976	98,976	98,976
Capacity (Students)	660	660	660	660	660	660	660	660	660	660
Enrollment	521	508	644	695	640	607	779	772	736	687
Drew ES (1975):										
Square Feet	92,224	92,224	92,244	105,244	105,244	105,244	105,244	105,244	105,244	105,244
Capacity (Students)	728	728	728	728	728	728	728	728	728	728
Enrollment (a)	666	668	671	571	569	655	672	643	629	675
Walter C Black ES (1949):										
Square Feet	78,697	78,697	78,570	97,335	97,335	97,335	97,335	97,335	97,335	97,335
Capacity (Students)	615	615	615	615	615	615	615	615	615	615
Enrollment	539	541	488	485	512	528	554	589	554	577
Rogers ES (1924):										
Square Feet	103,470	103,470	107,908	105,091	105,091	105,091	105,091	105,091	105,091	105,091
Capacity (Students)	698	698	543	543	543	543	543	543	543	543
Enrollment	680	686	699	710	728	640	455	470	487	520
<u>Middle School:</u>										
Kreps Middle School (1968):										
Square Feet	205,021	205,021	205,021	205,021	205,021	205,021	205,021	205,021	205,021	205,021
Capacity (Students)	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135
Enrollment	1,245	1,256	1,105	1,203	1,229	1,201	1,155	1,127	1,109	1,135
<u>High School:</u>										
Hightstown High School (1966):										
Square Feet	271,758	262,435	262,435	259,660	259,660	259,660	259,660	259,660	259,660	259,660
Capacity (Students)	1,274	1,274	1,274	1,274	1,274	1,274	1,274	1,274	1,274	1,274
Enrollment	1,526	1,527	1,458	1,426	1,394	1,411	1,409	1,367	1,408	1,461
<u>Other Buildings:</u>										
Transportation (1979):										
Square Feet	2,000	2,000	2,000	200	200	200	200	200	200	200
Central Administration (1846):										
Square Feet	4,150	4,150	4,150	1,690	1,690	1,690	1,690	1,690	1,690	1,690
Maintenance (1986)										
Square Feet	3,600	3,600	3,600	1,575	1,575	1,575	1,575	1,575	1,575	1,575

Number of Schools at June 30, 2016:
 Elementary = 4
 Middle School = 1
 Senior High School = 1
 Other = 3

Source: District Facilities Office

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

EAST WINDSOR REGIONAL SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS
Unaudited

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

FISCAL YEAR	BLACK ELEMENTARY SCHOOL	DREW ELEMENTARY SCHOOL	MC KNIGHT ELEMENTARY SCHOOL	ROGERS ELEMENTARY SCHOOL	KREPS ELEMENTARY SCHOOL	HIGHTSTOWN HIGH SCHOOL	TOTAL
2016	\$ 222,783	\$ 261,555	\$ 239,869	\$ 305,970	\$ 581,330	\$ 770,561	\$ 2,382,068
2015	219,651	187,368	204,248	167,112	609,527	722,102	2,110,008
2014	220,461	258,830	237,370	302,782	575,273	736,373	2,331,089
2013	158,520	186,108	170,678	217,711	413,643	523,880	1,670,540
2012	107,308	125,382	115,216	148,844	280,132	488,891	1,265,773
2011	132,864	153,988	75,803	154,690	349,991	455,875	1,323,211
2010	133,605	153,720	88,321	175,455	334,555	424,028	1,309,684
2009	160,077	182,052	104,766	208,292	404,627	512,460	1,572,274
2008	141,171	164,852	140,415	159,105	277,931	529,155	1,412,629
2007	128,863	126,152	112,626	131,451	246,443	601,454	1,346,989
Total	\$ 1,798,482	\$ 2,023,903	\$ 1,602,735	\$ 2,196,745	\$ 4,449,946	\$ 6,222,583	\$ 18,294,394

Source: District records M-1

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2016
Unaudited**

	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
Multiperil Package Policy:		
Property - Blank Building & Contents	\$ 237,787,477	\$ 5,000
Demolition/Increase Cost of Construction	10,000,000	5,000
Extra Expense	50,000,000	5,000
Valuable Papers	10,000,000	5,000
Satellite Dishes	Included	5,000
Commercial General Liability		
Per Occurrence	11,000,000	
Policy Aggregate	11,000,000	
Commercial Crime Coverage		
Blkt Faithful Perf	500,000	1,000
Forgery, M&S, Comp	100,000	1,000
	-	-
Underground Storage Tank Liability:		
Per Occurrence	1,000,000	10,000
Policy Aggregate	1,000,000	
Computers and Schedule Equipment:		
Data Processing Equipment	3,000,000	1,000
Commercial Auto:		
Liability	11,000,000	
Physical Damage	Actual Cash Value	1,000
Boiler and Machinery	237,787,477	5,000
School Board Legal Liability:		
Coverage A	11,000,000	25,000
Coverage B	100,000/300,000	25,000
Professional Nurses Liability:		
Per Occurrence	11,000,000	
Policy Aggregate	11,000,000	
Public Employees' Faithful Performance Bonds:		
Board Secretary- School Business Administrator	375,000	
Treasurer	375,000	
Workers Compensation Excess Liability	Statutory	
Group Accident	2,000,000	Excess
	Each Accident	
CAP Policy	50,000,000	Excess

Source: District records

Single Audit Section

Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards*

Independent Auditors' Report

Honorable President and
Members of the Board of Education
East Windsor Regional School District
Hightstown, New Jersey
County of Mercer

We have audited, in accordance with the auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the East Windsor Regional School District, in the County of Mercer, 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 December 2, 2016.

Internal Control Over Financial Reporting

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

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

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 the 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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



David J. Gannon
Licensed Public School Accountant
No. 2305



WISS & COMPANY, LLP

December 2, 2016
Livingston, New Jersey

Report on Compliance For Each Major Federal and State Program and
on Internal Control Over Compliance Required by the
Uniform Guidance and New Jersey OMB Circular 15-08

Independent Auditors' Report

Honorable President and
Members of the Board of Education
East Windsor Regional School District
Hightstown, New Jersey
County of Mercer

Report on Compliance for Each Major Federal and State Program

We have audited the East Windsor Regional School District's, in the County of Mercer, New Jersey (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2016. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance); and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of*

Federal Grants, State Grants and State Aid. Those standards, the Uniform Guidance and New Jersey OMB 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 and state 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 and state 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 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 state programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

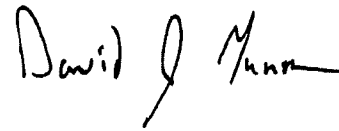
Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the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

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

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

Purpose of this Report

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 purposes.



David J. Gannon
Licensed Public School Accountant
No. 2305

Wiss & Company
WISS & COMPANY, LLP

December 2, 2016
Livingston, New Jersey

**East Windsor Regional School District
Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2016**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2015	Carryover/ (Walkover) Amount	Cash Received	Total Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2016				
					From	To							Accounts Receivable	Unearned Revenue	Due to Grantor		
U.S. Department of Education																	
General Fund:																	
Medical Assistance Program (SEMI)	93.778	1605NJ5MAP	N/A	\$108,840	7/1/15	6/30/16			\$94,108	(\$108,840)			(\$14,732)				
Medical Assistance Program (SEMI)- ARRA	93.778	1605NJ5MAP	N/A	138,007	7/1/14	6/30/15	(\$55,698)		55,698								
Total General Fund							(55,698)		149,806	(108,840)			(14,732)				
U.S. Department of Education																	
Passed-through State Department of Education																	
Special Revenue Fund:																	
Title I, Part A	84.010A	S010A150030	NCLB-2940-08	555,752	7/1/15	6/30/16			341,282	(\$455,637)			(\$114,355)				
Title I, Part A	84.010A	S010A150030	NCLB-2940-08	490,020	7/1/14	6/30/15	(126,348)		126,348								
I.D.E.A. Part B, Basic Regular	84.027	S027A150100	FT294008	1,594,953	7/1/15	6/30/16			1,006,098	(\$1,261,320)	(\$206)		(255,428)				
I.D.E.A. Part B, Basic Regular	84.027	S027A150100	FT294008	1,479,045	7/1/14	6/30/15	(211,566)		211,566								
I.D.E.A. Part B, Basic Regular	84.027	S027A150100	FT294008	1,237,459	7/1/13	6/30/14	(5,132)				5,132						
I.D.E.A., Preschool	84.173A	S173A150114	PS294007	100,898	7/1/15	6/30/16			5,397	(\$13,299)	206		(7,696)				
I.D.E.A., Preschool	84.173A	S173A150114	PS294007	54,610	7/1/14	6/30/15	(662)		662								
I.D.E.A., Preschool	84.173A	S173A150114	PS294007	49,999	7/1/13	6/30/14	(1,982)				1,982						
Title II, Part A Improving Teacher Quality	84.367A	S367A150029	NCLB-2940-07	91,500	7/1/15	6/30/16			74,398	(\$76,430)			(2,032)				
Title II, Part A Improving Teacher Quality	84.367A	S367A150029	NCLB-2940-07	88,634	7/1/14	6/30/15	(19,795)		19,795								
Title III, Immigrant	84.365A	S365A150030	NCLB-2940-07	149,575	7/1/15	6/30/16			89,191	(119,021)			(29,830)				
Title III, Immigrant	84.365A	S365A150030	NCLB-2940-07	119,691	7/1/14	6/30/15	(33,270)		33,270								
Carl D. Perkins Vocational and Technical Education Act of 1998- Secondary	84.048A	S048A150030	N/A	26,051	7/1/15	6/30/16			24,331	(23,990)	(554)		(213)				
Carl D. Perkins Vocational and Technical Education Act of 1998- Secondary	84.048A	S048A150030	N/A	26,608	7/1/14	6/30/15	(1,623)		1,623								
Total Special Revenue Fund							(400,378)		1,933,961	(1,949,697)	6,560		(409,554)				
U.S. Department of Agriculture																	
Passed-through State Department of Agriculture																	
Enterprise Fund:																	
School Breakfast Program	10.553	16161NJ304N1099	N/A	153,682	7/1/15	6/30/16			121,009	(153,682)			(32,673)				
School Breakfast Program	10.553	16161NJ304N1099	N/A	122,485	7/1/14	6/30/15	(27,126)		27,126								
National School Lunch Program	10.555	16161NJ304N1099	N/A	818,947	7/1/15	6/30/16			667,736	(818,947)			(151,211)				
National School Lunch Program	10.555	16161NJ304N1099	N/A	753,300	7/1/14	6/30/15	(138,958)		138,958								
Special Milk Program	10.556	16161NJ304N1099	N/A	3,738	7/1/15	6/30/16			3,198	(3,738)			(\$540)				
Special Milk Program	10.556	16161NJ304N1099	N/A	5,387	7/1/14	6/30/15	(906)		906								
Healthy Hunger-Free Kids Act	10.555	16161NJ304N1099	N/A	25,568	7/1/15	6/30/16			20,923	(25,568)			(4,645)				
Healthy Hunger-Free Kids Act	10.555	16161NJ304N1099	N/A	24,289	7/1/14	6/30/15	(4,499)		4,499								
Food Donation (NC)	10.555	16161NJ304N1099	N/A	154,792	7/1/15	6/30/16			154,792	(135,986)				\$18,806			
Food Donation (NC)	10.555	16161NJ304N1099	N/A	147,315	7/1/14	6/30/15	15,463			(15,463)							
Total Enterprise Fund							(156,026)		1,139,147	(1,153,384)			(189,069)	18,806			
Sub-Total Federal Financial Awards							\$ (612,102)	\$ -	\$ 3,222,914	\$ (3,211,921)	\$ 6,560	\$ -	\$ (613,355)	\$ 18,806	\$ -		

NC-represents noncash expenditures

**East Windsor Regional School District
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2016**

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2015			Balance at June 30, 2016			MEMO				
			From	To	Unearned Revenue (Accts Receivable)	Due to Grantor	Carryover/ (Walkover) Amount	Cash Received	Total Budgetary Expenditures	Repayment of Prior Years' Balances	Intergovernmental (Accounts Receivable)	Unearned Revenue/	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education															
General Fund:															
Equalization Aid	16-495-034-5120-078	\$ 14,553,606	7/1/15	6/30/16				\$ 13,396,194	\$ (14,553,606)					\$ (1,157,412)	\$ 14,553,606
Equalization Aid	15-495-034-5120-078	14,553,606	7/1/14	6/30/15	\$ (1,143,060)		\$1,143,060								
Special Education Categorical Aid	16-495-034-5120-089	2,941,036	7/1/15	6/30/16			2,707,143	(2,941,036)						(233,893)	2,941,036
Special Education Categorical Aid	15-495-034-5120-089	2,941,036	7/1/14	6/30/15	(230,993)		230,993								
Extraordinary Aid	16-495-034-5120-044	276,288	7/1/15	6/30/16				(276,288)		\$ (276,288)					276,288
Extraordinary Aid	15-495-034-5120-044	235,421	7/1/14	6/30/15	(235,421)		235,421								
Security Aid	16-495-034-5120-084	499,780	7/1/15	6/30/16			460,034	(499,780)						(39,746)	499,780
Security Aid	15-495-034-5120-084	499,780	7/1/14	6/30/15	(39,253)		39,253								
Transportation Aid	16-495-034-5120-014	404,533	7/1/15	6/30/16			372,362	(404,533)						(32,171)	404,533
Transportation Aid	15-495-034-5120-014	404,533	7/1/14	6/30/15	(31,773)		31,773								
Per Pupil Growth Aid	16-495-034-5120-097	49,945	7/1/15	6/30/16			45,973	(49,945)						(3,972)	49,945
Per Pupil Growth Aid	15-495-034-5120-097	49,945	7/1/14	6/30/15	(3,923)		3,923								
PARCC Readiness Aid	16-495-034-5120-098	49,945	7/1/15	6/30/16			45,973	(49,945)						(3,972)	49,945
PARCC Readiness Aid	15-495-034-5120-098	49,945	7/1/14	6/30/15	(3,923)		3,923								
On Behalf TPAF Pension Contributions	16-495-034-5094-001/006/007	2,895,439	7/1/15	6/30/16			2,895,439	(2,895,439)							2,895,439
On Behalf TPAF Post Retirement Medical	16-495-034-5094-001/006/007	3,447,668	7/1/15	6/30/16			3,447,668	(3,447,668)							3,447,668
Reimbursed TPAF Social Security Contributions	16-495-034-5094-003	2,620,439	7/1/15	6/30/16			2,429,563	(2,620,439)		(190,876)					2,620,439
Reimbursed TPAF Social Security Contributions	15-495-034-5094-003	2,721,525	7/1/14	6/30/15	(135,770)		135,770								
Other State Aid-Add'l NP Transportation	Not Available	21,300	7/1/15	6/30/16				(21,300)		(21,300)					21,300
Other State Aid-Add'l NP Transportation	Not Available	51,395	7/1/14	6/30/15	(51,395)		51,395								
Total General Fund					(1,875,511)		\$27,675,860	(\$27,759,979)		(\$488,464)				(1,471,166)	\$27,759,979
Special Revenue Fund:															
State Department of Education:															
N.J. Nonpublic Aid:															
Textbook Aid	16-100-034-5120-064	7,081	7/1/15	6/30/16			7,081	(968)					\$ 6,113		968
Textbook Aid	15-100-034-5120-064	7,328	7/1/14	6/30/15		\$ 585				\$ (585)					
Auxiliary Services (Chapter 192)															
Compensatory Education	16-100-034-5120-067	51,608	7/1/15	6/30/16			51,608						51,608		
English as a Second Language	16-100-034-5120-067	863	7/1/15	6/30/16			863						863		
Auxiliary Services (Chapter 192)															
Compensatory Education	15-100-034-5120-067	45,255	7/1/14	6/30/15		4,014				(4,014)					
Nonpublic Handicapped Aid (Chapter 193)															
Corrective Speech	16-100-034-5120-066	33,443	7/1/15	6/30/16			33,443						33,443		
Examination and Classification	16-100-034-5120-066	58,098	7/1/15	6/30/16			58,098	(19,082)					39,016		19,082
Supplemental Instruction	16-100-034-5120-066	17,079	7/1/15	6/30/16			17,079						17,079		
Nonpublic Handicapped Aid (Chapter 193)															
Corrective Speech	15-100-034-5120-066	21,204	7/1/14	6/30/15		3,976				(3,976)					
Examination and Classification	15-100-034-5120-066	47,904	7/1/14	6/30/15		6,661				(6,661)					
Supplemental Instruction	15-100-034-5120-066	16,479	7/1/14	6/30/15		1,437				(1,437)					
Nursing Services Aid	16-100-034-5120-070	24,660	7/1/15	6/30/16			24,660	(3,150)					21,510		3,150
Nursing Services Aid	15-100-034-5120-070	23,333	7/1/14	6/30/15		10,623				(10,623)					
Technology Initiative	16-100-034-5120-373	6,604	7/1/15	6/30/16			6,604	(360)					6,244		360
Technology Initiative	15-100-034-5120-373	7,264	7/1/14	6/30/15		3,616				(3,616)					
Security Aid	16-100-034-5120-509	6,850	7/1/15	6/30/16			6,850						6,850		
State Department of Agriculture:															
Grow Healthy Mini Grant	021-0245	3,771	4/1/11	6/30/12			3,771						3,771		
Total Special Revenue Fund						34,683		206,286	(23,560)	(30,912)			186,497		23,560

**East Windsor Regional School District
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2016**

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2015			Cash Received	Total Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2016			MEMO	
			From	To	Unearned Revenue (Accts Receivable)	Due to Grantor	Carryover/ (Walkover) Amount				Intergovernmental (Accounts Receivable)	Unearned Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
Capital Projects Fund:															
State Department of Education:															
SDA Grant High School - Telecommunication	1245-050-14-1001-G04	129,125	2014	Completion	\$ (116,212)			\$ 12,912			\$ (103,300)				\$ 116,212
SDA Grant McKnight Elementary School - Telecommunication	1245-055-14-1002-G04	15,508	2014	Completion	(15,508)			15,508							15,508
SDA Grant Rogers Elementary School - Telecommunication	1245-060-14-1003-G04	818,863	2014	Completion	(16,821)			16,821	\$ (225,776)		(225,776)				272,597
SDA Grant Kreps Middle School - Telecommunication	1245-070-14-1004-G04	33,186	2014	Completion	(33,186)			33,186	(55,122)		(55,122)				88,308
SDA Grant Drew Elementary School - Telecommunication	1245-075-14-1005-G04	16,624	2014	Completion	(16,624)			16,624							16,624
SDA Grant Black Elementary School - Telecommunication	1245-080-14-1006-G04	990,016	2014	Completion	(15,415)			15,415	(470,341)		(470,341)				485,756
SDA Grant High School - Roof and Door Replacement	1245-050-14-1007-G04	210,993	2014	Completion	(34,407)						(34,407)				210,993
SDA Grant Kreps Middle School - Roof and Door Replacement	1245-070-14-1010-G04	1,144,372	2014	Completion	(256,359)			249,739			(6,620)				1,144,372
SDA Grant Drew Elementary School - Roof and Door Replacement	1245-075-14-1011-G04	30,140	2014	Completion	(14,195)						(14,195)				30,140
Total Capital Projects Fund					<u>(518,727)</u>			<u>360,205</u>	<u>(751,239)</u>		<u>(909,761)</u>				<u>2,248,790</u>
Debt Service Fund:															
Debt Service Aid	16-495-034-5120-075	131,655	7/1/15	6/30/16	-	-	-	131,655	(131,655)	-	-	-	-	-	(131,655)
Total Debt Service Fund								<u>131,655</u>	<u>(131,655)</u>						<u>(131,655)</u>
Enterprise Fund:															
State Department of Agriculture:															
National School Lunch Program (State Share)	16-100-010-3350-023	20,917	7/1/15	6/30/16				17,104	(20,917)		(3,813)				20,917
National School Lunch Program (State Share)	15-100-010-3350-023	20,474	7/1/14	6/30/15	(4,287)			4,287							
Total Enterprise Fund					<u>(4,287)</u>			<u>21,391</u>	<u>(20,917)</u>		<u>(3,813)</u>				<u>20,917</u>
Total State Financial Assistance					<u>\$ (2,398,525)</u>	<u>\$ 34,683</u>	<u>\$ -</u>	<u>\$ 28,395,397</u>	<u>\$ (28,687,350)</u>	<u>\$ (30,912)</u>	<u>\$ (1,402,038)</u>	<u>\$ -</u>	<u>\$ 186,497</u>	<u>\$ (1,471,166)</u>	<u>\$ 27,672,801</u>
Less: On-Behalf TPAF Pension System Contributions									(6,343,107)						
Total State Financial Assistance Subject to Single Audit Determination									<u>\$ (22,344,243)</u>						

East Windsor Regional School District
Notes to Schedules of Expenditures of
Federal Awards and State Financial Assistance

Year ended June 30, 2016

1. General

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal and state financial assistance of the East Windsor Regional School District (District). The District is defined in Note 1 to the District's basic financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies are included on the schedules of expenditures of federal awards and state financial assistance.

2. Basis of Accounting

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the enterprise fund, which are presented using the accrual basis of accounting and those recorded in the special revenue fund, which are presented using the budgetary basis of accounting. These bases of accounting are described in Note 1 to the District's basic financial statements. The information in these schedules are presented in accordance with the requirements of 2 CFR 200-*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in these schedules may differ from amounts presented, or used in the preparation of, the basic financial statements.

3. Relationship to Basic Financial Statements

Amounts reported in the accompanying schedules agree with amounts reported in the District's basic financial statements. The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements and schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the fiscal 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 of accounting with the exception of the revenue recognition of the two last state aid payments in the current year, which is mandated pursuant to NJSA 18A:22-44.2.

East Windsor Regional School District

Notes to Schedules of Expenditures of
Federal Awards and State Financial Assistance

Year ended June 30, 2016

3. Relationship to Basic Financial Statements (continued)

For GAAP purposes those payments are not recognized until the subsequent year due to the state deferral and recording of the last state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payments in the current budget year, consistent with NJSA 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$18,242 for the general fund and \$25,477 for the special revenue fund. See note to required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. The adjustment to reconcile from budgetary basis accounts receivable to GAAP basis accounts receivable is \$9,780 for the special revenue fund. This is a result of recognizing encumbrances as expenditures on the budgetary basis but not the GAAP basis. Federal and State award revenues are reported in the District's basic financial statements on a GAAP basis as follows:

	Federal	State	Total
General Fund	\$ 108,840	\$ 27,741,737	\$ 27,850,577
Special Revenue Fund	1,939,919	22,232	1,962,151
Debt Service Fund		131,655	131,655
Capital Projects Fund		751,239	751,239
Food Service Enterprise Fund	1,153,384	20,917	1,174,301
Total award revenues	<u>\$3,202,143</u>	<u>\$28,667,780</u>	<u>\$31,869,923</u>

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.

5. Adjustments

The adjustment presented on schedule K-3 is the result of the cancellations of prior year account receivables and encumbrances.

East Windsor Regional School District

Notes to Schedules of Expenditures of
Federal Awards and State Financial Assistance

Year ended June 30, 2016

6. Other

Revenues and expenditures reported under the Food Donation Program represent current year value received and current year distributions, respectively. TPAF Social Security contributions represent the amount reimbursed by the State for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2016.

The post retirement pension and medical benefits received on-behalf of the District for the year ended June 30, 2016 amounted to \$6,343,107. Since on-behalf post retirement pension and medical benefits are paid by the State directly, these expenditures are not subject to a single audit in accordance with New Jersey OMB Circular 15-08, however, they are required to be reported on the Schedule of Expenditures of State Financial Assistance, as directed by the funding agency.

7. Indirect Costs

The District did not use the 10% de minimis indirect cost rate.

East Windsor Regional School District
Schedule of Findings and Questioned Costs

Year ended June 30, 2016

Part I – Summary of Auditor’s Results

Financial Statements Section

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

Are any material weaknesses identified? Yes X No

Are any significant deficiencies identified? Yes X None Reported

Is any noncompliance material to financial statements noted? Yes X No

Federal Awards Section

Internal control over major federal programs:

Are any material weaknesses identified? Yes X No

Are any significant deficiencies identified? Yes X None Reported

Type of auditors’ report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes X No

Identification of federal major programs:

CFDA Number(s)	FAIN Number	Name of Federal Program or Cluster
10.553	16161NJ304N1099	School Breakfast Program (SBP)
10.555	16161NJ304N1099	National School Lunch Program (NSLP)
10.555	16161NJ304N1099	Food Donation Program
10.556	16161NJ304N1099	Special Milk Program for Children

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

Auditee qualified as low-risk auditee? X Yes No

East Windsor Regional School District
Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2016

Part I – Summary of Auditor’s Results (continued)

State Awards Section

Internal control over major state programs:

Are any material weaknesses identified? _____ Yes X No

Are any significant deficiencies identified? _____ Yes X None reported

Type of auditors’ report issued on compliance for major state programs: _____ Unmodified

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

Identification of major state programs:

GMIS/Program Number	Name of State Program or Cluster
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Aid
495-034-5120-084	Security Aid
495-034-5120-097	Per Pupil Growth Aid
495-034-5120-098	PARCC Readiness

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

Auditee qualified as low-risk auditee? X Yes _____ No

East Windsor Regional School District

Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2016

Part II – Schedule of Financial Statement Findings

No financial statement findings noted that are required to be reported under *Government Auditing Standards*.

East Windsor Regional School District

Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2016

**Part III - Schedule of Federal and State Award Findings
and Questioned Costs**

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by 2 CFR 200 Section 516(a) and New Jersey Treasury Circular OMB 15-08, respectively.

Federal Award Programs

No compliance or internal control findings noted that are required to be reported in accordance with 2 CFR 200 Section 516(a).

State Award Programs

No compliance or internal control findings noted that are required to be reported in accordance with New Jersey Treasury Circular OMB 15-08.

East Windsor Regional School District
Summary Schedule of Prior Year Audit Findings
Year ended June 30, 2016

Not Applicable