

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**OF THE**

**BOARD OF EDUCATION  
TOWNSHIP OF EWING  
COUNTY OF MERCER, NEW JERSEY**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Prepared by**

**Dennis J. Nettleton, Board Secretary/School Business Administrator  
and  
The Finance Department of the Ewing Township Board of Education**

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## **INTRODUCTORY SECTION**



## THE EWING PUBLIC SCHOOLS

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### DISTRICT ADMINISTRATIVE OFFICES

2099 Pennington Road, Ewing, NJ 08618

Phone: (609) 538-9800 Fax: (609) 538-0041

[www.ewing.k12.nj.us](http://www.ewing.k12.nj.us)

November 29, 2016

Honorable President and Members  
Of the Board of Education and Ewing  
Community  
Ewing Township School District  
County of Mercer, New Jersey

Dear Board Members and Constituents:

We are pleased to present to you the Comprehensive Annual Financial Report (CAFR) of the Ewing Township School District (District) for the fiscal year ended June 30, 2016. This CAFR includes the District's Basic Financial Statements prepared in accordance with Governmental Accounting Standards Board Statement (GASB) 34. The District is required to adopt this financial reporting model which we believe will provide all users of this document with useful financial and statistical information. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education ("The Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the District. This report will provide the taxpayers of the Ewing Township School District with comprehensive financial data in a format enabling them to gain an understanding of the School District's financial affairs.

The Comprehensive Annual Financial Report is presented in four sections as follows:

- The Introductory Section contains a table of contents, Letter of Transmittal, List of Principal Officials, and an Organizational Chart of the School District.
- The Financial Section begins with the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the School District's financial position and operating results, and other schedules providing detailed budgetary information.
- The Statistical Tables (Section) includes selected data on Financial Trends, Revenue Capacity, Debt Capacity, Demographic and Economic Information and Operating Information of the School District, generally presented on a multi-year basis.



## THE EWING PUBLIC SCHOOLS

- The Single Audit Section – The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1986, as amended, The Title 2 US Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB’s Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Information related to this single audit including the independent auditor’s report on compliance for each major federal and state program and report on internal control over compliance along with findings and questioned costs if any, is included in the single audit section of this report.

1. **REPORTING ENTITY AND ITS SERVICES:** The Ewing Township School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA statement No. 14. All funds and account groups of the District are included in this report. The Ewing Township Board of Education and its five 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 youngsters. The District completed the 2015-2016 fiscal year with an enrollment of 3,568 students, which is 2 students lower than the previous year’s enrollment. The following details the changes in the student enrollment of the District over the last five years:

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>Percent Increase/(Decrease)</u>
2015-16	3,553	(1.31)%
2014-15	3,600	(1.10)%
2013-14	3,640	(0.08)%
2012-13	3,643	(0.79)%
2011-12	3,672	(0.75)%

2. **SCHOOL DISTRICT ORGANIZATION:** Located in Mercer County, the Ewing Township School District receives children from Ewing Township grade levels K through 12. The municipality contains a land area of approximately 15.3 square miles.

An elected nine (9) member Board of Education (The “Board”) serves as the policy maker for the School District. The Board adopts an annual budget and directly approves all expenditures which serve as the basis for control over and authorization for all expenditures of School District tax money.

The Superintendent is the Chief Executive Officer of the School District, responsible to the Board for total educational and support operations. The Board Secretary is the Chief Financial Officer of the School District, responsible to the Board for maintaining all financial records, issuing warrants in payment of liabilities incurred by the School District, acting as custodian of all School District funds, and investing idle funds as permitted by New Jersey law.





## THE EWING PUBLIC SCHOOLS

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3. **ECONOMIC CONDITIONS AND OUTLOOK:** The economy of the Township of Ewing includes industrial, commercial and public entities. The Township's largest taxpayers include: New Jersey Manufacturers Insurance Company; Pfizer, Inc.; Mountainview Office Park/Jingoli; Educational Testing Service; Levin Properties (Capitol Plaza); Halston Builders Association; River's Edge Apartments; G F Princeton, LLC; INN America Hospitality/Marriott Courtyard and Lighthouse Ewing, LLC.

Some of the State and County facilities located in the Township are: The College of New Jersey, Marie H. Katzenbach School for the Deaf, New Jersey Department of Transportation, New Jersey State Police, Trenton-Mercer Airport and County of Mercer Golf Course.

4. **EDUCATIONAL PROGRAM:** The district has expanded is Advanced Placement (AP) offerings in the last year and was recognized in the current year with an AP Honor Roll Award for increasing the number of students participating in AP courses who were also high achieving. The High School will continue to encourage participation in AP courses and plans to expand course opportunities in the future. The High School is examining it's prerequisite criteria for courses to expand student opportunities to be exposed to more challenging learning settings. We are also expanding elective opportunities in our middle school setting to enhance a more aligned grades 6-12 curriculum path for students. The district provides a continuum of services for students who are not meeting expectations or are at-risk. At the K-8 level the district has infused a Response to Intervention (RTI) model in the classroom for Language Arts and Math Instruction through Early Intervention Specialists at the K-5 level and in grades 6-8.

All curriculum provides accommodation/remediation and extension opportunities for students. Beyond the classroom teacher providing interventions, students are screened using multiple assessments in both language arts and math. The district will continue to enhance adjust its program to meet the demanding rigor of new Federal and State mandates to ensure that it's students receive a comprehensive and well-rounded education as we teach the whole child.

5. **INTERNAL CONTROLS:** The administration is responsible for establishing and maintaining internal controls that are designed to ensure that the assets of the District are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements that are in conformity with accounting principles generally accepted In the United States (GAAP). Internal controls are designed to provide reasonable assurance that these goals are achieved. Reasonable assurance takes into account the following:
- a. The cost of the control should not exceed the benefits anticipated to be derived; and
  - b. The valuation of costs and benefits requires estimates and judgements by administration



## THE EWING PUBLIC SCHOOLS

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As a recipient of federal and state awards, the District also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. The internal control system 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 system, including that portion related to major federal and state awards, as well as to determine that the District has complied with applicable laws, regulations, contracts and grants.

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

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

7. **ACCOUNTING SYSTEM AND REPORTS**: The District's accounting records reflect accounting principles generally accepted in the United States (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and a government-wide presentation is also included. These funds and government-wide statements are explained in "Notes to the Basic Financial Statements," Note 1.
8. **DEBT ADMINISTRATION**: The District's outstanding debt issues included \$12,545,000 of general obligation bonds as of June 30, 2016. Under provisions of New Jersey statutes, school districts may not incur indebtedness greater than 4% of the average equalized valuation of taxable property. At June 30, 2016 the District's outstanding debt issues are well below the legal debt margin. The District continues to be committed to providing the debt rating agencies and all other interested parties with annual audited financial statements and other pertinent credit information relevant to our outstanding securities.
9. **FINANCIAL STATUS**: The Business Administrator and the Board of Education continue to guide the District with fiscal prudence while working within the limitations imposed by the state's 2% cap on the annual increase of the tax revenue collected from Ewing Township. The business office utilizes purchasing co-operatives, state contracts and bids to purchase the materials needed to operate the District at the lowest possible price.



## THE EWING PUBLIC SCHOOLS

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10. **OUTLOOK FOR THE FUTURE: Fiscal Year 2016-17 and Beyond:** The Ewing Township School District, along with many other public school systems in the State, will continue to face some difficult economic situations given the primary funding source is property tax revenue. The proposed budget for fiscal year 2016-17 again, continues to be within the State mandated property tax cap of 2%. Couple that with near flat State Aid and there is little room for growth.

The District's administration is closely monitoring the cost of operations and continues to look for new funding sources and efficiencies in expenditures, in order to maintain and improve the quality educational services that the School District has been accustomed to providing. That said it appears that at least in the near future any potential program expansion will have to come through the redistribution of existing funds.

The Township of Ewing is currently undergoing an expansive redevelopment in parts of the community. Though a modest increase in students is anticipated, an overall decline in enrollments due to lower birth rates throughout Ewing Township any new students are expected to be absorbed within the district's existing footprint. A demographer has been engaged by the district to annually monitor the impact of this fluid and changing process and it will be re-evaluated on an ongoing basis.

11. **INDEPENDENT AUDIT:** State statutes require an annual audit by independent certified public accountants. Gerard Stankiewicz CPA, PSA of the firm of Samuel Klein and Company 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 Title 2 *US Code of Federal Regulations* Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

12. **AWARDS:**

*Certificate of Excellence in Financial Reporting:* The District had applied to the Association of School Business Officials (ASBO) International for the "Certificate of Excellence in Financial Reporting" for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ending June 30, 2016, and was granted approval on a conditional basis. In order to be awarded this certificate, the District published an easily readable and efficiently organized comprehensive annual financial report and satisfied both generally accepted accounting principles and applicable legal requirements. This is the District's first year receiving this award.



## THE EWING PUBLIC SCHOOLS

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*Burlington County Joint Insurance Fund Awards:* The District belongs to a Joint Insurance Fund for the procurement of worker's compensation and liability insurance. Annually, the Fund reviews member performance and recognizes the hard work of its members. For the fiscal year ending June 30, 2016, the district was awarded a Safety Incentive Award by meeting a strict set of criteria of safety and preventative measures as reviewed by the fund. In addition, the district was recognized for maintaining its overall loss ratio below 50% for the year.

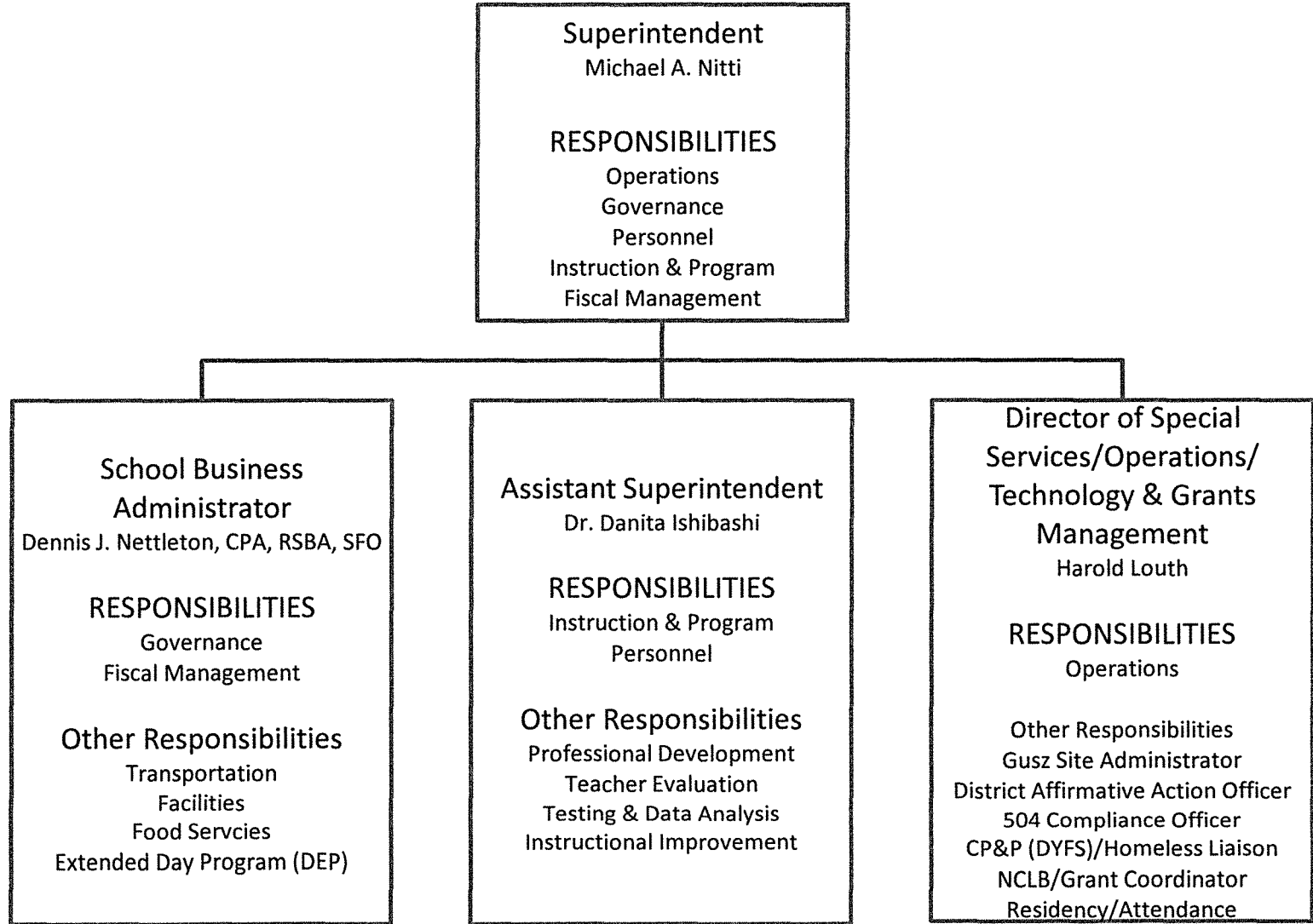
13. **ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of the Ewing Township School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. Additionally, the preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

Michael Nitti  
Superintendent of Schools

Dennis J. Nettleton, CPA, RSBA, SFO  
School Business Administrator/Board Secretary

**The Ewing Public Schools  
Central Office Organizational Chart  
Responsibilities**



**EWING TOWNSHIP BOARD OF EDUCATION  
2099 PENNINGTON ROAD  
EWING, NEW JERSEY 08618**

**ROSTER OF OFFICIALS  
JUNE 30, 2016**

<b>MEMBERS OF THE BOARD OF EDUCATION</b>	<b>TERM EXPIRES</b>
Ms. Stephanie F. Staub, President	2016
Ms. Karen A. McKeon, Vice President	2017
Mr. Carl Benedetti	2017
Ms. Maria C. Benedetti	2018
Mr. Kevin J. Ewell	2017
Mr. Scott Franks, Sr.	2016
Ms. Lisa McConnell	2018
Mr. Anthony Messina	2018
Mr. Bruce J. White	2016

**OTHER OFFICIALS**

Michael Nitti, Superintendent

Dennis J. Nettleton, CPA, RSBA, SFO, School Business  
Administrator/Board Secretary

Jill Liedtka, Treasurer of School Monies

**EWING TOWNSHIP BOARD OF EDUCATION  
2099 PENNINGTON ROAD  
EWING, NEW JERSEY 08618**

**CONSULTANTS AND ADVISORS**

**ARCHITECT**

Garrison Architects  
14000 F. Commerce Parkway  
Mt. Laurel, NJ 08043-2493

**AUDIT FIRM**

Gerard Stankiewicz, CPA, PSA  
Of the firm  
Samuel Klein & Company  
36 West Main Street, Suite 303  
Freehold, NJ 07728

**ATTORNEY**

Marc H. Zitomer, Esq.  
Schenck Price Smith & King, LLP  
220 Park Avenue  
Florham Park, NJ 07932

**BOND COUNSEL**

Parker, McCay & Criscuolo, P.C.  
3 Greentree Centre, Suite 401  
Route 73 & Greentree Road  
Marlton, NJ 08053

**OFFICIAL DEPOSITORY**

Wells Fargo Bank  
Pennington Road & Olden Avenue  
Ewing, New Jersey 08638

## **FINANCIAL SECTION**



# SAMUEL KLEIN AND COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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NEWARK, N.J. 07102-9969  
PHONE (973) 624-6100  
FAX (973) 624-6101

36 WEST MAIN STREET, SUITE 303  
FREEHOLD, N.J. 07728-2291  
PHONE (732) 780-2600  
FAX (732) 780-1030

## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Education  
Ewing Township Board of Education  
County of Mercer, New Jersey

### Report on the Financial Statement

We have audited the accompanying financial statements of the governmental activities, the business type activities each major fund and the aggregate remaining fund information of the Board of Education of the Ewing Township School District, County of Mercer, State of New Jersey, as of and for the year ended June 30, 2016 and the related Notes to Financial Statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control.

**INDEPENDENT AUDITOR'S REPORT**  
**(CONTINUED)**

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business type activities each major fund and the aggregate remaining fund information of the Board of Education of the Ewing Township School District, as of June 30, 2016, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis and Budgetary Comparison Information and schedule of the District's proportionate share of the net pension liability – PERS, schedule of District contributions, schedule of the State's proportionate share of 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 Ewing Township School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Division of Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance are presented for purposes of additional analysis as required by US Office of Management and Budget *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, and the other information such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

**INDEPENDENT AUDITOR'S REPORT**  
**(CONTINUED)**

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

The other information identified above has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2016, on our consideration of the Board of Education of the Ewing Township School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Ewing Township School District internal control over financial reporting compliance.



Gerard Stankiewicz  
Certified Public Accountant  
Licensed Public School Accountant #912



SAMUEL KLEIN AND COMPANY

Freehold, New Jersey  
November 29, 2016

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**



## THE EWING PUBLIC SCHOOLS

DISTRICT ADMINISTRATIVE OFFICES  
2099 Pennington Road, Ewing, NJ 08618  
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### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

#### UNAUDITED

#### Management's Discussion and Analysis

The discussion and analysis of Ewing Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2016. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments issued in June 1999. Certain comparative information between the current year (2015-2016) and the prior year (2014-2015) is required to be presented in MD&A. The District has elected to prepare comparative data which includes prior year's financial statements.

#### Overview of 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 and other information in addition to the basic financial statements themselves.

#### Financial Highlights

Key financial highlights for 2015-2016 are as follows:

In total, net position (deficit) totaled \$2,399,415. which represents a \$3,885,175 increase from 2015.

General revenues accounted for \$83,172,884 in revenue or 94.26% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$5,063,808 or 5.74% of total revenues of \$88,236,692.

# EWING TOWNSHIP BOARD OF EDUCATION

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

### UNAUDITED – (CONTINUED)

Total assets of governmental activities, exclusive of capital projects increased by \$184,190 as cash and cash equivalents increased by \$244,044 receivables decreased by \$48,042 and current liabilities decreased by \$2,891. The receipt of a construction grant funds in 2015-2016 expenditures of which were incurred in the prior year caused the slight increase.

The District had \$84,560,878 in expenses; only \$5,063,808 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes and federal and state aid) of \$83,172,884 were adequate to provide for these programs.

Among major funds, the General Fund had \$69,810,191 in revenues and \$70,042,618 in expenditures. The General Fund's fund balance increased \$213,503 over 2016. The General Fund's fund balance is \$7,296,205. The increase was caused by revenue being in excess of expenditures.

The Special Revenue Fund had \$1,592,257 in revenue and expenditures.

### **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 Ewing Township School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

*The Statement of Net Position and Statement of Activities* provide information about the activities of the whole school district, presenting both an aggregate view of the School District's finances and a longer term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of the Ewing School District, the General Fund is by far the most significant.

### **Reporting the School District as a Whole**

#### **Comparative Statement of Net Position and Comparative Statement of Activities**

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School district as a whole looks at all financial transactions and asks the question, "How did we do financially during 2016?" The Comparative Statement of Net Position and the Comparative Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and change to those position. This change in net position is important because it tells the reader that, for the school district as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

# EWING TOWNSHIP BOARD OF EDUCATION

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

### UNAUDITED – (CONTINUED)

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

**Governmental Activities** — All of the School District's programs and services are reported here including, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

**Business Type Activities** — This service is provided on a charge for goods or services basis to recover all the expenses of the goods and services provided. The Food Service enterprise fund is reported as a business activity. Other Business Type Activities are school facilities, integrated Pre-K, Summer Enrichment and After School.

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

#### **Fund Financial Statement**

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 balance 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 balance 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, special revenue fund and debt service fund to demonstrate compliance with this budget

The basic governmental fund financial statements can be found on pages 33-34 of this report.

# EWING TOWNSHIP BOARD OF EDUCATION

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

UNAUDITED – (CONTINUED)

### **Proprietary Funds**

The District maintains one proprietary fund type. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses an enterprise fund to account for the operations of its food service program, child care initiative and Falcon Care.

The basic proprietary fund financial statements can be found on pages 37-39 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 fiduciary fund financial statements can be found on pages 40-41 of this report.

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The notes to the financial statements can be found on pages 42 to 87 of this report.

### **The School District as a Whole**

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

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

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

Table 1 provides a comparative summary of the School District's net position for 2016 and 2015.



# **EWING TOWNSHIP BOARD OF EDUCATION**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**UNAUDITED – (CONTINUED)**

### **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 inflows and outflows and liabilities of the District, with the difference between the four 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 flow. 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 30 and 32 of this report.

# EWING TOWNSHIP BOARD OF EDUCATION

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

UNAUDITED – (CONTINUED)

The Statement of Net Position provides the financial perspective of the District as a whole. Table 1 provides a comparative summary of the School District's net position for 2016 and 2015.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1,740,226 at the close of fiscal 2016. The following table provides a summary of net position at June 30, 2016 and 2015 relating to the District's governmental and business-type activities:

**Table 1 – Comparative Summary of Net Position**

	Governmental Activities		Business-Type Activities		Total School District	
	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015
<b>Assets</b>						
Current and other assets	\$ 8,313,659	\$ 8,330,745	\$ 662,992	\$ 616,569	\$ 8,976,651	\$ 8,947,315
Capital assets, net	22,288,008	21,635,955	32,617	40,783	22,320,626	21,676,738
Total Assets	<u>\$ 30,601,668</u>	<u>\$ 29,966,700</u>	<u>\$ 695,609</u>	<u>\$ 657,352</u>	<u>\$ 31,297,276</u>	<u>\$ 30,624,053</u>
<b>Deferred outflows of resources</b>						
Unamortized Loss on						
Defeasance of Debt	\$ 811,906	\$ 1,047,749			\$ 811,906	\$ 1,047,749
Prepaid Retirement	4,730,000	6,873,200			4,730,000	6,873,200
Pension	3,808,296	1,462,441			3,808,296	1,462,441
Total Deferred outflows of resources	<u>\$ 9,350,202</u>	<u>\$ 9,383,390</u>			<u>\$ 9,350,202</u>	<u>\$ 9,383,390</u>
<b>Liabilities</b>						
Current and other liabilities	\$ 1,662,800	\$ 1,880,020	\$ 36,420	\$ 49,107	\$ 1,699,220	\$ 1,929,127
Net pension liability	20,433,318	16,844,374			20,433,318	16,844,374
Long-term liabilities outstanding	15,786,997	21,715,869			15,786,997	21,715,869
Total Liabilities	<u>\$ 37,883,115</u>	<u>\$ 40,440,263</u>	<u>\$ 36,420</u>	<u>\$ 49,107</u>	<u>\$ 37,919,536</u>	<u>\$ 40,489,370</u>
<b>Deferred inflow of resources</b>						
Pension	<u>\$ 328,528</u>	<u>\$ 1,003,833</u>			<u>\$ 328,528</u>	<u>\$ 1,003,833</u>
<b>Net Position</b>						
Net investment in capital assets	\$ 13,779,875	\$ 9,204,333	\$ 32,617	\$ 40,783	\$ 13,812,492	\$ 9,245,116
Restricted	1,200,000	2,000,000			1,200,000	2,000,000
Unrestricted (deficit)	<u>(13,239,649)</u>	<u>(13,298,339)</u>	<u>626,571</u>	<u>567,463</u>	<u>(12,613,078)</u>	<u>(12,730,876)</u>
Total Net Position	<u>\$ 1,740,226</u>	<u>\$ (2,094,006)</u>	<u>\$ 659,188</u>	<u>\$ 608,246</u>	<u>\$ 2,399,414</u>	<u>\$ (1,485,760)</u>

## **EWING TOWNSHIP BOARD OF EDUCATION**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

#### **UNAUDITED – (CONTINUED)**

The District's combined net position were \$2,399,414 on June 30, 2016. This is an increase of \$3,885,174, or 261.49% from the prior year.

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 machinery, equipment and vehicles), less any related debt (bonds payable) used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's 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 (namely, property taxes), since the capital assets themselves cannot be used to liquidate these liabilities.

Capital assets, net increased from the prior year due to the amount of new additions associated with the District's capital projects having exceeded the amount of depreciation of capital assets in the current year.

Long-term liabilities decreased due to the scheduled payment of principal on debt.

Restricted net position decreased mainly due to the net decrease in the capital reserve account of \$800,000 which was utilized for capital expenditures of the District.

Unrestricted net position increased in the Governmental Fund – General Fund by \$213,504 which was caused primarily by the receipt of a grant for construction expenses, of which were incurred in prior year. General fund encumbrances at June 30, 2015 totaled \$183,996 as compared with \$62,231 at June 30, 2016.

# EWING TOWNSHIP BOARD OF EDUCATION

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

UNAUDITED – (CONTINUED)

Table 2 shows the comparative change in net position from fiscal year 2016 and 2015.

**Table 2 – Comparative Change in Net Position**

	Governmental Activities		Business-Type Activities		Total School District	
	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	\$ 541,016	\$ 438,927	\$ 1,239,752	\$ 1,230,007	\$ 1,780,768	\$ 1,668,933
Operating Grants and Contributions	2,351,513	2,730,839	931,527	898,142	3,283,040	3,628,982
General Revenue:						
Property Taxes	58,170,321	57,195,495			58,170,321	57,195,495
Federal and State Aid	24,791,630	22,107,803			24,791,630	22,107,803
Miscellaneous	210,933	273,227			210,933	273,227
<b>Total Revenue</b>	<b>86,065,414</b>	<b>82,746,291</b>	<b>2,171,279</b>	<b>2,128,149</b>	<b>88,236,692</b>	<b>84,874,440</b>
<b>Expenses:</b>						
Instruction	45,795,992	46,926,975			45,795,992	46,926,975
Tuition	2,845,481	3,038,641			2,845,481	3,038,641
Student and Instruction						
Related Services	10,113,036	9,498,947			10,113,036	9,498,947
School Administration	1,088,153	1,006,676			1,088,153	1,006,676
General Administration	5,632,690	5,315,632			5,632,690	5,315,632
Operation and Maintenance						
of Facilities	9,770,323	8,870,383			9,770,323	8,870,383
Pupil Transportation	6,548,896	3,539,379			6,548,896	3,539,379
Interest on Debt	512,476	667,803			512,476	667,803
Charter Schools	133,496	103,445			133,496	103,445
Business Type Actives			2,120,336	2,137,179	2,120,336	2,137,179
<b>Total Expenses</b>	<b>82,440,542</b>	<b>78,967,882</b>	<b>2,120,336</b>	<b>2,137,179</b>	<b>84,560,878</b>	<b>81,105,061</b>
Special and Extraordinary Items, Net	209,360	(1,886,031)			209,360	(1,886,031)
<b>Change in Net Position</b>	<b>\$ 3,834,231</b>	<b>\$ 1,892,378</b>	<b>\$ 50,943</b>	<b>\$ (9,030)</b>	<b>\$ 3,885,174</b>	<b>\$ 1,883,348</b>
Net Position - beginning	(2,094,006)	(3,986,384)	608,246	617,276	(1,485,760)	(3,369,108)
<b>Net Position - ending</b>	<b>\$ 1,740,226</b>	<b>\$ (2,094,006)</b>	<b>\$ 659,188</b>	<b>\$ 608,246</b>	<b>\$ 2,399,414</b>	<b>\$ (1,485,760)</b>

# EWING TOWNSHIP BOARD OF EDUCATION

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

UNAUDITED – (CONTINUED)

### General Fund Budgetary Highlights

The District budget is prepared according to New Jersey Statutes. The most significant budgeted fund is the general fund. During the fiscal year, there were several differences between the original budget and the final amended budget as a result of transfers being applied to certain line items. These transfers were made between line items as part of the normal process as permitted by State guidelines. Readers should refer to Section C of the financial report for comparisons between actual and budgeted amounts.

Described on the next page are explanations for variations in revenues and expenditures for certain lines where the modified budgeted amounts differ from the original budget by significant amounts. All other fluctuations were considered immaterial and no explanations were deemed required.

### Expenditures

- The modified budget for regular programs – instruction decreased from the original budget by \$69,569, or .36% as a result of an increase the need for added purchased professional educational service.
- The modified budget for undistributed expenditures – instruction decreased from the original budget by \$20,495, or .71% as a result of a decrease in the amount of students sent to private schools for the disabled.
- The modified budget for undistributed expenditures – student transportation increased from the original budget by \$583,767, or 17.10% as a result of additional cost related to transportation students by outside vendors.
- The modified budget for special education – instruction increased from the original budget by \$23,880, or 3.51% as a result of reallocation of line items within the account to serve the special needs students.
- The modified budget for undistributed expenditures – other operations and maintenance of plant decreased from the original budget by \$320,419, or 6.86% as a result of additional cost savings realized by the District on their utilities expenditures.

Described below are explanations for variations in revenues and expenditures for certain lines where the modified budgeted amounts differ from the actual by significant amounts. All other fluctuations were considered immaterial and no explanations were deemed required.

### Revenues

- Actual tuition revenue was in excess of the modified budgeted amount by approximately \$291,016 or 116.41% as a result mostly of higher than anticipated inflow of students.

### Expenditures

- The actual amount expended regular programs – instruction were less than the final budget by approximately \$1,369,327, or 4.81% as a result of regular, special and other instructional program not requiring as much funding as planned.
- The actual amounts expended for undistributed expenditures – instructions staff training of services were less than the final budget by approximately \$1,604,171 (after adjustments for on behalf payments), or 4.4% as a result of the District's planned expenditures that did not materialize.

**EWING TOWNSHIP BOARD OF EDUCATION**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

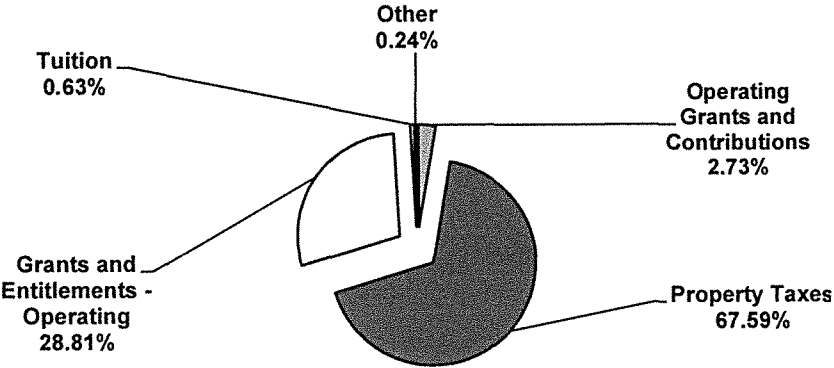
**UNAUDITED – (CONTINUED)**

**Table 2 – Comparative Change in Net Position (Continued)**

**Governmental Activities**

The unique nature of property taxes in New Jersey creates the legal requirement to annually seek voter approval for the School District operations. Property taxes of \$58,170,321 made up 67.59% percent of revenue for governmental activities for the Ewing School District for fiscal year 2016. The District's total revenues were \$86,065,414 for the year ended June 30, 2016. Federal, state and local grants for operating purposes of \$24,791,630 accounted for another 28.81% of revenue.

**Revenue for Fiscal Year 2016**



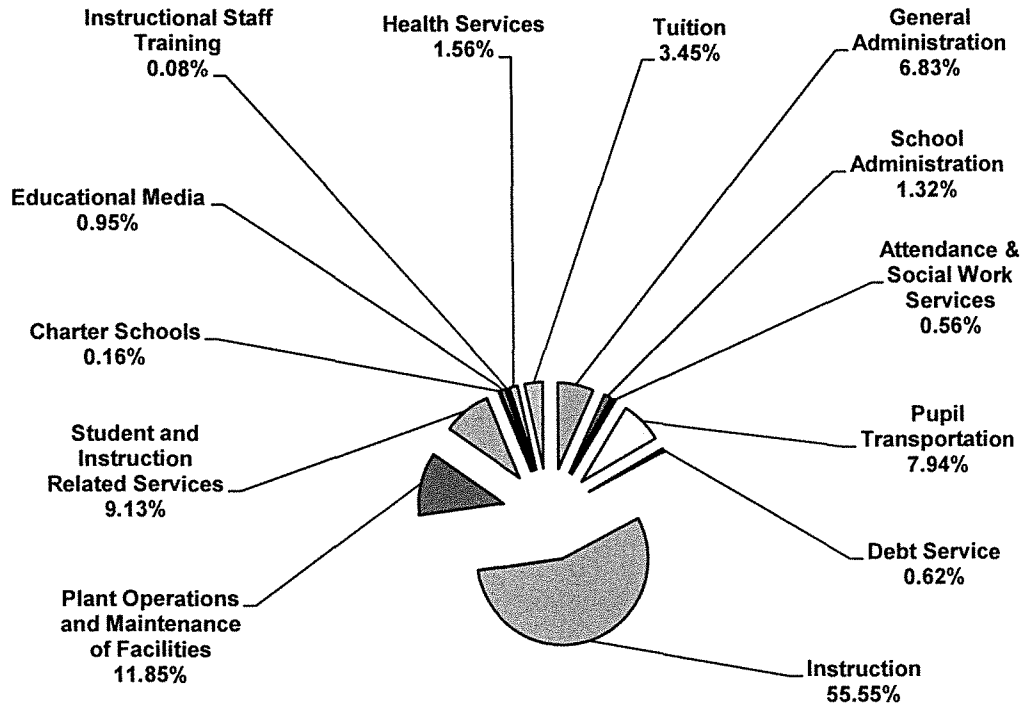
# EWING TOWNSHIP BOARD OF EDUCATION

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

UNAUDITED – (CONTINUED)

The total cost of all programs and services was \$82,440,542.

### Expenses for Fiscal Year 2016



## EWING TOWNSHIP BOARD OF EDUCATION

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

UNAUDITED – (CONTINUED)

#### **Business-Type Activities**

##### Food Service

Revenues for the District's business-type activities food service program were comprised of charges for services and federal and state reimbursements.

Food service expenses exceeded revenues by \$923,983.

Charges for services represent \$727,774, or 43.86% of revenue. This represents amounts paid by Patrons for daily food service, as well as special functions.

Federal and state reimbursement for meals, including payments for free and reduced priced lunches and donated commodities was \$931,527, or 56.14% of revenue.

##### Extended Day Program

Revenues for the District's business-type activities extended day program were comprised of charges for services.

Extended day program service expenses exceeded revenues by \$43,399.

Charges for services represent \$511,978, or 100% of revenue. This represents amounts paid by parents for extended day coverage for their children.



**EWING TOWNSHIP BOARD OF EDUCATION**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**UNAUDITED – (CONTINUED)**

**Governmental Activities**

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

**Table 3 - Comparative Statement of Activities**

	Total Cost of Services *			Net Cost of Services *		
	<u>2015-2016</u>	<u>2014-2015</u>	<u>Percent Change</u>	<u>2015-2016</u>	<u>2014-2015</u>	<u>Percent Change</u>
Instruction	\$ 45,795,992	\$ 46,926,975	-2.41%	\$ 43,865,734	\$ 44,724,756	-1.92%
Support Services:						
Tuition	2,845,481	3,038,641	-6.36%	2,845,481	3,038,641	-6.36%
Attendance & Social						
Work Services	464,211	461,648	0.56%	464,211	461,648	0.56%
Health Services	1,287,144	1,286,907	0.02%	1,287,144	1,286,907	0.02%
Student & Instruction						
Related Services	7,530,795	6,887,001	9.35%	7,327,779	6,641,026	10.34%
Educational Media Services/						
School Library	785,462	781,951	0.45%	785,462	781,951	0.45%
Instructional Staff Training	45,424	81,440	-44.22%	45,424	81,440	-44.22%
School Administration	1,088,153	1,006,676	8.09%	1,088,153	1,006,676	8.09%
General Administration	5,632,690	5,315,632	5.96%	5,632,690	5,315,632	5.96%
Operation and Maintenance						
of Facilities	9,770,323	8,870,383	10.15%	9,770,323	8,870,383	10.15%
Pupil Transportation	6,548,896	3,539,379	85.03%	6,548,896	3,539,379	85.03%
Transfer to Charter School	133,496	103,445	29.05%	133,496	103,445	29.05%
Interest on Debt	512,476	667,803	-23.26%	(246,780)	(53,770)	358.96%
<b>Total Expenses</b>	<b>\$ <u>82,440,542</u></b>	<b>\$ <u>78,967,882</u></b>	<b><u>4.40%</u></b>	<b>\$ <u>79,548,013</u></b>	<b>\$ <u>75,798,114</u></b>	<b><u>4.95%</u></b>

## EWING TOWNSHIP BOARD OF EDUCATION

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

#### UNAUDITED – (CONTINUED)

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

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

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

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

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

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

"Other" includes special schools and unallocated depreciation.

#### **The School District's Funds**

All governmental funds (i.e., general fund, special revenue fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$77,980,711 and expenditures were \$78,239,561, exclusive of the capital projects fund.

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 schedules present a comparative summary of the revenues of the general fund, special revenue fund and debt service fund for the fiscal years ended June 30, 2016 and June 30, 2015, and the amount of increase and decreases in relation to prior year revenues.

#### **Comparative Summary of Revenues**

<u>Revenue</u>	2015-2016		2014-2015		Increase/ (Decrease) from 2014-2015 to 2015-2016
	<u>Amount</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>Percent of Total</u>	
Local Sources	\$ 58,999,643	75.66%	\$ 57,911,763	75.72%	\$ 1,087,880
State Sources	17,336,014	22.23%	16,643,549	21.76%	692,465
Federal Sources	1,645,052	2.11%	1,930,760	2.52%	(285,708)
	\$ 77,980,709	100.00%	\$ 76,486,072	100.00%	\$ 1,494,637

## EWING TOWNSHIP BOARD OF EDUCATION

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

#### UNAUDITED – (CONTINUED)

Local revenues increased primarily because of an increase in the annual school tax levy.

Federal revenues overall decreased due to the net impact of the Medical Assistance Program increases that were offset by a much lower level of IDEA and NCLB funds in 2016.

State revenue increased primarily due to an increase of general fund of on-behalf pension payments.

The following schedule presents a comparative summary of general fund, special revenue fund and debt service fund exclusive of capital lease expenditures for the fiscal years ended June 30, 2016 and June 30, 2015, and the increases and decreases in relation to prior year amounts.

#### Comparative Summary of Expenditures

<u>Expenditures</u>	<u>2015-2016</u>		<u>2014-2015</u>		Increase/ (Decrease) from 2014-2015 to 2015-2016
	<u>Amount</u>	<u>Percent of Total</u>	<u>Amount</u>	<u>Percent of Total</u>	
Current Expense:					
Instruction	\$ 28,465,038	36.38%	\$ 28,355,175	36.67%	\$ 109,863
Undistributed Expenditures	41,442,632	52.97%	39,074,827	50.53%	2,367,805
Capital Outlay	1,593,710	2.04%	3,199,132	4.14%	(1,605,422)
Charter Schools	133,496	0.17%	103,445	0.13%	30,051
Debt Service:					
Principal	6,325,000	8.08%	6,170,000	7.98%	155,000
Interest	279,685	0.36%	425,405	0.55%	(145,720)
	<u>\$ 78,239,561</u>	<u>100.00%</u>	<u>\$ 77,327,984</u>	<u>100.00%</u>	<u>\$ 911,577</u>

Changes in expenditures were the results of varying factors. Current expense increased due to increase in health benefits and utility costs.

#### General Fund Budgeting Highlights

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

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. There were no significant budget adjustments during the year.

## EWING TOWNSHIP BOARD OF EDUCATION

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

UNAUDITED – (CONTINUED)

#### Capital Assets

At the end of the fiscal year 2016, the School District had \$51,208,318 invested in land, buildings, furniture and equipment and vehicles. Table 4 shows fiscal 2016 balances compared to 2015.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total School District</u>	
	<u>2015-2016</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2014-2015</u>
Land	\$ 688,921	\$ 688,921			\$ 688,921	\$ 688,921
Building and Building Improvements	19,865,593	19,934,177			19,865,593	19,934,177
Machinery and Equipment	<u>1,733,494</u>	<u>1,012,857</u>	<u>\$ 32,617</u>	<u>\$ 40,783</u>	<u>1,766,111</u>	<u>1,053,640</u>
Total Capital Assets - Net of Depreciations	<u>\$ 22,288,008</u>	<u>\$ 21,635,955</u>	<u>\$ 32,617</u>	<u>\$ 40,783</u>	<u>\$ 22,320,625</u>	<u>\$ 21,676,738</u>

Refer to Notes to Financial Statements (Note 6) for more detailed information.

Overall capital assets (net) increased from fiscal year 2015 to fiscal year 2016. The increase in capital assets is primarily due to fixed asset additions in excess of annual depreciation.

#### Debt Administration

At the end of the fiscal year 2016 and 2015, the School District had outstanding debt as follows:

**Table 5 – Debt Administration**

	<u>June 30,</u>	
	<u>2016</u>	<u>2015</u>
Capital Leases	\$ 1,505,039	\$ 1,482,570
Compensated Absences	1,736,959	1,363,299
Serial Bonds	<u>12,545,000</u>	<u>18,870,000</u>
Totals	<u>\$ 15,786,998</u>	<u>\$ 21,715,869</u>

Refer to Notes to Financial Statements (Note 7) for more detailed information.

## EWING TOWNSHIP BOARD OF EDUCATION

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

UNAUDITED – (CONTINUED)

#### For the Future

Presently, the Ewing Township School District is in good financial condition. This is confirmed by a steady bond rating by Standard & Poor's of the Districts Bonds in February of 2013. This District is proud of the community support of its public schools.

The Ewing Township School District, in concert with many New Jersey Public School districts faces a difficult fiscal environment when looking into the future, with the major sources of revenue being State Aid and Local Property Taxes. The State imposed 2% tax levy cap has put most New Jersey school districts in a box.

As a result of these restrictive fiscal constraints the District has been creative in its efforts to reduce expenditures over the years. Successful shared services initiatives, cooperative purchasing groups, and green initiatives have been invaluable to the continued financial management of the District.

In doing, the Ewing Township School District has committed itself to financial excellence for many years. The District's reputation in financial planning, budgeting, and internal controls is sound and well regarded. The District plans to continue its sound fiscal management practices to meet the challenges of an even changing and uncertain future.

The Township of Ewing is currently involved in some major re-development projects which is expected to bring a modest number of students as well as provide an increase to the tax base. Overall, this is anticipated to have a positive effect on the financial position of the district. Though the increase in students is anticipated to be offset by identified enrollment declines, the district is taking a proactive approach to management of this issue and has engaged a demographer to annually review the birth rates in the district as well as to analyze the proposed developments as they grow and change.

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

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. Questions regarding this report or if additional information is needed, kindly contact Dennis J. Nettleton, School Business Administrator/Board Secretary, at the Ewing Township School District, 2099 Pennington Road, Ewing Township, NJ 08618.

Respectfully submitted,



Michael Nitti  
Superintendent of Schools



Dennis J. Nettleton, CPA, RSBA, SFO  
School Business Administrator/Board Secretary

## **BASIC FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS**

**BOARD OF EDUCATION**  
**EWING TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MERCER**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2016**

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Cash and Cash Equivalents	\$ 3,222,379.62	\$ 447,710.02	\$ 3,670,089.64
Receivables, Net	3,694,078.69	171,727.48	3,865,806.17
Interfund Accounts Receivable	197,200.92		197,200.92
Inventory		43,554.03	43,554.03
Restricted Assets:			
Restricted Cash and Cash Equivalents	1,200,000.00		1,200,000.00
Capital Assets, Net	<u>22,288,008.46</u>	<u>32,617.04</u>	<u>22,320,625.50</u>
Total Assets	<u>\$ 30,601,667.69</u>	<u>\$ 695,608.57</u>	<u>\$ 31,297,276.26</u>
 <b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Unamortized Loss on Defeasance of Debt	\$ 811,906.00		\$ 811,906.00
Prepaid Retirement	4,730,000.00		4,730,000.00
Pension	<u>3,808,296.00</u>		<u>3,808,296.00</u>
	<u>\$ 9,350,202.00</u>		<u>\$ 9,350,202.00</u>

See accompanying notes to financial statements.



**BOARD OF EDUCATION**  
**EWING TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MERCER**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2016**

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
<b><u>LIABILITIES</u></b>			
Accounts Payable	1,400,008.98	\$ 19,801.70	\$ 1,419,810.68
Intergovernmental Accounts Payable	4,894.00		4,894.00
Unearned Revenue	197,461.81	16,618.58	214,080.39
Accrued Interest Payable	60,435.10		60,435.10
Pension Liability	20,433,318.00		20,433,318.00
Noncurrent Liabilities:			
Due Within One Year	7,328,595.68		7,328,595.68
Due Beyond One Year	<u>8,458,401.69</u>		<u>8,458,401.69</u>
Total Liabilities	<u>\$ 37,883,115.26</u>	<u>\$ 36,420.28</u>	<u>\$ 37,919,535.54</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Pension	<u>\$ 328,528.00</u>		<u>\$ 328,528.00</u>
	<u>\$ 328,528.00</u>		<u>\$ 328,528.00</u>
<b><u>NET POSITION</u></b>			
Net Investment in Capital Assets	\$ 13,779,875.31	\$ 32,617.04	\$ 13,812,492.35
Restricted Capital	1,200,000.00		1,200,000.00
Unrestricted (Deficit)	<u>(13,239,648.88)</u>	<u>626,571.25</u>	<u>(12,613,077.63)</u>
Total Net Position	<u>\$ 1,740,226.43</u>	<u>\$ 659,188.29</u>	<u>\$ 2,399,414.72</u>

See accompanying notes to financial statements.

**BOARD OF EDUCATION**  
**EWING TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MERCER**  
**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>						
Instruction:						
Regular	\$ 29,594,690.83			\$ (29,594,690.83)		\$ (29,594,690.83)
Special Education	12,492,682.96		\$ 1,389,241.42	(11,103,441.54)		(11,103,441.54)
Other Special Education	1,796,683.59			(1,796,683.59)		(1,796,683.59)
Other Instruction	1,911,934.13	\$ 541,016.29		(1,370,917.84)		(1,370,917.84)
Support Services & Undistributed Costs:						
Tuition	2,845,481.04			(2,845,481.04)		(2,845,481.04)
Attendance & Social Work Services	464,211.43			(464,211.43)		(464,211.43)
Health Services	1,287,144.25			(1,287,144.25)		(1,287,144.25)
Student & Instruction Related Services	7,530,794.63		203,015.92	(7,327,778.71)		(7,327,778.71)
Educational Media Services/School Library	785,461.58			(785,461.58)		(785,461.58)
Instructional Staff Training	45,424.44			(45,424.44)		(45,424.44)
School Administrative Services	1,088,153.10			(1,088,153.10)		(1,088,153.10)
Other Administrative Services	5,632,689.63			(5,632,689.63)		(5,632,689.63)
Plant Operations & Maintenance	9,770,322.51			(9,770,322.51)		(9,770,322.51)
Pupil Transportation	6,548,896.33			(6,548,896.33)		(6,548,896.33)
Transfer to Charter Schools	133,496.00			(133,496.00)		(133,496.00)
Interest on Noncurrent Debt	512,475.79		759,256.00	246,780.21		246,780.21
<b>Total Governmental Activities</b>	<b>\$ 82,440,542.24</b>	<b>541,016.29</b>	<b>\$ 2,351,513.34</b>	<b>\$ (79,548,012.61)</b>		<b>\$ (79,548,012.61)</b>
<b>Business-Type Activities:</b>						
Food Service	\$ 1,651,757.64	\$ 727,774.18	\$ 931,526.94		\$ 7,543.48	\$ 7,543.48
Extended Day Program	468,578.43	511,977.58			43,399.15	43,399.15
<b>Total Business-Type Activities</b>	<b>\$ 2,120,336.07</b>	<b>\$ 1,239,751.76</b>	<b>\$ 931,526.94</b>		<b>\$ 50,942.63</b>	<b>\$ 50,942.63</b>
<b>Total Primary Government</b>	<b>\$ 84,560,878.31</b>	<b>\$ 1,780,768.05</b>	<b>\$ 3,283,040.28</b>	<b>\$ (79,548,012.61)</b>	<b>\$ 50,942.63</b>	<b>\$ (79,497,069.98)</b>
<b>General Revenues</b>						
Property Taxes Levied for:						
General Purposes				\$ 52,351,315.00		\$ 52,351,315.00
Debt Service				5,819,006.00		5,819,006.00
Federal and State Aid Not Restricted				24,791,630.02		24,791,630.02
Miscellaneous Income				210,932.92		210,932.92
<b>Total General Revenues</b>				<b>\$ 83,172,883.94</b>		<b>\$ 83,172,883.94</b>
<b>Change in Net Position</b>				<b>\$ 3,624,871.33</b>	<b>\$ 50,942.63</b>	<b>\$ 3,675,813.96</b>
Adjustments:						
Prior Year Revenue (Charges), Net				445,282.57		445,282.57
Capital Asset Write-off, Net				(235,921.70)		(235,921.70)
<b>Net Change (Loss)</b>				<b>\$ 3,834,232.20</b>	<b>\$ 50,942.63</b>	<b>\$ 3,885,174.83</b>
<b>Net Position (Deficit) - Beginning</b>				<b>\$ (2,094,005.77)</b>	<b>\$ 608,245.66</b>	<b>\$ (1,485,760.11)</b>
<b>Net Position - Ending</b>				<b>\$ 1,740,226.43</b>	<b>\$ 659,188.29</b>	<b>\$ 2,399,414.72</b>

See accompanying notes to financial statements.

## **FUND FINANCIAL STATEMENTS**

**GOVERNMENTAL FUNDS**

**BOARD OF EDUCATION  
EWING TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MERCER  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2016**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b><u>ASSETS</u></b>					
Cash and Cash Equivalents	\$ 2,748,653.53			\$ 209,285.66	\$ 2,957,939.19
Cash with Fiscal Agents	250,730.37		\$ 41,673.06		292,403.43
Receivables from Other Governments	3,367,474.00	\$ 470,057.41			3,837,531.41
Interfund Receivable	197,200.92				197,200.92
Other Receivables	69,636.19				69,636.19
Capital Reserve Account	<u>1,200,000.00</u>				<u>1,200,000.00</u>
Total Assets	<u>\$ 7,833,695.01</u>	<u>\$ 470,057.41</u>	<u>\$ 41,673.06</u>	<u>\$ 209,285.66</u>	<u>\$ 8,554,711.14</u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>					
Liabilities:					
Cash and Cash Equivalents (Overdraft)		\$ 27,963.00			\$ 27,963.00
Accounts Payable	\$ 537,490.29	26,649.69			564,139.98
Intergovernmental Accounts Payable		4,894.00			4,894.00
Unearned Revenue		<u>410,550.72</u>			<u>410,550.72</u>
Total Liabilities	<u>\$ 537,490.29</u>	<u>\$ 470,057.41</u>			<u>\$ 1,007,547.70</u>
Fund Balances					
Restricted:					
Capital Reserve	\$ 1,200,000.00				\$ 1,200,000.00
Emergency Reserve	500,000.00				500,000.00
Tuition Reserve	200,000.00				200,000.00
Maintenance Reserve	975,594.00				975,594.00
Capital Projects Fund			\$ 41,673.06		41,673.06
Debt Service Fund				\$ 209,285.66	209,285.66
Excess Surplus - Designated for Subsequent Year's Expenditures	1,300,000.00				1,300,000.00
Excess Surplus Assigned - ARRA/SEMI Aid - for Subsequent Year's Expenditures	2,605,100.61				2,605,100.61
Assigned - ARRA/SEMI Aid - for Subsequent Year's Expenditures	43,516.52				43,516.52
Assigned for Other Purposes	62,230.51				62,230.51
Unassigned	<u>409,763.08</u>				<u>409,763.08</u>
Total Fund Balances	<u>\$ 7,296,204.72</u>		<u>\$ 41,673.06</u>	<u>\$ 209,285.66</u>	<u>\$ 7,547,163.44</u>
Total Liabilities and Fund Balance	<u>\$ 7,833,695.01</u>	<u>\$ 470,057.41</u>	<u>\$ 41,673.06</u>	<u>\$ 209,285.66</u>	<u>\$ 8,554,711.14</u>

See accompanying notes to financial statements

**BOARD OF EDUCATION**  
**EWING TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MERCER**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS (CONTINUED)**  
**JUNE 30, 2016**

	<u>Total Governmental Funds</u>
Total Fund Balances above	\$ 7,547,163.44
<p>Amounts reported for <i>governmental activities</i> in the Statement of Net Position (A-1) are different because:</p> <p>The costs associated with the issuance of the various bonds are expensed in the governmental funds in the year the bonds are issued but are capitalized on the statement of net position. The costs is as follows: (see Note 7D)</p>	
Loss on Refinancing, Unamortized Balance	811,906.00
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The cost of capital assets is \$50,815,391.96 and the accumulated depreciation is \$28,527,383.50. (see Note 6)</p>	22,288,008.46
<p>Noncurrent liabilities, including bonds, loans, leases payable and compensated absence are not due and payable in the current period and therefore are not reported as liabilities in the funds. The costs are as follows: (see Note 7)</p>	
Total Noncurrent Liabilities	\$ 15,786,997.37
Less - Related to Early Retirements Debt	<u>(4,730,000.00)</u>
	(11,056,997.37)
<p>Certain liabilities are not due and payable in the current period, and therefore are not reported in the funds:</p>	
<p>Accrued Interest Payable</p> <p>(Accrued interest is a current liability that will be paid from the debt service fund. Therefore, the liability reduces the restricted for debt service net position balance.)</p>	
	(60,435.10)
<p>Accrued Pension Liability</p> <p>(Accrued pension is a current liability that will be paid from the general fund, attributed to the fiscal year ending June 30th, 2016, however will be raised in the budget for the fiscal year ending June 30th, 2017)</p>	
	2,643,899.00
<p>Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds. (See Note 8)</p>	
	<u>(20,433,318.00)</u>
Net position (deficit) of governmental activities (A-1)	<u>\$ 1,740,226.43</u>

See accompanying notes to financial statements

**BOARD OF EDUCATION  
EWING TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MERCER  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local sources:					
Local tax levy	\$ 52,351,315.00			\$ 5,819,006.00	\$ 58,170,321.00
Tuition	541,016.29				541,016.29
Miscellaneous	<u>210,912.35</u>	<u>\$ 77,394.21</u>	<u>\$ 20.57</u>		<u>288,327.13</u>
Total - Local Sources	53,103,243.64	77,394.21	20.57	5,819,006.00	58,999,664.42
State Sources	16,524,733.47	52,025.00		759,256.00	17,336,014.47
Federal Sources	<u>182,213.55</u>	<u>1,462,838.13</u>			<u>1,645,051.68</u>
Total Revenues	<u>\$ 69,810,190.66</u>	<u>\$ 1,592,257.34</u>	<u>\$ 20.57</u>	<u>\$ 6,578,262.00</u>	<u>\$ 77,980,730.57</u>
<b>EXPENDITURES</b>					
Current:					
Regular Instruction	\$ 18,610,342.15				\$ 18,610,342.15
Special Education Instruction	6,209,629.13	\$ 1,389,241.42			7,598,870.55
Other Special Instruction	1,092,861.00				1,092,861.00
Other Instruction	1,162,963.95				1,162,963.95
Support Services and Undistributed Costs:					
Tuition	2,845,481.04				2,845,481.04
Attendance & Social Work Services	282,363.89				282,363.89
Health Services	782,925.70				782,925.70
Student & Instruction Related Services	4,377,708.15	203,015.92			4,580,724.07
Education Media Services/School Library	477,769.34				477,769.34
Instructional Staff Training	27,630.13				27,630.13
School Administrative Services	661,886.21				661,886.21
Other Administrative Services	3,426,171.90				3,426,171.90
Plant Operations & Maintenance	5,562,786.00				5,562,786.00
Pupil Transportation	3,983,469.01				3,983,469.01
Unallocated Benefits	18,811,424.79				18,811,424.79
Debt Service:					
Principal				\$ 6,325,000.00	6,325,000.00
Interest				279,684.50	279,684.50
Capital Outlay	1,593,710.03		959,595.73		2,553,305.76
Transfer to Charter School	<u>133,496.00</u>				<u>133,496.00</u>
Total Expenditures	<u>\$ 70,042,618.42</u>	<u>\$ 1,592,257.34</u>	<u>\$ 959,595.73</u>	<u>\$ 6,604,684.50</u>	<u>\$ 79,199,155.99</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>\$ (232,427.76)</u>		<u>\$ (959,575.16)</u>	<u>\$ (26,422.50)</u>	<u>\$ (1,218,425.42)</u>
Other Financing Sources/(Uses):					
Transfer In/(Out)	\$ 648.63		\$ (648.63)		
Lease Proceeds			1,000,000.00		\$ 1,000,000.00
Prior Year Revenue/(Charges), Net	<u>445,282.57</u>				<u>445,282.57</u>
Total Other Financing Sources (Uses)	<u>445,931.20</u>		<u>999,351.37</u>		<u>\$ 1,445,282.57</u>
Net Change in Fund Balances	\$ 213,503.44		\$ 39,776.21	\$ (26,422.50)	\$ 226,857.15
Fund Balance - July 1	<u>7,082,701.28</u>		<u>1,896.85</u>	<u>235,708.16</u>	<u>7,320,306.29</u>
Fund Balance - June 30	<u>\$ 7,296,204.72</u>		<u>\$ 41,673.06</u>	<u>\$ 209,285.66</u>	<u>\$ 7,547,163.44</u>

See accompanying notes to financial statements.

**BOARD OF EDUCATION**  
**EWING TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MERCER**  
**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ 226,857.15

Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciated expense. This is the amount by which capital outlays exceeded depreciation in the period.

Capital outlay	\$ 2,553,305.76	
Capital outlay lease adjustment	(625,000.00)	
Depreciation expense	(1,040,330.64)	
Capital Asset Retirements	<u>(235,921.70)</u>	652,053.42

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces noncurrent liabilities in the statement of net position and is not reported in the statement of activities.

Bonds - Principal Paid	6,325,000.00	
Less - Early Retirement Bonds Paid	<u>(2,143,200.00)</u>	4,181,800.00

Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases noncurrent liabilities in the statement of net position

Capital Lease Proceeds		(1,000,000.00)
------------------------	--	----------------

Deferred Outflows - Amortization of Loss on Defeasance (Refunding of bonds)

The loss is amortized over the life of the bond issue. The amount is charged to interest expense in the statement of activities.

(235,843.00)

Repayment of lease principal is an expenditure in the governmental funds, but the payment reduces noncurrent debt in the statement of net position and is not reported in the statement of activities.

977,531.45

In the statement of activities, interest on noncurrent debt is accrued, regardless of when due. In the governmental funds, interest is reported when due. The decrease in accrued interest is an addition in the reconciliation.

26,574.26

Net pension obligation related to PERS which is attributable to June 30, 2015 not reported in governmental funds; however, it is reported in the statement of activities

(621,081.00)

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). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.

(373,660.08)

Change in Net Position of Governmental Activities (from A-2) \$ 3,834,232.20

See accompanying notes to financial statements.



**PROPRIETARY FUNDS**

**BOARD OF EDUCATION**  
**EWING TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MERCER**  
**PROPRIETARY FUNDS - ENTERPRISE FUND**  
**STATEMENT OF NET POSITION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Business-Type Activities Enterprise Fund		
	<u>Food Service Total Enterprise</u>	<u>Extended Day Program</u>	<u>Total Enterprise</u>
<u>ASSETS</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 156,549.88	\$ 291,160.14	\$ 447,710.02
Accounts Receivable:			
State Sources	3,144.29		3,144.29
Federal Sources	148,788.64		148,788.64
Other	19,794.55		19,794.55
Inventories	<u>43,554.03</u>		<u>43,554.03</u>
Total Current Assets	<u>371,831.39</u>	<u>291,160.14</u>	<u>662,991.53</u>
Noncurrent Assets:			
Furniture, Machinery and Equipment	392,926.00		392,926.00
Less: Accumulated Depreciation	<u>360,308.96</u>		<u>360,308.96</u>
Total Noncurrent Assets	<u>32,617.04</u>		<u>32,617.04</u>
Total Assets	<u>\$ 404,448.43</u>	<u>\$ 291,160.14</u>	<u>\$ 695,608.57</u>
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	\$ 18,689.70	\$ 1,112.00	\$ 19,801.70
Unearned Revenue	<u>16,618.58</u>		<u>16,618.58</u>
Total Current Liabilities	<u>\$ 35,308.28</u>	<u>\$ 1,112.00</u>	<u>\$ 36,420.28</u>
<u>NET POSITION</u>			
Invested in Capital Assets	\$ 32,617.04		\$ 32,617.04
Unrestricted	<u>336,523.11</u>	<u>\$ 290,048.14</u>	<u>626,571.25</u>
Total Net Position	<u>\$ 369,140.15</u>	<u>\$ 290,048.14</u>	<u>\$ 659,188.29</u>

See accompanying notes to financial statements

**BOARD OF EDUCATION**  
**EWING TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MERCER**  
**PROPRIETARY FUND**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGE IN FUND NET POSITION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Business-Type Activities Enterprise Fund		
	<u>Food Service Total Enterprise</u>	<u>Extended Day Program</u>	<u>Total Enterprise</u>
<u>OPERATING REVENUES</u>			
Local Sources:			
Daily sales - reimbursable programs	\$ 623,799.65		\$ 623,799.65
Daily sales - non-reimbursable programs			
Special functions	103,974.53		103,974.53
User Fees		\$ 511,977.58	511,977.58
	<u>727,774.18</u>	<u>511,977.58</u>	<u>1,239,751.76</u>
Total operating revenues	\$ 727,774.18	\$ 511,977.58	\$ 1,239,751.76
<u>OPERATING EXPENSES</u>			
Cost of sales - reimbursable	\$ 541,848.41		\$ 541,848.41
Cost of sales - non-reimbursable	87,828.00		87,828.00
Salaries	673,708.67	\$ 379,560.18	1,053,268.85
Employee benefits	271,435.81	29,036.36	300,472.17
General Supplies	51,193.31	46,411.51	97,604.82
Miscellaneous	17,577.44	13,570.38	31,147.82
Depreciation	8,166.00		8,166.00
	<u>1,651,757.64</u>	<u>468,578.43</u>	<u>2,120,336.07</u>
Total operating expenses	\$ 1,651,757.64	\$ 468,578.43	\$ 2,120,336.07
Operating income/(loss)	\$ (923,983.46)	\$ 43,399.15	\$ (880,584.31)
<u>NONOPERATING REVENUES</u>			
State sources:			
State school lunch program	\$ 17,016.70		\$ 17,016.70
Federal sources:			
National school lunch program	699,498.20		699,498.20
School breakfast program	89,473.81		89,473.81
Food distribution system	125,538.23		125,538.23
	<u>931,526.94</u>		<u>931,526.94</u>
Total nonoperating revenues	\$ 931,526.94		\$ 931,526.94
Income/(loss) before contributions and transfers	\$ 7,543.48	\$ 43,399.15	\$ 50,942.63
Change in net position	\$ 7,543.48	\$ 43,399.15	\$ 50,942.63
Total net position - beginning	<u>361,596.67</u>	<u>246,648.99</u>	<u>608,245.66</u>
Total net position - ending	<u>\$ 369,140.15</u>	<u>\$ 290,048.14</u>	<u>\$ 659,188.29</u>

See accompanying notes to financial statements

**BOARD OF EDUCATION**  
**EWING TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MECER**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Business-Type Activities		Total Enterprise
	Enterprise Fund		
	<u>Food Service</u> Total Enterprise	<u>Extended Day</u> Program	
<u>Cash Flows from Operating Activities</u>			
Receipts from Customers	\$ 749,047.53	\$ 511,977.58	\$ 1,261,025.11
Payments to Employees	(673,708.67)	(379,560.18)	(1,053,268.85)
Employee Benefits	(271,435.81)	(29,036.36)	(300,472.17)
Payments to Suppliers	<u>(588,450.66)</u>	<u>(62,220.21)</u>	<u>(650,670.87)</u>
Net Cash Provided by/(Used for) Operating Activities	\$ <u>(784,547.61)</u>	\$ <u>41,160.83</u>	\$ <u>(743,386.78)</u>
<u>Cash Flows from Noncapital Financing Activities</u>			
State Sources	\$ 17,187.17		\$ 17,187.17
Federal Sources	<u>791,727.68</u>		<u>791,727.68</u>
Net Cash Provided by/(Used for) Noncapital Financing Activities	\$ <u>808,914.85</u>		\$ <u>808,914.85</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	\$ 24,367.24	\$ 41,160.83	\$ 65,528.07
Balances - Beginning of Year	<u>132,182.64</u>	<u>249,999.31</u>	<u>382,181.95</u>
Balances - End of Year	\$ <u><u>156,549.88</u></u>	\$ <u><u>291,160.14</u></u>	\$ <u><u>447,710.02</u></u>
Reconciliation of Operating Income/(Loss) to Net Cash <u>Provided/(Used) by Operating Activities</u>			
Operating Gain/(Loss)	\$ <u>(923,983.46)</u>	\$ <u>43,399.15</u>	\$ <u>(880,584.31)</u>
Adjustments to Reconcile Operating Loss to Cash Provided/ (Used) by Operating Activities:			
Depreciation	\$ 8,166.00		\$ 8,166.00
Federal Commodities	125,538.23		125,538.23
Change in Assets and Liabilities:			
Decrease/(Increase) in Accounts Receivable	21,132.10		21,132.10
Decrease/(Increase) in Inventories	(4,952.30)		(4,952.30)
Increase/(Decrease) in Accounts Payable	(10,589.43)	(2,238.32)	(12,827.75)
(Decrease)/Increase in Unearned Revenue	<u>141.25</u>		<u>141.25</u>
Total Adjustments	\$ <u>139,435.85</u>	\$ <u>(2,238.32)</u>	\$ <u>137,197.53</u>
Net Cash Provided/(Used) by Operating Activities	\$ <u><u>(784,547.61)</u></u>	\$ <u><u>41,160.83</u></u>	\$ <u><u>(743,386.78)</u></u>

See accompanying notes to financial statements

## **FIDUCIARY FUNDS**

**BOARD OF EDUCATION  
EWING TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MERCER  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
TRUST AND AGENCY FUNDS  
JUNE 30, 2016**

	Agency			Private Purpose	Total
	Student Activity	Payroll	Total Trust Funds	Trust Funds	Fiduciary Funds
<b><u>ASSETS</u></b>					
Cash and Cash Equivalents	\$ 93,960.69	\$ 500,868.56	\$ 594,829.25	\$ 43,205.72	\$ 638,034.97
Total Assets	<u>\$ 93,960.69</u>	<u>\$ 500,868.56</u>	<u>\$ 594,829.25</u>	<u>\$ 43,205.72</u>	<u>\$ 638,034.97</u>
<b><u>LIABILITIES</u></b>					
Accounts Payable				\$ 393.50	\$ 393.50
Payable to Student Groups	\$ 93,960.69		\$ 93,960.69		93,960.69
Payroll Deductions and Withholdings		\$ 303,667.64	303,667.64		303,667.64
Interfund Payable - General Fund		<u>197,200.92</u>	<u>197,200.92</u>		<u>197,200.92</u>
Total Liabilities	<u>\$ 93,960.69</u>	<u>\$ 500,868.56</u>	<u>\$ 594,829.25</u>	<u>393.50</u>	<u>\$ 595,222.75</u>
<b><u>NET POSITION</u></b>					
Reserved for Scholarships				\$ 42,812.22	\$ 42,812.22
Total Net Position				<u>\$ 42,812.22</u>	<u>\$ 42,812.22</u>

See accompanying notes to financial statements

**BOARD OF EDUCATION**  
**EWING TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MERCER**  
**COMBINING STATEMENT OF CHANGES IN NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Private Purpose</u>		<u>Total</u>
	<u>Scholarship</u>	<u>Robotics</u>	<u>Private Purpose</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>
<b><u>ADDITIONS</u></b>			
Contributions	<u>                    </u>	\$ 65,815.01	\$ 65,815.01
Total Additions	<u>                    </u>	<u>65,815.01</u>	<u>65,815.01</u>
<b><u>DEDUCTIONS</u></b>			
Expenditures	<u>                    </u>	\$ 29,530.85	\$ 29,530.85
Total Deductions	<u>                    </u>	<u>29,530.85</u>	<u>29,530.85</u>
Change in Net Position		36,284.16	36,284.16
Total Net Position - Beginning of the Year	\$ <u>6,528.06</u>	<u>                    </u>	<u>6,528.06</u>
Total Net Position - Ending of the Year	\$ <u>6,528.06</u>	\$ <u>36,284.16</u>	\$ <u>42,812.22</u>

See accompanying notes to financial statements

**NOTES TO THE FINANCIAL STATEMENTS**



**EWING TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2016**

**1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

The Ewing Township School District (the "District") is a Type II district located in the County of Mercer, State of New Jersey. As a Type II district, the District functions independently through a Board of Education (the "Board"). The Board is comprised of nine (9) from the Township of Ewing who are elected to three (3) year staggered terms. The purpose of the District is to educate students in grades K-12. The District had an approximate enrollment at June 30, 2016 of 3,568 students.

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

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

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

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements. The most significant of the District's accounting policies are described below.

**A. Basis of Presentation**

The District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements that provide a more detailed level of financial information.

**1. Government-Wide Financial Statements**

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

**EWING TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A. Basis of Presentation (Continued)**

**1. Government-Wide Financial Statements (Continued)**

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

**2. Fund Financial Statements**

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

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

**B. Fund Accounting**

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

**1. Governmental Funds**

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

**EWING TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Fund Accounting (Continued)**

**1. Governmental Funds (Continued)**

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

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

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

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

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

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

**EWING TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Fund Accounting (Continued)**

**2. Proprietary Fund Type**

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

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

The District's Enterprise Fund is comprised of the Food Service Fund and Extended Day Program.

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

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

**3. Fiduciary Funds**

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

**Private Purpose Scholarship Funds**

**Expendable Trust Fund** - An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. The Expendable Trust Fund includes the Unemployment Compensation Insurance Fund and Scholarship Funds.

**EWING TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Fund Accounting (Continued)**

**3. Fiduciary Funds (Continued)**

**Private Purpose Scholarship Funds (Continued)**

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

**Agency Funds** – 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. Agency Funds include payroll and student activities funds.

**C. Measurement Focus**

**1. Government-Wide Financial Statements**

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

**2. Fund Financial Statements**

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

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

Fiduciary funds are reported using the economic resources measurement focus.

**EWING TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Basis of Accounting**

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

Ad Valorem (Property) Taxes are susceptible to accrual and under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable".

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's proprietary funds have elected not to apply the standards issued by FASB after November 30, 1989.

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

**EWING TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Budgets/Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election on the third Tuesday in April unless it meets the criteria of being within the allowable expenditures Cap "Levy Cap" and then no election is required. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year subject to the limitation of N.J.A.C 6A:23A-2.3 (et seq.).

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

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

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

**EWING TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources:		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules.	\$ 69,867,412.66	\$ 1,633,379.95
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized.		
June 30, 2015	None	171,966.30
June 30, 2016	None	(213,088.91)
State aid payments recognized per GAAP standards in the current year previously recognized for budgetary purposes.	798,705.00	None
The last State aid payments are recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33).	\$ <u>(855,927.00)</u>	<u>None</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	\$ <u>69,810,190.66</u>	\$ <u>1,592,257.34</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	\$ 70,042,618.42	\$ 1,633,379.95
Differences - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year supplies are received for financial reporting purposes.		
June 30, 2015	None	171,966.30
June 30, 2016	<u>None</u>	<u>(213,088.91)</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	\$ <u>70,042,618.42</u>	\$ <u>1,592,257.34</u>



**EWING TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Encumbrances**

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

Open encumbrances in the special revenue fund, for which the District has received advances, are reflected in the balance sheet as unearned revenues at fiscal year end.

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

**G. Assets, Liabilities and Equity**

**1. Cash, Cash Equivalents and Investments**

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

New Jersey school districts are limited 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.

**EWING TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Assets, Liabilities and Equity (Continued)**

2. Inventories and Prepaid Expenses

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

Inventories in the Proprietary Funds are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2016.

3. Allowance for Uncollectible Accounts

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

4. Tuition Receivable

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

5. Tuition Payable

Tuition charges for the fiscal years 2014-2015 and 2015-2016 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

6. 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.

7. Capital Assets

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

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

**EWING TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Assets, Liabilities and Equity (Continued)**

7. Capital Assets (Continued)

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

<u>Asset Class</u>	<u>Estimated Lives</u>
School Buildings	50 years
Building Improvements	20 years
Electrical/Plumbing	30 years
Vehicles	6-8 years
Office and Computer Equipment	5-20 years
Instructional Equipment	5-15 years
Grounds Equipment	5-15 years
Food Service Equipment	7-20 years

8. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

**EWING TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Assets, Liabilities and Equity (Continued)**

9. Compensated Absences

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

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

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

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

10. Accrued Liabilities and Noncurrent Obligations

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

In general, payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the governmental funds. However, the noncurrent portion of capital leases, compensated absences and loans payable that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable, available financial resources.

**EWING TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Assets, Liabilities and Equity (Continued)**

11. Deferred Loss on Refunding 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.

12. Net Position

GASB Statement Number 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* became effective for financial statements for periods beginning after December 15, 2011 and established standards for reporting deferred outflows of resources, deferred inflows of resources and net position. The adoption of this statement resulted in a change in the presentation of the statement of net position to what is now referred to as the statement of net position and the term "net assets" is changed to "net position" throughout the financial statements. Net Position represents the difference between assets, deferred outflows, deferred inflows 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 noncurrent 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.

13. Unearned Revenue

Unearned revenue in all funds represent program revenues that have been received but not yet earned.

14. Fund Equity

Contributed capital represents the amount of fund capital contributed to the proprietary funds from other funds. Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

**EWING TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Assets, Liabilities and Equity (Continued)**

15. Fund Balance

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

- a. Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, noncurrent receivables and corpus of any permanent funds.
- b. Restricted – includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers or through enabling legislation.
- c. Committed – includes amounts that can be used only for the specific purposes imposed by a formal action of the government's highest level of decision-making authority. The District's highest level of decision-making authority is the Board of Education (the "Board") and formal action is taken by resolution of the Board at publicly held meetings. Once committed, amounts cannot be used for other purposes unless the Board revised or changes the specified use by taking the same action (resolution) taken to originally commit these funds.
- d. Assigned – amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Interest is expressed by 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.
- e. Unassigned – includes all spendable amounts not contained in the other classifications in the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a position unassigned fund balance amount. In the other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

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

**EWING TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Assets, Liabilities and Equity (Continued)**

16. Proprietary Funds Revenues and Expenses

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

17. Rebatable Arbitrage

Rebatable arbitrage results from investing the proceeds of borrowed funds either directly or indirectly into investments that are higher in yield than the bond yield incurred on the borrowed funds. In accordance with GASB 34, rebatable arbitrage is treated like a claim or judgment. All interest income is reported as revenue of the capital projects fund. The liability, if any, is recorded as an accrued arbitrage rebate.

18. Non-Monetary Transactions

Commodities received under the Federal Food Distribution Program are received by the district and are recorded as nonoperating revenue when received in the food service enterprise fund at market value. The use of the commodities is included in cost of sales.

19. On-Behalf Payments

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

20. Allocation of Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, are allocated. Depreciation expense is allocated on the Statement of Activities. No expenses were allocated as "Indirect Expenses".

**EWING TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Assets, Liabilities and Equity (Continued)**

21. Extraordinary and Special Items

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence.

22. Accounting and Financial Reporting for Pensions

In fiscal year 2015, the District implemented GASB 68. This Statement amends GASB Statement No. 27. It improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This statement is effective for periods beginning after June 15, 2015.

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

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



**EWING TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Assets, Liabilities and Equity (Continued)**

22. Accounting and Financial Reporting for Pensions (Continued)

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

**H. Other Accounting Standards**

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

- *GASB Statement No. 74. Financial Reporting for Postemployment Benefit Other Than Pension Plans.*

Effective Date: The provisions in Statement 74 are effective for fiscal years beginning after June 15, 2016. Earlier application is encouraged. The District does not expect this Statement to impact its financial statements.

- *GASB Statement No. 75. Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*

Effective Date: The provisions in Statement 75 are effective for fiscal years beginning after June 15, 2017. Earlier application is encouraged. The District does not expect this Statement to impact its financial statements.

**EWING TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**H. Other Accounting Standards (Continued)**

- *GASB Statement No. 76. The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments.*

Effective Date: The provisions in Statement 76 are effective for reporting periods beginning after June 15, 2015. Earlier application is encouraged. The District does not expect this Statement to impact its financial statements.

- *GASB Statement No. 77. Tax Abatement Disclosures.*

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. Earlier application is encouraged. The District does not expect this Statement to impact its financial statements.

- *GASB Statement No. 78. Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans.*

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. Earlier application is encouraged. The District does not expect this Statement to impact its financial statements.

- *GASB Statement No. 82. Pension Issues – an amendment of GASB Statements No. 67, No. 38 and No. 73*

Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of paragraph 7 in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements of paragraph 7 are effective for that employer in the first reporting period in which the measurement data of the pension liability is on or after June 15, 2017. Earlier application is encouraged. The District does not expect this statement to impact its financial statements

**24. Subsequent Events**

Management has reviewed and evaluated all events and transactions from June 30, 2016 through November 29, 2016, the date that the financial statements are issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

**EWING TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

**3. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

Cash and Cash Equivalents includes petty cash, change funds, amounts in deposits, and short-term investments with original maturities of three months or less. Cash equivalents are defined as short-term, highly liquid securities that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only securities with original maturities of three (3) months or less meet this definition.

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

**A. Deposits**

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

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

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

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

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

As of June 30, 2016, cash and cash equivalents (Deposits) of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>
Checking Accounts, interest bearing	\$ 7,200,088.09
Cash with Fiscal Agents	292,403.43
	7,492,491.52
Less: Reconciling Items, Net	1,984,366.91
	5,508,124.61
Reconciliation by Fund:	
Governmental	\$ 4,422,379.62
Proprietary	447,710.02
Fiduciary	638,034.97
	\$ 5,508,124.61

**EWING TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

**3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

**B. Investments**

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

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

There were no securities held by the District that could be categorized as an investment as defined by GASB No. 3 as amended by GASB No. 40.

**EWING TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

**4. INTERGOVERNMENTAL ACCOUNTS RECEIVABLE**

Intergovernmental Accounts Receivable at June 30, 2016 consisted of Federal source, State source, transportation and other revenue. All receivables are considered collectible in full. A summary of the principal items of intergovernmental accounts receivables follows:

	<u>Governmental Fund Financial Statements</u>
General Fund:	
State Aid:	
Extraordinary Aid	\$ 182,735.00
Non-Public Transportation - Cost Reimbursement	36,541.00
Homeless Reimbursement	<u>7,911.00</u>
	<u>227,187.00</u>
Local:	
School Tax Levy	<u>3,140,287.00</u>
Total General Fund	<u><u>\$ 3,367,474.00</u></u>
Special Revenue Fund:	
Federal Aid:	
Title I Part A	\$ 275,655.46
Title II Part A	18,049.00
Title III	11,492.02
Title III - Immigrant	867.88
IDEA Part B	122,481.41
IDEA Pre-School	4,581.64
Perkins	<u>1,316.25</u>
	<u>434,443.66</u>
Local Grants	34,588.75
State Grants - ESCNJ	<u>1,025.00</u>
	<u>35,613.75</u>
Total Special Revenue Fund	<u><u>\$ 470,057.41</u></u>

**EWING TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

**4. INTERGOVERNMENTAL ACCOUNTS RECEIVABLE (CONTINUED)**

	<u>Governmental Fund Financial Statements</u>
Enterprise Fund - Food Service:	<u>Business-Type Activities</u>
Federal Source:	
School Lunch	\$ 129,805.81
School Breakfast	18,982.83
	<hr style="width: 100%;"/>
	148,788.64
	<hr style="width: 100%;"/>
State Source:	
School Lunch	3,144.29
	<hr style="width: 100%;"/>
Total Enterprise Fund - Food Service	\$ <u><u>151,932.93</u></u>

**5. INVENTORY**

The value of Federal donated commodities as reflected on Schedule A of \$125,538.23 (required by the Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of the purchase and has been included as an item of nonoperating revenue in the financial statements. For the year ended June 30, 2016, the federal donated commodities food inventory of \$23,196.07 was included in the year end food and supplies amount of \$43,554.03.

**EWING TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

**6. CAPITAL ASSETS, NET**

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

	<u>Balance</u>	<u>Additions</u>	<u>(Retirements)</u>	<u>Balance</u>
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 688,921.00			\$ 688,921.00
Total capital assets not being depreciated	<u>688,921.00</u>			<u>\$ 688,921.00</u>
Capital assets being depreciated:				
Site and Site Improvements	4,090,018.86	\$ 43,996.00		4,134,014.86
Building and Building Improvements	34,647,510.56	606,536.43		35,254,046.99
Machinery and Equipment	<u>9,696,557.48</u>	<u>1,277,773.33</u>	\$ (235,921.70)	<u>10,738,409.11</u>
Total at historical cost	<u>48,434,086.90</u>	<u>1,928,305.76</u>	<u>(235,921.70)</u>	<u>50,126,470.96</u>
Less accumulated depreciation for:				
Site and Site Improvements	(2,392,475.94)	(157,882.14)		(2,550,358.08)
Building and Building Improvements	(16,410,878.01)	(561,232.53)		(16,972,110.54)
Machinery and Equipment	<u>(8,683,698.91)</u>	<u>(321,215.97)</u>		<u>(9,004,914.88)</u>
Total accumulated depreciation	<u>(27,487,052.86)</u>	<u>(1,040,330.64)</u>		<u>(28,527,383.50)</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>\$ 20,947,034.04</u>	<u>\$ 887,975.12</u>	<u>\$ (235,921.70)</u>	<u>\$ 21,599,087.46</u>
Governmental activities capital assets, net	<u>\$ 21,635,955.04</u>	<u>\$ 887,975.12</u>	<u>\$ (235,921.70)</u>	<u>\$ 22,288,008.46</u>
<b>Business-Type Activities:</b>				
Furniture, machinery and equipment	\$ 392,926.00			\$ 392,926.00
Less accumulated depreciation for:				
Furniture, machinery and equipment	<u>(352,142.96)</u>	\$ (8,166.00)		<u>(360,308.96)</u>
Business type activities capital assets, net	<u>\$ 40,783.04</u>	<u>\$ (8,166.00)</u>		<u>\$ 32,617.04</u>
<b>Detail of Additions and (Retirement)/Transfers:</b>				
General Fund		\$ 1,593,710.03		
Capital Projects Fund		959,595.73		
Capital Lease Charged to Capital Outlay		<u>(625,000.00)</u>		
		<u>\$ 1,928,305.76</u>		

**EWING TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

**6. CAPITAL ASSETS, NET (CONTINUED)**

Depreciation expense was charged to functions as follows:

Regular Instruction	\$	401,256
Special Education Instruction		163,839
Other Special Instruction		23,563
Other Instruction		25,074
Support Services and Undistributed Cost:		
Student and Instruction Related Services		132,630
School Administrative Services		14,271
General and Business Administrative Services		73,871
Plant Operations and Maintenance		119,939
Pupil Transportation		<u>85,887</u>
Total	\$	<u><u>1,040,330</u></u>

**Reconciliation of Net Investment in Capital Assets**

Add: Capital Assets - Net of Accumulated Depreciation	\$	22,288,008
Prepaid Pension		4,730,000
Unamortized Loss on Defeasance		811,906
Less: Bonds Payable		(12,545,000)
Capital Lease Obligation		<u>(1,505,039)</u>
Net Investment in Capital Assets	\$	<u><u>13,779,875</u></u>

Prior Period Adjustment – Net investment in capital assets for the prior year June 30, 2015 was adjusted to correct for a liability that should have not been factored into the balance. This is consistent with the June 30, 2016 presentation.



**EWING TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

**7. NONCURRENT (LONG-TERM) DEBT**

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

	Beginning Balance	Additions	Retirements	Ending Balance	Amounts Due Within One Year	Noncurrent Portion
<u>Governmental</u>						
<u>Activities:</u>						
Bonds Payable:						
General Obligation						
Obligation Debt	\$ 18,870,000.00		\$ (6,325,000.00)	\$ 12,545,000.00	\$ 6,555,000.00	\$ 5,990,000.00
Other Liabilities:						
Obligations under						
Capital Lease	\$ 1,482,570.30	\$ 1,000,000.00	\$ (977,531.45)	\$ 1,505,038.85	\$ 599,899.53	\$ 905,139.32
Compensated						
Absences Payable	<u>1,363,298.44</u>	<u>373,660.08</u>		<u>1,736,958.52</u>	<u>173,695.85</u>	<u>1,563,262.67</u>
	<u>\$ 2,845,868.74</u>	<u>\$ 1,373,660.08</u>	<u>\$ (977,531.45)</u>	<u>\$ 3,241,997.37</u>	<u>\$ 773,595.38</u>	<u>\$ 2,468,401.99</u>
	<u>\$ 21,715,868.74</u>	<u>\$ 1,373,660.08</u>	<u>\$ (7,302,531.45)</u>	<u>\$ 15,786,997.37</u>	<u>\$ 7,328,595.38</u>	<u>\$ 8,458,401.99</u>

Analysis of Prepaid Retirement Share of Bonds:

School Refunding Bonds Series 2013 Payable at	
June 30, 2016 (per Exhibit I-1) included in Bonds Payable	\$ 10,750,000.00
Percent Attributed to Retirement Paid in Prior Years	<u>44.0000%</u>
Attributed to Prepaid Retirement (Exhibit A-2)	<u>\$ 4,730,000.00</u>

**EWING TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

**7. NONCURRENT (LONG-TERM) DEBT (CONTINUED)**

**A. Bonds and loans payable currently outstanding are summarized as follows:**

School District Bonds, Series 2007

Provided for the refunding of 1992 construction lease authorized and issued \$13,280,000 dated September 15, 2007. Remaining annual maturity of \$1,795,000 due on September 15, 2016 at an interest rate of 3.875%. The bonds are not subject to redemption prior to maturity.

\$ 1,795,000.00

School Refunding Bonds Series 2013

The refunding bonds were issued in the amount of \$19,470,000 in order to refund \$1,600,000 of Taxable School Refunding Bonds Series 2002, \$10,260,000 School Refunding Bonds Series 2003 and \$6,590,000 Taxable Refunding Bonds Series 2005. Annual maturities of \$1,520,000 to \$4,760,000 with interest rates of 1.086% to 2.008%. The bonds are not subject to redemption prior to maturity.

\$ 10,750,000.00

\$ 12,545,000.00

The Bonds are general obligations of the Board and are secured by a pledge of the full faith and credit of the Board for the payment of the principal thereof and the interest thereon and, unless paid from other sources, the Bonds are payable from ad valorem taxes to be levied on all taxable real property in the school district, without limitation as to rate or amount. The Bonds are additionally secured by the provisions of the New Jersey School Bond Reserve Act.

The District, in conjunction with the issuance of the Bonds, has agreed to undertake and provide certain information to Bondholders on a continuing basis. The Securities and Exchange Commission ("SEC") Rule 15c2-12(b)(5) "Continuing Disclosure" requirements, which the District has adopted, requires that various financial information about the District and the Municipality be provided annually to various information repositories. The requirement effective for the fiscal year ended June 30, 2015 has been complied with.

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

**EWING TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

**7. NONCURRENT (LONG-TERM) DEBT (CONTINUED)**

**B. Debt Service Requirements**

Debt service requirements on serial bonds payable at June 30, 2016 are as follows:

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 6,555,000.00	\$ 156,517.73	\$ 6,711,517.73
2018	2,985,000.00	75,057.50	3,060,057.50
2019	1,485,000.00	42,371.90	1,527,371.90
2020	<u>1,520,000.00</u>	<u>15,260.80</u>	<u>1,535,260.80</u>
Total:	<u>\$ 12,545,000.00</u>	<u>\$ 289,207.93</u>	<u>\$ 12,834,207.93</u>

**C. Bonds Authorized But Not Issued**

As of June 30, 2016, there were no bonds and notes authorized but not issued.

**D. Defeasance**

As a result of the accounting requirement under GASB#23/65, Accounting and Financial Reporting for Refunding of Debt Reported by Proprietary Activities, the recording of the transaction related to the new vs. old debt and related costs resulted in accounting losses which in conjunction with the premium will be amortized over the remaining life of the respective bond issues using the "straight-line" method.

**Unamortized Loss on Defeasance**

The detail of the unamortized loss on defeasance by issue is as follows:

<u>Refunding Bonds</u>	<u>Original Amount</u>	<u>Beginning Balance</u>	<u>2015-2016 Amortization</u>	<u>Ending Balance</u>
2003	\$ 144,661.00	\$ 72,331.00	\$ 36,165.00	\$ 36,166.00
2007	17,254.00	5,744.00	5,744.00	-
2013	1,357,542.00	<u>969,674.00</u>	<u>193,934.00</u>	<u>775,740.00</u>
		<u>\$ 1,047,749.00</u>	<u>\$ 235,843.00</u>	<u>\$ 811,906.00</u>

**EWING TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

**7. NONCURRENT (LONG-TERM) DEBT (CONTINUED)**

**E. Capital Lease Obligations Payable**

Lease/Purchase Agreements – Equipment, Vehicles and Fields

The District is leasing computer equipment, textbooks, library books, technology, and renovations under several capital leases totaling \$3,000,000. All capital leases are for terms of five years. The following is a schedule of the future minimum lease payments under these capital leases and the present value of the net minimum lease payments at June 30, 2016.

<u>Fiscal Year Ended</u> <u>June 30,</u>	<u>Textbooks, Library</u> <u>Technology</u> <u>and Renovations</u>
2017	\$ 622,212.12
2018	412,304.15
2019	309,740.37
2020	<u>206,971.90</u>
Total Minimum Lease Payment	\$ 1,551,228.54
Less: Amount Representing Interest and Maintenance	<u>\$ 46,189.69</u>
Minimum Lease Payment	<u>\$ 1,505,038.85</u>

The District had entered into a lease arrangement in 2015-2016 for \$2,000,000.00, which was not expended nor has the District taken possession of the funds. It is the intent to return the proceeds to the lessee.

**F. Compensated absences**

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees earn sick unused leave at various rates depending on their respective employment contracts. They are allowed to be paid for accumulated sick leave based on a daily rate subject to certain minimum employment requirements indicated in their respective employment contracts. For teachers, the maximum accumulated leave payout is \$15,000.00.

The liability for vested compensated absences of the governmental fund types is recorded in the statement of Net Position in the current and noncurrent liabilities. The current portion of the compensated absence balance of the governmental funds is shown separately from the noncurrent liability balance of compensated absences.

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 no liability existed for compensated absences in the proprietary fund types.

**EWING TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

**8. PENSION PLANS**

***Basic Financial Statements***

**Description of Plans:** All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund that have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

**Teachers' Pension and Annuity Fund (TPAF):** 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, 61 and 62, respectively, with an annual benefit generally determined to be 1/55<sup>th</sup> 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 1/60<sup>th</sup> of the average annual compensation for the highest three 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 Employees' Retirement System (PERS):** 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-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, 61 and 62, respectively with an annual benefit generally determined to be 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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.

**EWING TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

**8. PENSION PLANS (CONTINUED)**

**Funding Policy:** The contribution policy is set by New Jersey Statutes and contributions are required by active members and contributing members. Plan member and employer contributions may be amended by State of New Jersey legislation. Under the provisions of Chapter 78, P.L. 2011, employee contribution rates for TPAF and PERS increased from 5.5% to 6.5% of employees' annual compensation. An additional increase is to be phased in over the next seven years that will bring the total pension contribution rate to 7.5% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate in both the TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

During the year ended June 30, 2016 for TPAF, which is a cost sharing plan with special funding situations, the annual pension costs equals annual required contribution. For PERS, which is a cost sharing multi-employer pension plan, the annual pension costs differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997.

**Three-Year Trend Information for PERS**

Fiscal Year Ended <u>June 30,</u>	<u>Net Cost to District</u>	<u>Percentage of APC Contributed</u>	<u>Employee Contribution</u>
2016	\$ 782,572	100%	\$ 447,028
2015	741,679	100%	436,744
2014	670,877	100%	419,341

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

Fiscal Year Ended <u>June 30</u>	<u>Cost (APC)</u>	<u>APC Contributed</u>	<u>Total On-Behalf of</u>	<u>Employee Contribution</u>	<u>TPAF FICA</u>
2016	\$ None	100%	\$ 2,157,688	\$ 1,986,565	\$ 2,031,215
2015	None	100%	1,434,861	1,917,915	2,046,226
2014	None	100%	1,131,893	1,822,188	1,987,518

During the fiscal year ended June 30, 2016, the State of New Jersey contributed \$2,157,688 for TPAF pension on-behalf (including NCGI premium) of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$2,031,215 during the year ended June 30, 2016 for the employer's share of social security contributions (FICA) for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the individual fund statements and schedules as a revenue and expenditure in accordance with GASB 24.

**EWING TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

**8. PENSION PLANS (CONTINUED)**

**Funding Policy: (Continued)**

Legislation enacted during 1993 provided early retirement incentives for certain members of TPAF and PERS who met certain age and service requirements and who applied for retirement between certain dates in the 1994 fiscal year. The early retirement incentives included: (a) an additional five years of service credit for employees at least age 50 with a minimum of 25 years of service; (b) free health benefits for employees at least 60 years old with at least 20 years of service; and (c) an additional \$500.00 per month for two years for employees at least age 60 with 10 but less than 20 years of service. The Board assumed the increased cost for the early retirement as it affected their district.

***District-Wide Financial Statements***

**Public Employees Retirement System (PERS)**

The information for PERS was abstracted from State of New Jersey Public Employees' Retirement System Schedules of Employer Allocations and Schedules of Pension Amounts by Employer as of June 30, 2015 and 2014 Independent Auditor's Reports dated April 14, 2016 and November 13, 2015, respectively.

At June 30, 2016 and June 30, 2015, the District reported a liability of \$20,433,318.00 and \$16,844,374.00, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015 and June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of the dates. 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.

	June 30,	
	2015	2014
District Proportionate Share	0.0910251309 %	0.0899674886 %
Difference - Increase	0.0010576423	

For the year ended June 30, 2016, the District recognized pension expense of \$1,403,627.00. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

**EWING TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

**8. PENSION PLANS (CONTINUED)**

*District-Wide Financial Statements (Continued)*

**Public Employees Retirement System (PERS) (Continued)**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions	\$ 2,194,375	
Difference between expected and actual experience	487,467	
Net difference between projected and actual earnings on pension plan investments		\$ 328,528
Changes in proportion	290,585	-
District contributions subsequent to the measurement date	<u>835,869</u>	
Total	<u>\$ 3,808,296</u>	<u>\$ 328,528</u>

The \$835,869.00 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2016, the plan measurement date is June 30, 2015) will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30</u>	<u>Amount</u>
2016	\$ 428,427
2017	428,427
2018	428,427
2019	682,330
Thereafter	385,719

Additional Information:

Collective balances are as follows:

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Collective deferred outflows of resources	\$ 5,823,297,595	\$ 1,452,705,538
Collective deferred inflows of resources	1,215,190,347	2,146,719,012
Collective net pension liability (Local Group)	22,447,996,119	20,127,103,950
Collective net pension liability	46,170,131,656	38,849,838,953
District's proportion (Local Group)	0.0910251309 %	0.0899674886 %



**EWING TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

**8. PENSION PLANS (CONTINUED)**

**Public Employees Retirement System (PERS) (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 rolled forward to June 30, 2015. The total pension liability for the July 1, 2014 measurement date was determined by an actuarial valuation as of July 1, 2014. This actuarial valuation used the following assumptions.

Inflation	3.04 Percent
Salary Increases:	
2012-2021	2.15-4.40 Percent (based on age)
Thereafter	3.15-5.40 Percent (based on age)
Investment Rate of Return	7.90 Percent

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study. 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 one year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Table (setback three (3) years for males and setback one (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 expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

**EWING TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

**8. PENSION PLANS (CONTINUED)**

**Public Employees Retirement System (PERS) (Continued)**

Actuarial Assumptions (Continued)

Long-Term Rate of Return (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00 %	1.04 %
U.S. 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 U.S. 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 Returns	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% and 5.39% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, 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.

**EWING TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

**8. PENSION PLANS (CONTINUED)**

**Public Employees Retirement System (PERS) (Continued)**

Actuarial Assumptions (Continued)

Sensitivity of The Collective Net Pension Liability to Changes in the Discount Rate.

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

		June 30, 2015		
		1% Decrease	At Current	1% Increase
		<u>3.90%</u>	Discount Rate	<u>5.90%</u>
		<u>4.90%</u>	<u>4.90%</u>	<u>5.90%</u>
District's proportionate share of the pension liability	\$	25,396,113	\$ 20,433,318	\$ 16,272,545

		June 30, 2014		
		1% Decrease	At Current	1% Increase
		<u>4.39%</u>	Discount Rate	<u>6.39%</u>
		<u>5.39%</u>	<u>5.39%</u>	<u>6.39%</u>
District's proportionate share of the pension liability	\$	21,190,797	\$ 16,844,374	\$ 13,195,571

Pension Plan Fiduciary Net Position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS).

**EWING TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

**8. PENSION PLANS (CONTINUED)**

**Teachers Pensions and Annuity Fund (TPAF)**

Data for the TPAF was abstracted from the State of New Jersey Teachers' Pension and Annuity Fund Schedules of Employer and Nonemployer Allocations and Schedules of Pension Amounts by Employer and Nonemployer as of June 30, 2015 and 2014 Independent Auditor's Reports dated July 28, 2016 and November 13, 2015, respectively.

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

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2015 was as follows:

Net Pension Liability:

Districts proportionate share	None
State's proportionate share associated with the District	\$ 167,745,473.00
	<u>\$ 167,745,473.00</u>

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 as of June 30, 2013. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2015, the proportion of the TPAF net pension liability associated with the District was .2654021199%.

For the years ended June 30, 2016 and June 30, 2015, the District recognized on-behalf pension expense and revenue of \$10,242,371 and \$7,694,880, respectively, for contributions provided by the State.

**EWING TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

**8. PENSION PLANS (CONTINUED)**

**Teachers Pensions and Annuity Fund (TPAF) (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. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2014. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation	2.50 Percent
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90 Percent

Mortality Rates

Mortality rates were based on the RP-2000 Health Annuitant Mortality Table 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.

**EWING TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

**8. PENSION PLANS (CONTINUED)**

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

Actuarial Assumptions (Continued)

Long-Term Expected 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 expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2015 are summarized in the table as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US 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
	<u>100.00 %</u>	

**EWING TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

**8. PENSION PLANS (CONTINUED)**

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

Actuarial Assumptions (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 4.13% and 4.69% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, 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,

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

Because the District's proportionate share of the net pension liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

**9. DEFINED CONTRIBUTION RETIREMENT PROGRAM**

Description of System

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

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

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

**EWING TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

**9. DEFINED CONTRIBUTION RETIREMENT PROGRAM (CONTINUED)**

Description of System (Continued)

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

- All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may remain in the Public Employee's Retirement System (PERS).
- A Governor appointee with the advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.
- Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body which include the statutory untenured chief administrative officer such as the Business Administrator, County Administrator or Municipal or County Manager, Department Heads, Legal Counsel, Municipal or County Engineer, Municipal Prosecutor and the Municipal Court Judge.

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

Contributions Required and Made

Contributions made by employees for DCRP are currently 5.5% of their base wages. Member contributions are matched by a 3.0% employer contribution. Contributions to the plan were as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Employee</u>	<u>Employer</u>
2016	\$ 31,582.06	\$ 17,106.65
2015	25,859.69	14,105.40
2014	25,260.23	13,832.68

**10. POST-RETIREMENT BENEFITS**

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2015, there were 107,314 retirees eligible for post-retirement medical benefits and the state contributed \$1.25 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, P.L. 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.



**EWING TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

**10. POST-RETIREMENT BENEFITS (CONTINUED)**

The State is also responsible for the cost attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$214.10 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 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.

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

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Post-Retirement Medical</u>
2016	\$ 2,569,211.00
2015	2,277,843.00
2014	1,855,877.00

**11. DEFERRED COMPENSATION**

A. IRS Code Section 403(b)

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

Waddell & Reed Financial Services	Metropolitan Life
AXA Advisors-Equitable	Lincoln Investment Planning

B. IRS Code Section 457

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan which is administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plan are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrator is AIG – VALIC Financial Resource.

**EWING TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

**12 RISK MANAGEMENT**

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

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

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

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>District</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>
2015-2016	\$ 111,705.05	\$ 77,561.72	\$ 189,266.77
2014-2015	16,110.36	59,880.95	75,991.31
2013-2014	18,978.82	58,179.11	77,157.93

**Health Benefits:** The District has opted for the traditional monthly per employee premium plan for its health benefits coverage. The employees have choices on the type of plan.

**EWING TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

**13. UNEARNED REVENUE**

The unearned revenue exists since the receipt of the funds benefits future periods. As of June 30, 2016, the District has unearned revenue as follows:

Governmental Funds

Special Revenue Fund:

Federal Grants:

ARRA Title I-A \$ 127,100.00

Local Grants 70,361.81

\$ 197,461.81

Reconciliation:

Balance per Exhibit B-1 \$ 410,550.72

Less: Encumbrances Special Revenue Fund 213,088.91

Balance per Exhibit A-1 \$ 197,461.81

Business Type Activities

Enterprise Fund:

Food Service:

Prepaid Meals \$ 16,618.58

**14. INTERFUND BALANCES AND TRANSFERS**

The interfund receivable/payable as of June 30, 2016 will be liquidated in the normal course of business in the succeeding year.

	<u>Receivable</u>	<u>Payable</u>
Governmental Funds:		
General Fund	\$ 197,200.92	
Trust & Agency Funds:		
Payroll Agency Fund		\$ 197,200.92

**EWING TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

**15. CAPITAL RESERVE ACCOUNT**

The cumulative activity of the capital reserve as of June 30, 2016 is as follows:

Board Contributions:		
Prior to June 30, 2015	\$ 3,193,897.00	
During fiscal year ended June 30, 2016	<u>1,200,000.00</u>	\$ 4,393,897.00
Withdrawals:		
Prior to June 30, 2015	\$ 1,193,897.00	
During fiscal year ended June 30, 2016	<u>2,000,000.00</u>	<u>\$ 3,193,897.00</u>
Balance at June 30, 2016		<u><u>\$ 1,200,000.00</u></u>

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, if 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. 6:23A-5.1(d) 7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

**EWING TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

**16. FUND BALANCE APPROPRIATED**

**General Fund** - Of the \$7,296,204.72 General Fund balance at June 30, 2016, \$62,230.51 is assigned for other purposes (encumbrances); \$1,200,000.00 is restricted for the Capital Reserve Account; \$1,300,000.00 is restricted-excess surplus for subsequent years' expenditures, \$975,594.00 is restricted for maintenance. \$500,000.00 is restricted for emergency purposes, \$43,516.52 is assigned for ARRA/SEMI designated for subsequent years' expenditures, \$2,605,100.61 is restricted-excess surplus and \$409,763.08 is unassigned.

The Maintenance Reserve fund balance \$500,000.00 was included as revenue on the 2016-2017 general fund budget to offset related expenditures.

**Debt Service Fund** – The fund balance \$209,285.66 at June 30, 2016 is restricted for debt service.

**Capital Projects Fund** – The fund balance \$41,673.06 at June 30, 2016, is restricted for capital projects.

**17. CONTINGENT LIABILITIES AND COMMITMENTS**

- A. **Grant Programs** – The school district participates in federally and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The school district is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.
- B. **Pending Litigation** – There are matters pending which should not, in the event of an adverse ruling, result in a material significant impact on the district's financial condition.
- C. **Contractual Commitments** – The District has contractual commitments at June 30, 2016 to various vendors, which are recorded in the general fund as fund balance – assigned for other purposes in the amount of \$62,230.51.
- D. **Office Space** – The District entered into a lease for office space for the Board office. The lease commenced July 1, 2016 and expires June 30, 2021. The Board is responsible for rent of \$70,785 per year and utilities and maintenance.

**EWING TOWNSHIP SCHOOL DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

**18. CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS**

In accordance with N.J.S.A. 18A:7F-7, as amended, the designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. There was excess fund balance as a result of fiscal year 2014-2015 of \$1,300,000.00 and of fiscal year 2015-2016 of \$2,605,100.61.

**19. RECONCILIATION OF FUND BALANCE – GENERAL FUND**

The Fund Balances are presented on a GAAP basis and a reconciliation to the budget basis is as follows:

	<u>Unassigned</u>
Balance on a budget basis on the General Fund budgetary basis comparison	\$ 1,265,690.08
Less: Allocation of State aid payments not recognized on a GAAP basis	<u>855,927.00</u>
Balance on a GAAP Basis	<u>\$ 409,763.08</u>

**20. 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.

**REQUIRED SUPPLEMENTARY INFORMATION – PART II**

**BUDGETARY COMPARISON SCHEDULES**



**EWING TOWNSHIP BOARD OF EDUCATION**  
**COUNTY OF MERCER**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE FISCAL 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>
<b>REVENUES:</b>					
Local sources:					
Local tax levy	\$ 52,351,315.00		\$ 52,351,315.00	\$ 52,351,315.00	
Tuition	250,000.00		250,000.00	541,016.29	\$ 291,016.29
Miscellaneous	260,800.00		260,800.00	210,912.35	(49,887.65)
<b>Total - local sources</b>	<u>52,862,115.00</u>		<u>52,862,115.00</u>	<u>53,103,243.64</u>	<u>241,128.64</u>
State sources:					
Categorical Special Education Aid	2,208,951.00		2,208,951.00	2,208,951.00	
Categorical Transportation Aid	230,148.00		230,148.00	230,148.00	
Equalization Aid	6,862,747.00		6,862,747.00	6,862,747.00	
Extraordinary Aid	181,753.00		181,753.00	182,735.00	982.00
Categorical Security Aid	222,407.00		222,407.00	222,407.00	
Nonpublic transportation - cost reimbursement				36,541.00	36,541.00
Additional Adjustment Aid	1.00		1.00	1.00	
PARCC Readiness Aid	36,200.00		36,200.00	36,200.00	
Per Pupil Growth Aid	36,200.00		36,200.00	36,200.00	
Homeless Reimbursement Aid				7,911.00	7,911.00
On behalf - TPAF - pension contributions (non budgeted)				2,157,688.00	2,157,688.00
On behalf - TPAF - post retirement medical (non budgeted)				2,569,211.00	2,569,211.00
On-Behalf - TPAF - Social Security Contributions (non budgeted)				2,031,215.47	2,031,215.47
<b>Total - state sources</b>	<u>9,778,407.00</u>		<u>9,778,407.00</u>	<u>16,581,955.47</u>	<u>6,803,548.47</u>
Federal sources:					
Medical Assistance Program	92,958.00		92,958.00	182,213.55	89,255.55
<b>Total - federal sources</b>	<u>92,958.00</u>		<u>92,958.00</u>	<u>182,213.55</u>	<u>89,255.55</u>
<b>Total revenues</b>	<u>\$ 62,733,480.00</u>		<u>\$ 62,733,480.00</u>	<u>\$ 69,867,412.66</u>	<u>\$ 7,133,932.66</u>

**EWING TOWNSHIP BOARD OF EDUCATION  
COUNTY OF MERCER  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL 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:					
CURRENT EXPENSE:					
Regular programs - instruction:					
Salaries of teachers:					
Kindergarten	\$ 948,370.00	\$ 9,815.44	\$ 958,185.44	\$ 948,613.44	\$ 9,572.00
Grades 1 - 5	6,223,554.00	(50,613.37)	6,172,940.63	6,029,269.28	143,671.35
Grades 6 - 8	4,766,260.00	40,797.93	4,807,057.93	4,798,699.11	8,358.82
Grades 9 - 12	5,280,970.00		5,280,970.00	5,184,772.95	96,197.05
	<u>17,219,154.00</u>		<u>17,219,154.00</u>	<u>16,961,354.78</u>	<u>257,799.22</u>
Home instruction:					
Salaries of teachers	125,000.00		125,000.00	101,891.53	23,108.50
Purchased professional - education services	80,000.00	(30,000.00)	50,000.00	46,209.75	3,790.25
	<u>205,000.00</u>	<u>(30,000.00)</u>	<u>175,000.00</u>	<u>148,101.28</u>	<u>26,898.75</u>
Regular programs - undistributed instruction:					
Other salaries for instruction	511,364.00		511,364.00	338,887.79	172,476.21
Purchased professional - educational services	14,625.00	(1,000.00)	13,625.00	10,387.70	3,237.30
Other purchased services (400-500 series)	636,718.00	94,163.17	730,881.17	728,364.27	2,516.90
General supplies	457,798.00	8,834.27	466,632.27	411,514.55	55,117.72
Textbooks	1,300.00		1,300.00	1,300.00	
Other objects	14,556.00	(2,428.22)	12,127.78	10,431.78	1,696.00
	<u>1,636,361.00</u>	<u>99,569.22</u>	<u>1,735,930.22</u>	<u>1,500,886.09</u>	<u>235,044.13</u>
Total regular programs - instruction	<u>19,060,515.00</u>	<u>69,569.22</u>	<u>19,130,084.22</u>	<u>18,610,342.15</u>	<u>519,742.10</u>

**EWING TOWNSHIP BOARD OF EDUCATION  
COUNTY OF MERCER  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL 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 EXPENSE (CONTINUED):					
Special education instruction:					
Behavioral disabilities:					
Salaries of teachers	\$ 311,484.00	\$ 75,000.00	\$ 386,484.00	\$ 386,463.88	\$ 20.12
Other salaries for instruction	115,590.00		115,590.00	72,140.22	43,449.78
General supplies	2,000.00		2,000.00	1,957.26	42.74
Other objects	2,000.00	2,000.00	4,000.00	2,184.82	1,815.18
<b>Total behavioral disabilities</b>	<b>431,074.00</b>	<b>77,000.00</b>	<b>508,074.00</b>	<b>462,746.18</b>	<b>45,327.82</b>
Multiple disabilities:					
Salaries of teachers	999,609.00	300,000.00	1,299,609.00	1,207,273.95	92,335.05
Other salaries for instruction	495,329.00	28,932.08	524,261.08	524,261.08	
General supplies	5,000.00		5,000.00	4,986.83	13.17
Other objects	3,000.00	2,000.00	5,000.00	4,895.64	104.36
<b>Total multiple disabilities</b>	<b>1,502,938.00</b>	<b>330,932.08</b>	<b>1,833,870.08</b>	<b>1,741,417.50</b>	<b>92,452.58</b>
Resource room/resource center:					
Salaries of teachers	3,149,502.00	(375,000.00)	2,774,502.00	2,575,384.62	199,117.38
Other salaries for instruction	86,906.00		86,906.00	68,187.02	18,718.98
General supplies	20,000.00		20,000.00	19,780.17	219.83
<b>Total resource room/resource center</b>	<b>3,256,408.00</b>	<b>(375,000.00)</b>	<b>2,881,408.00</b>	<b>2,663,351.81</b>	<b>218,056.19</b>
Autism:					
Salaries of teachers	504,444.00	(100,000.00)	404,444.00	325,823.37	78,620.60
Other salaries for instruction	283,690.00		283,690.00	279,245.74	4,444.26
General supplies	9,900.00	11,000.00	20,900.00	15,522.16	5,377.84
Other objects	3,600.00	8,000.00	11,600.00	7,581.36	4,018.64
<b>Total autism</b>	<b>801,634.00</b>	<b>(81,000.00)</b>	<b>720,634.00</b>	<b>628,172.63</b>	<b>92,461.34</b>

**EWING TOWNSHIP BOARD OF EDUCATION  
COUNTY OF MERCER  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL 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 EXPENSE (CONTINUED):					
Special education instruction (continued):					
Preschool disabilities - part-time:					
Salaries of teachers	\$ 123,660.00	\$ 184,775.02	\$ 308,435.02	\$ 308,435.02	
Salaries of Occupational Therapist	144,951.00	61,446.99	206,397.99	176,653.94	\$ 29,744.05
Other salaries for instruction	401,064.00	(175,154.09)	225,909.91	225,909.91	
General supplies	1,750.00	607.14	2,357.14	2,357.14	
Other objects	<u>2,500.00</u>	<u>273.00</u>	<u>2,773.00</u>	<u>585.00</u>	<u>2,188.00</u>
Total Preschool disabilities - part-time	<u>673,925.00</u>	<u>71,948.06</u>	<u>745,873.06</u>	<u>713,941.01</u>	<u>31,932.05</u>
Total special education - instruction	<u>6,665,979.00</u>	<u>23,880.14</u>	<u>6,689,859.14</u>	<u>6,209,629.13</u>	<u>480,229.98</u>
Other instructional programs:					
Basic skills/remedial - instruction:					
Salaries of teachers	690,946.00		690,946.00	651,077.90	39,868.10
Other Instructional Salaries for Instruction	<u>427,147.00</u>		<u>427,147.00</u>	<u>333,187.20</u>	<u>93,959.80</u>
Total basic skills/remedial - instruction	<u>1,118,093.00</u>		<u>1,118,093.00</u>	<u>984,265.10</u>	<u>133,827.90</u>
Bilingual education - instruction:					
Salaries of teachers	<u>279,621.00</u>		<u>279,621.00</u>	<u>108,595.90</u>	<u>171,025.10</u>
Total bilingual education - instruction	<u>279,621.00</u>		<u>279,621.00</u>	<u>108,595.90</u>	<u>171,025.10</u>
School sponsored co/extracurricular activities - instruction:					
Salaries	9,792.00	20,000.00	29,792.00	21,540.00	8,252.00
Purchased services (300-500 series)	2,500.00	8,200.00	10,700.00	10,625.00	75.00
Curricular Travel Out of District	4,306.00		4,306.00	4,306.00	
Supplies and materials	11,250.00	34,547.64	45,797.64	45,196.38	601.26
Other objects	9,250.00		9,250.00	8,000.00	1,250.00
Transfer to Cover Deficit	<u>6,425.00</u>		<u>6,425.00</u>	<u>6,425.00</u>	
Total school sponsored co/extracurricular activities - inst.	<u>43,523.00</u>	<u>62,747.64</u>	<u>106,270.64</u>	<u>96,092.38</u>	<u>10,178.26</u>

**EWING TOWNSHIP BOARD OF EDUCATION  
COUNTY OF MERCER  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL 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 EXPENSE (CONTINUED):					
Other instructional programs (continued):					
School sponsored athletic - instruction:					
Salaries	\$ 606,358.00	\$ 96,374.80	\$ 702,732.80	\$ 702,732.80	
Travel	1,325.00	(1,130.00)	195.00	195.00	
Purchased services (300-500 series)	18,128.00	(18,128.00)			
Supplies and materials	4,240.00	2,150.00	6,390.00	6,373.23	\$ 16.77
Other objects	550.00	(550.00)			
Transfer to Cover Deficit	<u>149,280.00</u>	<u>1,253.00</u>	<u>150,533.00</u>	<u>134,915.15</u>	<u>15,617.85</u>
Total school sponsored athletic - instruction	<u>779,881.00</u>	<u>79,969.80</u>	<u>859,850.80</u>	<u>844,216.18</u>	<u>15,634.62</u>
Total other instructional programs	<u>2,221,118.00</u>	<u>142,717.44</u>	<u>2,363,835.44</u>	<u>2,033,169.56</u>	<u>330,665.88</u>
Summer School					
Salaries	225,000.00	(15,000.00)	210,000.00	190,636.65	19,363.35
Other Salaries for Instruction	20,400.00	20,000.00	40,400.00	26,964.01	13,435.99
General Supplies	12,000.00	(4,229.63)	7,770.37	2,679.15	5,091.22
Other Objects		<u>3,174.38</u>	<u>3,174.38</u>	<u>2,375.58</u>	<u>798.80</u>
Total Summer School	<u>257,400.00</u>	<u>3,944.75</u>	<u>261,344.75</u>	<u>222,655.39</u>	<u>38,689.36</u>
Total instructional programs	<u>28,205,012.00</u>	<u>240,111.55</u>	<u>28,445,123.55</u>	<u>27,075,796.23</u>	<u>1,369,327.32</u>
Undistributed expenditures:					
Instruction:					
Tuition to other LEAs Within the State - Regular	72,000.00	(49,646.66)	22,353.34	22,353.34	
Tuition to other LEAs Within the State - Special	27,802.00	(10,000.00)	17,802.00	15,798.59	2,003.41
Tuition to County Vo-Tech - regular	170,000.00	(10,000.00)	160,000.00	154,650.00	5,350.00
Tuition to CSSD & regular day schools	1,525,662.00	(66,350.00)	1,459,312.00	1,457,391.01	1,920.99
Tuition to private school for the disabled - state	502,585.00	538,587.54	1,041,172.54	1,041,172.54	
Tuition to private school for the disabled and other LEA's - special outside state	494,890.00	(423,085.44)	71,804.56	71,804.56	
Tuition state facilities	<u>82,311.00</u>		<u>82,311.00</u>	<u>82,311.00</u>	
Total undistributed expenditures - instruction	<u>2,875,250.00</u>	<u>(20,494.56)</u>	<u>2,854,755.44</u>	<u>2,845,481.04</u>	<u>9,274.40</u>

**EWING TOWNSHIP BOARD OF EDUCATION  
COUNTY OF MERCER  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL 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 EXPENSE (CONTINUED):					
Other instructional programs (continued):					
Attendance and social work:					
Salaries	\$ 275,547.00	\$ 63.44	\$ 275,610.44	\$ 275,255.37	\$ 355.07
Other purchased services (400-500 series)	7,750.00	(600.00)	7,150.00		7,150.00
Supplies and materials	4,300.00	(1,087.22)	3,212.78	2,946.94	265.84
Travel		8,000.00	8,000.00	1,526.44	6,473.56
Other objects	<u>6,500.00</u>		<u>6,500.00</u>	<u>2,635.14</u>	<u>3,864.86</u>
Total attendance and social work	<u>294,097.00</u>	<u>6,376.22</u>	<u>300,473.22</u>	<u>282,363.89</u>	<u>18,109.33</u>
Health services:					
Salaries	530,999.00		530,999.00	511,350.47	19,648.53
Purchased professional - technical services	450,000.00	(230,857.00)	219,143.00	203,928.97	15,214.03
Purchased professional services-Medical		57,157.00	57,157.00	55,857.00	1,300.00
Supplies and materials	<u>15,000.00</u>	<u>(1,685.71)</u>	<u>13,314.29</u>	<u>11,789.26</u>	<u>1,525.03</u>
Total health services	<u>995,999.00</u>	<u>(175,385.71)</u>	<u>820,613.29</u>	<u>782,925.70</u>	<u>37,687.59</u>
Other support services - students - related services:					
Salaries	570,288.00		570,288.00	569,190.07	1,097.93
Purchased professional - educational services	87,455.00	(46,300.00)	41,155.00	26,392.73	14,762.27
Purchased professional services-other services	127,455.00	70,000.00	197,455.00	192,316.28	5,138.72
Supplies and materials	4,025.00		4,025.00	4,020.72	4.28
Other objects	<u>5,000.00</u>		<u>5,000.00</u>	<u>482.09</u>	<u>4,517.91</u>
Total other support service - student - related services	<u>794,223.00</u>	<u>23,700.00</u>	<u>817,923.00</u>	<u>792,401.89</u>	<u>25,521.11</u>
Other support services - students - regular:					
Salaries of other professional staff	779,074.00	(83,419.54)	695,654.46	672,992.00	22,662.46
Salaries of Secretarial and Clerical Assistants	179,056.00	50,000.00	229,056.00	223,473.18	5,582.82
Other purchased services (400-500 series)	500.00		500.00		500.00
Travel	400.00		400.00	400.00	
Supplies and materials	8,100.00	549.00	8,649.00	8,029.86	619.14
Other objects	<u>6,068.00</u>		<u>6,068.00</u>	<u>5,878.67</u>	<u>189.33</u>
Total other support services - students - regular	<u>973,198.00</u>	<u>(32,870.54)</u>	<u>940,327.46</u>	<u>910,773.71</u>	<u>29,553.75</u>

**EWING TOWNSHIP BOARD OF EDUCATION  
COUNTY OF MERCER  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL 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 EXPENSE (CONTINUED):					
Undistributed expenditures (continued):					
Other support services - students - special:					
Salaries of other professional staff	\$ 1,280,596.00	\$ (33,192.62)	\$ 1,247,403.38	\$ 1,247,403.38	
Salaries of secretarial and clerical assistants	262,252.00	(30,000.00)	232,252.00	213,591.18	\$ 18,660.82
Purchased professional - educational services	39,475.00	32,000.00	71,475.00	43,618.75	27,856.25
Misc Purchased services (400-500 series)	13,525.00	29,418.86	42,943.86	32,507.72	10,436.14
Supplies and materials	11,400.00		11,400.00	11,347.69	52.31
Other objects	<u>3,000.00</u>	<u>20,638.23</u>	<u>23,638.23</u>	<u>23,396.79</u>	<u>241.44</u>
<b>Total other support services - students - special</b>	<u>1,610,248.00</u>	<u>18,864.47</u>	<u>1,629,112.47</u>	<u>1,571,865.51</u>	<u>57,246.96</u>
Improvement of instructional services:					
Salaries of supervisors of instruction	949,189.00		949,189.00	948,516.66	672.34
Salaries of other professional staff	2,500.00		2,500.00		2,500.00
Salaries of Secretarial and Clerical Assistant	150,525.00		150,525.00	136,492.18	14,032.82
Other purchase professional and educational services	60.00		60.00		60.00
Other purchased services (400-500)	2,479.00	8,500.00	10,979.00	8,539.25	2,439.75
Supplies and materials	4,600.00		4,600.00	4,600.00	
Other objects	<u>6,350.00</u>		<u>6,350.00</u>	<u>4,518.95</u>	<u>1,831.05</u>
<b>Total improvement of instructional services</b>	<u>1,115,703.00</u>	<u>8,500.00</u>	<u>1,124,203.00</u>	<u>1,102,667.04</u>	<u>21,535.96</u>
Educational media service/school library:					
Salaries	332,265.00	36,611.26	368,876.26	368,876.26	
Other purchased services (400-500 series)	600.00		600.00	113.93	486.07
Travel		600.00	600.00	481.66	118.34
Supplies and materials	97,973.00	14,432.07	112,405.07	105,915.39	6,489.68
Other objects	<u>34,980.00</u>	<u>(32,480.00)</u>	<u>2,500.00</u>	<u>2,382.10</u>	<u>117.90</u>
<b>Total educational media service/school library</b>	<u>465,818.00</u>	<u>19,163.33</u>	<u>484,981.33</u>	<u>477,769.34</u>	<u>7,211.99</u>

**EWING TOWNSHIP BOARD OF EDUCATION  
COUNTY OF MERCER  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL 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 EXPENSE (CONTINUED):					
Undistributed expenditures (continued):					
Instructional staff training services:					
Purchased professional - educational services	\$ 29,288.00	\$ (23,706.00)	\$ 5,582.00	\$	\$ 5,582.00
Communications/Telephone	42,500.00	(10,000.00)	32,500.00	24,871.43	\$ 7,628.57
Travel	1,870.00		1,870.00	843.70	1,026.30
Supplies and materials	5,411.00	(5,411.00)			
Other objects	2,750.00		2,750.00	1,915.00	835.00
	<u>81,819.00</u>	<u>(39,117.00)</u>	<u>42,702.00</u>	<u>27,630.13</u>	<u>15,071.87</u>
Total instructional staff training services					
Support services - general administration:					
Salaries - Other					
Salaries	207,458.00	(10,364.06)	197,093.94	197,093.94	
Salaries of Secretaries	75,045.00		75,045.00	73,215.22	1,829.78
Legal services	126,000.00	(6,873.94)	119,126.06	85,842.49	33,283.57
Audit Fees	47,500.00	(13,000.00)	34,500.00	33,660.00	840.00
Architect fees	55,000.00	(46,976.93)	8,023.07		8,023.07
Other purchased professional services	34,000.00	(6,850.00)	27,150.00	24,910.16	2,239.84
Purchase Technical Services	30,600.00	3,850.00	34,450.00	34,450.00	
Communications/telephone	132,500.00	3,425.94	135,925.94	124,539.59	11,386.35
Travel		2,500.00	2,500.00	2,043.47	456.53
BOE - other purchased services	2,155.00		2,155.00	2,140.31	14.69
Miscellaneous purchased services (400-500)	10,500.00	(2,500.00)	8,000.00	1,586.87	6,413.13
General supplies	5,575.00	36,976.93	42,551.93	41,044.16	1,507.77
Miscellaneous expenditures	4,150.00	10,000.00	14,150.00	9,326.00	4,824.00
Judgments Against the School		6,000.00	6,000.00	6,000.00	
BOE membership dues and fees	28,341.00	(1,000.00)	27,341.00	26,034.00	1,307.00
	<u>758,824.00</u>	<u>(24,812.06)</u>	<u>734,011.94</u>	<u>661,886.21</u>	<u>72,125.73</u>
Total support services - general administration					
Support services - school administration:					
Salaries of principals/assistant principals	1,745,464.00	14,152.00	1,759,616.00	1,759,616.00	
Salaries of secretarial and clerical assistants	669,805.00	(95,501.16)	574,303.84	549,493.84	24,810.00
Travel	5,925.00	(800.00)	5,125.00	770.84	4,354.16
Supplies and materials	95,355.00	(1,917.08)	93,437.92	85,556.65	7,881.27
Other objects	51,353.00	(71.90)	51,281.10	43,827.75	7,453.35
	<u>2,567,902.00</u>	<u>(84,138.14)</u>	<u>2,483,763.86</u>	<u>2,439,265.08</u>	<u>44,498.78</u>
Total support services - school administration					



**EWING TOWNSHIP BOARD OF EDUCATION  
COUNTY OF MERCER  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL 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 EXPENSE (CONTINUED):					
Undistributed expenditures (continued):					
Central services:					
Salaries	\$ 199,173.00		\$ 199,173.00	\$ 162,549.94	\$ 36,623.06
Salaries of Secretary	450,395.00		450,395.00	427,620.35	22,774.65
Purchased technical services	77,607.00	\$ (30,596.40)	47,010.60	43,650.24	3,360.36
Miscellaneous purchased services (400-500 series)	4,061.00	33,540.81	37,601.81	28,912.02	8,689.79
Miscellaneous purchased services-Travel	4,100.00	(434.17)	3,665.83	3,373.51	292.32
Supplies and materials	9,150.00	4,923.40	14,073.40	13,977.23	96.17
Interest for Lease Purchase	18,851.00	(12,239.12)	6,611.88	6,611.88	(0.00)
Miscellaneous expenditures	<u>32,016.00</u>	<u>51,068.17</u>	<u>83,084.17</u>	<u>83,084.17</u>	
Total central services	<u>795,353.00</u>	<u>46,262.69</u>	<u>841,615.69</u>	<u>769,779.34</u>	<u>71,836.35</u>
Admin. info. Technology:					
Salaries	257,375.00		257,375.00	183,392.65	73,982.35
Travel	1,740.00		1,740.00	1,740.00	
Supplies and materials	<u>2,500.00</u>	<u>32,480.00</u>	<u>34,980.00</u>	<u>31,994.83</u>	<u>2,985.17</u>
Total admin. Info. Technology	<u>261,615.00</u>	<u>32,480.00</u>	<u>294,095.00</u>	<u>217,127.48</u>	<u>76,967.52</u>
Required maintenance for school facilities:					
Salaries	778,343.00	(53,053.55)	725,289.45	646,314.95	78,974.50
Unused Vacation	7,197.00	7,803.00	15,000.00	13,314.29	1,685.71
Cleaning, repair and maintenance services	239,600.00	25,513.00	265,113.00	259,770.40	5,342.60
General supplies	<u>105,317.00</u>	<u>(5,093.51)</u>	<u>100,223.49</u>	<u>92,910.83</u>	<u>7,312.66</u>
Total required maintenance for school facilities	<u>1,130,457.00</u>	<u>(24,831.06)</u>	<u>1,105,625.94</u>	<u>1,012,310.47</u>	<u>93,315.47</u>

**EWING TOWNSHIP BOARD OF EDUCATION  
COUNTY OF MERCER  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL 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 EXPENSE (CONTINUED):					
Undistributed expenditures (continued):					
Operation of Plant:					
Secretarial Salaries	\$ 43,502.00		\$ 43,502.00	\$ 43,501.90	\$ 0.10
Custodial Salaries	1,873,207.00	\$ (14,496.45)	1,858,710.55	1,827,498.97	31,211.58
Purchased professional and technical services	43,200.00	8,950.00	52,150.00	51,066.69	1,083.31
Cleaning, repair and maintenance services	355,459.00	167.31	355,626.31	352,556.70	3,069.61
Rental of land & bldg. other than lease per agreement	57,000.00	7,350.00	64,350.00	64,350.00	
Other purchased property services	110,000.00	(56,450.00)	53,550.00	52,241.44	1,308.56
Insurance	358,474.00	(48,404.02)	310,069.98	310,069.98	
Miscellaneous purchased services	366.00		366.00		366.00
Travel	775.00		775.00	147.47	627.53
General supplies	125,000.00	7,500.00	132,500.00	130,524.92	1,975.08
Energy (natural gas)	415,000.00	(144,721.07)	270,278.93	170,278.93	100,000.00
Energy (electricity)	1,265,000.00	(112,135.00)	1,152,865.00	1,141,556.30	11,308.70
Other objects	18,000.00	31,820.00	49,820.00	49,774.51	45.49
<u>Total other operation and maintenance of plant</u>	<u>4,664,983.00</u>	<u>(320,419.23)</u>	<u>4,344,563.77</u>	<u>4,193,567.81</u>	<u>150,995.96</u>
Care and upkeep of grounds:					
Salaries	229,399.00	(45,000.00)	184,399.00	84,687.46	99,711.54
Grounds Pro/Tech Services	100.00		100.00		100.00
Cleaning, Repair, & Maint Serv	20,000.00		20,000.00	19,550.21	449.79
General supplies	5,000.00		5,000.00	4,938.04	61.96
Other Objects	100.00		100.00		100.00
<u>Total care and upkeep of grounds</u>	<u>254,599.00</u>	<u>(45,000.00)</u>	<u>209,599.00</u>	<u>109,175.71</u>	<u>100,423.29</u>
Security:					
Salaries	175,262.00	49,109.73	224,371.73	224,371.73	
Purchased Professional and Technical Services	2,500.00	20,863.00	23,363.00	22,393.00	970.00
Cleaning, Repair, and Maintenance Services	2,500.00		2,500.00		2,500.00
General Supplies	4,000.00		4,000.00	235.97	3,764.03
Other Objects	5,000.00	(4,109.73)	890.27	731.31	158.96
<u>Total security</u>	<u>189,262.00</u>	<u>65,863.00</u>	<u>255,125.00</u>	<u>247,732.01</u>	<u>7,392.99</u>
<u>Total operation and maintenance of plant</u>	<u>6,239,301.00</u>	<u>(324,387.29)</u>	<u>5,914,913.71</u>	<u>5,562,786.00</u>	<u>352,127.71</u>

**EWING TOWNSHIP BOARD OF EDUCATION  
COUNTY OF MERCER  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL 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 EXPENSE (CONTINUED):					
Undistributed expenditures (continued):					
Student transportation:					
Salaries of non instructional aides	\$ 101,052.00		\$ 101,052.00	\$ 101,051.86	\$ 0.14
Purchased professional and technical services	60,205.00	\$ 9,176.42	69,381.42	69,381.42	
Contracted services (between home and school) - vendors	2,055,249.00	877,151.52	2,932,400.52	2,931,635.82	764.70
Contracted services (other than between home and school) - vendors	131,238.00	41,927.51	173,165.51	161,186.49	11,979.02
Contracted services (special education students) - vendors	884,094.00	(394,486.08)	489,607.92	489,607.92	
Contracted services - aid in lieu of payments - nonpublic schools	177,913.00	51,268.96	229,181.96	228,599.33	582.63
General Supplies	3,127.00	(1,320.83)	1,806.17	1,806.17	
Other objects	150.00	50.00	200.00	200.00	
Total student transportation	<u>3,413,028.00</u>	<u>583,767.50</u>	<u>3,996,795.50</u>	<u>3,983,469.01</u>	<u>13,326.49</u>
Unallocated benefits:					
Social security contribution	892,500.00	(98,466.69)	794,033.31	713,458.23	80,575.08
Other retirement contributions - PERS	845,000.00	(50,335.00)	794,665.00	784,909.71	9,755.29
Other retirement contributions - ERIP	85,000.00	(85,000.00)			
Unemployment compensation	84,660.00	88,262.43	172,922.43	111,705.05	61,217.38
Workmen's compensation	507,150.00	(130,723.00)	376,427.00	376,427.00	
Health benefits	10,403,727.00	23,714.39	10,427,441.39	9,884,387.71	543,053.68
Tuition reimbursement	92,000.00	(34,038.13)	57,961.87	55,707.26	2,254.61
Other Employee benefits	14,382.00		14,382.00	4,375.00	10,007.00
Unused Sick Payment to Terminated/Retired Staff	37,553.00	130,000.00	167,553.00	122,340.36	45,212.64
Total unallocated benefits	<u>12,961,972.00</u>	<u>(156,586.00)</u>	<u>12,805,386.00</u>	<u>12,053,310.32</u>	<u>752,075.68</u>
Total personal services - employee benefits	<u>12,961,972.00</u>	<u>(156,586.00)</u>	<u>12,805,386.00</u>	<u>12,053,310.32</u>	<u>752,075.68</u>
On behalf - TPAF - pension contributions (non budgeted)				2,157,688.00	(2,157,688.00)
On behalf - TPAF - post retirement medical (non budgeted)				2,569,211.00	(2,569,211.00)
Reimbursed TPAF social security contributions (non budgeted)				2,031,215.47	(2,031,215.47)
Total on behalf - Contributions				<u>6,758,114.47</u>	<u>(6,758,114.47)</u>
Total undistributed expenditures	<u>36,204,350.00</u>	<u>(118,677.09)</u>	<u>36,085,672.91</u>	<u>41,239,616.16</u>	<u>(5,153,943.25)</u>
TOTAL EXPENDITURES - CURRENT EXPENSE	\$ <u>64,409,362.00</u>	\$ <u>121,434.46</u>	\$ <u>64,530,796.46</u>	\$ <u>68,315,412.39</u>	\$ <u>(3,784,615.93)</u>

**EWING TOWNSHIP BOARD OF EDUCATION  
COUNTY OF MERCER  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL 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):					
CAPITAL OUTLAY:					
Equipment:					
Instruction	\$ 150,000.00	\$ 16,500.00	\$ 166,500.00	\$ 165,840.97	\$ 659.03
Support Services	2,500.00		2,500.00	1,186.10	1,313.90
Other Special Services	2,500.00		2,500.00	1,293.75	1,206.25
Special Education - Multiple Handicapped	2,500.00	(2,500.00)			
Special Education - Autistic	2,500.00	(2,000.00)	500.00		500.00
	<u>160,000.00</u>	<u>12,000.00</u>	<u>172,000.00</u>	<u>168,320.82</u>	<u>3,679.18</u>
Total Equipment					
Facilities:					
Legal	25,000.00	(25,000.00)			
Architecture	150,000.00	94,556.37	244,556.37	199,640.26	44,916.11
Construction Services	1,125,000.00	5,004.55	1,130,004.55	563,926.95	566,077.60
Infrastructure	200,000.00	(97,075.12)	102,924.88	31,322.00	71,602.88
Other Purchased Services	10,000.00		10,000.00	5,500.00	4,500.00
Lease Purchases	725,000.00	(12,000.00)	713,000.00	625,000.00	88,000.00
	<u>2,235,000.00</u>	<u>(34,514.20)</u>	<u>2,200,485.80</u>	<u>1,425,389.21</u>	<u>775,096.59</u>
Total Facilities					
TOTAL EXPENDITURES - CAPITAL OUTLAY	<u>2,395,000.00</u>	<u>(22,514.20)</u>	<u>2,372,485.80</u>	<u>1,593,710.03</u>	<u>778,775.77</u>
Transfer of Funds to Charter Schools	<u>79,118.00</u>	<u>69,000.00</u>	<u>148,118.00</u>	<u>133,496.00</u>	<u>14,622.00</u>
Total of Funds to Charter Schools	<u>79,118.00</u>	<u>69,000.00</u>	<u>148,118.00</u>	<u>133,496.00</u>	<u>14,622.00</u>
TOTAL GENERAL FUND EXPENDITURES	\$ <u>66,883,480.00</u>	\$ <u>167,920.26</u>	\$ <u>67,051,400.26</u>	\$ <u>70,042,618.42</u>	\$ <u>(2,991,218.16)</u>
Excess/(deficiency) of revenues over/(under) expenditures	\$ <u>(4,150,000.00)</u>	\$ <u>(167,920.26)</u>	\$ <u>(4,317,920.26)</u>	\$ <u>(175,205.76)</u>	\$ <u>4,142,714.50</u>
Other financing sources/(uses):					
Operating Transfers in/(out):					
Transfer From Capital Project Fund				\$ 648.63	(648.63)
Prior Year Charges				(28,504.88)	28,504.88
Prior Year SDA Reimbursement				473,787.45	\$ 473,787.45
				<u>445,931.20</u>	<u>501,643.70</u>
Total other financing sources/(uses)					

**EWING TOWNSHIP BOARD OF EDUCATION**  
**COUNTY OF MERCER**  
**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE FISCAL 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>
Excess/deficiency) of revenues and other financing sources over/(under) expenditures and other financing sources/(uses)	\$ (4,150,000.00)	\$ 167,920.26	\$ (4,317,920.26)	\$ 270,725.44	\$ 4,644,358.20
Fund balance, July 1	<u>7,881,406.28</u>		<u>7,881,406.28</u>	<u>7,881,406.28</u>	
Fund balance, June 30	\$ <u>3,731,406.28</u>	\$ <u>167,920.30</u>	\$ <u>3,563,486.02</u>	\$ <u>8,152,131.72</u>	\$ <u>4,644,358.20</u>
Excess Surplus Utilized	\$ 1,300,000.00				
Withdrawn from Maintenance Reserve	850,000.00				
Withdrawn from Capital Reserve	<u>2,000,000.00</u>				
Detail of Fund Balance appropriated	\$ <u>4,150,000.00</u>				
Detail of budget transfers:					
Committed Yearend - Encumbrances - Prior Year		\$ <u>167,920.90</u>			
		\$ <u>167,920.90</u>			
Recapitulation of Fund Balance:					
Committed Yearend - Encumbrances				\$ 62,230.51	
Restricted :					
Capital Reserve				1,200,000.00	
Emergency Reserve				500,000.00	
Tuition Reserve				200,000.00	
Maintenance Reserve				975,594.00	
Excess Surplus				2,605,100.61	
Excess Surplus - designated for subsequent year's expenditures				1,300,000.00	
Assigned - ARRA/SEMI - Designated for subsequent year's expenditures				43,516.52	
Unassigned (2%)				<u>1,265,690.08</u>	
				\$ 8,152,131.72	
Reconciliation to governmental funds statements (GAAP):					
Last Two (2) State Aid Payments not recognized on GAAP basis				<u>(855,927.00)</u>	
Fund balance per governmental funds (GAAP)				\$ <u>7,296,204.72</u>	

**BOARD OF EDUCATION**  
**EWING TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MERCER**  
**BUDGETARY COMPARISON SCHEDULE**  
**SPECIAL REVENUE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>			
Federal Sources	\$ 1,704,601.75	\$ 1,501,999.49	\$ 202,602.26
State Sources	56,919.00	52,025.00	4,894.00
Local Sources	<u>124,667.00</u>	<u>79,355.46</u>	<u>45,311.54</u>
Total Revenues	<u>\$ 1,886,187.75</u>	<u>\$ 1,633,379.95</u>	<u>\$ 252,807.80</u>
<b>EXPENDITURES:</b>			
Instruction:			
Salaries of Teachers	\$ 83,534.32	\$ 81,737.24	1,797.08
Purchased Professional and Technical Services	93,746.00	68,852.00	\$ 24,894.00
Other Purchased Services	1,045,458.00	1,030,273.50	15,184.50
General Supplies	345,545.66	324,287.14	21,258.52
Other Objects	<u>78,434.03</u>	<u>34,766.71</u>	<u>43,667.32</u>
Total Instruction	<u>\$ 1,646,718.01</u>	<u>\$ 1,539,916.59</u>	<u>\$ 106,801.42</u>
Support Services:			
Salaries	\$ 12,891.00	\$ 5,012.50	7,878.50
Salaries of Supervisors of Instruction	5,988.74	5,988.74	
Personal Services - Employee Benefits	412.00		412.00
Purchased Professional and Technical Services	147,501.00	51,691.54	\$ 95,809.46
Other Purchased Services	63,677.00	30,247.00	33,430.00
General Supplies	<u>9,000.00</u>	<u>523.58</u>	<u>8,476.42</u>
Total Support Services	<u>\$ 239,469.74</u>	<u>\$ 93,463.36</u>	<u>\$ 146,006.38</u>
Facilities Acquisition and Construction Services:			
Instructional Equipment	\$ _____	\$ _____	_____
Total Facilities Acquisition and Construction Services	\$ _____	\$ _____	_____
Total Expenditures	<u>\$ 1,886,187.75</u>	<u>\$ 1,633,379.95</u>	<u>\$ 252,807.80</u>

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**BOARD OF EDUCATION  
EWING TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MERCER  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<u>Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>Sources/Inflows of Resources:</b>		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedule	C-1 \$ 69,867,412.66	C-2 \$ 1,633,379.95
<b>Difference - Budget to GAAP:</b>		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
June 30, 2015		171,966.30
June 30, 2016		(213,088.91)
State aid payments recognized per GAAP standards in the current year, previously recognized for budgetary purposes.	798,605.00	None
The last State aid payments are recognized as revenue for budgetary purposes and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33).	<u>(855,927.00)</u>	<u>None</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	B-2 \$ <u>69,810,090.66</u>	B-2 \$ <u>1,592,257.34</u>
<b>Uses/Outflows of Resources:</b>		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	C-1 \$ 70,042,618.42	C-2 \$ 1,633,379.95
<b>Difference - Budget to GAAP:</b>		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
June 30, 2015	None	171,966.30
June 30, 2016	<u>None</u>	<u>(213,088.91)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	B-2 \$ <u>70,042,618.42</u>	B-2 \$ <u>1,592,257.34</u>



**REQUIRED SUPPLEMENTARY INFORMATION – PART III**

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

**TOWNSHIP OF EWING SCHOOL DISTRICT**  
**COUNTY OF MERCER**  
**SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)**  
**LAST THREE (3) FISCAL YEAR \***

	<u>2014</u>	<u>2015</u>	<u>2016</u>
District's proportion of the net pension liability (asset)	0.0890371846 %	0.0899674886 %	0.0910251309 %
District's proportionate share of the net pension liability (asset)	\$ 17,016,775	\$ 16,844,374	\$ 20,433,318
District's covered payroll	\$ 6,184,977	\$ 6,311,328	\$ 6,331,850
District's covered-employee payroll	\$ 6,872,198	\$ 7,012,587	\$ 7,013,163
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	275 %	266 %	266 %
Plan fiduciary net position as a percentage of the total pension liability	52.08	48.72	48.72

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

Note: Only the last three (3) years of information are presented as GASB 68 was implemented during fiscal year ended June 30, 2015. Eventually a full ten (10) years schedule will be compiled.

**Notes to Required Supplementary Information:**

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.

**TOWNSHIP OF EWING SCHOOL DISTRICT**  
**COUNTY OF MERCER**  
**SCHEDULE OF DISTRICT CONTRIBUTIONS**  
**PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)**  
**LAST THREE (3) FISCAL YEARS**

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$ 670,877	\$ 741,679	\$ 835,869
Contributions in relation to the contractually required contribution	\$ (670,877)	\$ (741,679)	\$ (835,869)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 6,184,978	\$ 6,311,328	\$ 6,311,850
District's covered-employee payroll	\$ 6,872,198	\$ 7,012,587	\$ 7,013,167
Contributions as a percentage of covered-employee payroll	10.29	11.71	13.20

Note: Only the last three (3) years of information are presented as GASB 68 was implemented during fiscal year ended June 30, 2015. Eventually a full ten (10) years schedule will be compiled.

**TOWNSHIP OF EWING SCHOOL DISTRICT**  
**COUNTY OF MERCER**  
**SCHEDULE OF DISTRICT PROPORTIONATE SHARE CONTRIBUTIONS**  
**TEACHERS PENSION AND ANNUITY FUND (TPAF)**  
**LAST THREE (3) FISCAL YEARS**

	<u>2014</u>	<u>2015</u>	<u>2016</u>
District's proportion of the net pension liability (asset)	0.2610788170 %	0.2675608155	0.2654021190 %
District's proportionate share of the net pension liability (asset)	None	None	None
State's proportionate share of the net pension liability (asset) associated with the District	<u>\$ 131,947,181</u>	<u>\$ 143,002,548</u>	<u>\$ 167,745,473</u>
Total	<u><u>\$ 131,947,181</u></u>	<u><u>\$ 143,002,548</u></u>	<u><u>\$ 167,745,473</u></u>
District's covered payroll	\$ 26,875,924	\$ 27,716,384	\$ 28,138,317
District's covered-employee payroll	\$ 29,862,138	\$ 30,795,993	\$ 31,264,797
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	None	None	None
Plan fiduciary net position as a percentage of the total pension liability	33.76%	33.64%	33.64%

Note: Only the last three (3) years of information are presented as GASB 68 was implemented during fiscal year ended June 30, 2015. Eventually a full ten (10) years schedule will be compiled.

**Notes to Required Supplementary Information:**

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.

**OTHER SUPPLEMENTARY INFORMATION**

**SPECIAL REVENUE FUND**

**BOARD OF EDUCATION  
EWING TOWNSHIP SCHOOL DISTRICT  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
SPECIAL REVENUE FUND - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Exhibit E-1

	Total Brought Forward (Exh. E-1a)	Title II		I.D.E.A. Part B		Totals 2016
		2015-2016 Part A	2014-2015 Carryover	2015-2016 Regular Program	2015-2016 Preschool	
<b>REVENUES:</b>						
State sources	\$ 52,025.00					\$ 52,025.00
Federal sources	379,997.59	\$ 76,601.13	\$ 1,747.72	\$ 1,011,724.41	\$ 31,928.64	1,501,999.49
Local sources	<u>79,355.46</u>					<u>79,355.46</u>
<b>Total revenues</b>	<b>\$ <u>511,378.05</u></b>	<b>\$ <u>76,601.13</u></b>	<b>\$ <u>1,747.72</u></b>	<b>\$ <u>1,011,724.41</u></b>	<b>\$ <u>31,928.64</u></b>	<b>\$ <u>1,633,379.95</u></b>
<b>EXPENDITURES:</b>						
<b>Instruction:</b>						
Salaries of teachers	\$ 81,737.24					\$ 81,737.24
Purchased professional and technical services	68,852.00					68,852.00
Other purchased services				\$ 1,011,483.50	\$ 18,790.00	1,030,273.50
General supplies	306,114.96	\$ 8,042.63		240.91	9,888.64	324,287.14
Other Objects	<u>34,766.71</u>					<u>34,766.71</u>
<b>Total instruction</b>	<b>\$ <u>491,470.91</u></b>	<b><u>8,042.63</u></b>		<b>\$ <u>1,011,724.41</u></b>	<b>\$ <u>28,678.64</u></b>	<b>\$ <u>1,539,916.59</u></b>
<b>Support services:</b>						
Personal services - salaries	\$ 2,500.00	\$ 2,512.50				\$ 5,012.50
Salaries of Supervisors of Instruction	5,988.74					5,988.74
Purchased professional/technical services	7,217.40	40,000.00	\$ 1,224.14		\$ 3,250.00	51,691.54
Other Purchased professional/technical services	4,201.00	26,046.00				30,247.00
General supplies			<u>523.58</u>			<u>523.58</u>
<b>Total support services</b>	<b>\$ <u>19,907.14</u></b>	<b>\$ <u>68,558.50</u></b>	<b>\$ <u>1,747.72</u></b>		<b>\$ <u>3,250.00</u></b>	<b>\$ <u>93,463.36</u></b>
<b>Facilities acquisition and construction services:</b>						
Instructional equipment						
<b>Total facilities acquisition and construction services</b>						
<b>Total expenditures</b>	<b>\$ <u>511,378.05</u></b>	<b>\$ <u>76,601.13</u></b>	<b>\$ <u>1,747.72</u></b>	<b>\$ <u>1,011,724.41</u></b>	<b>\$ <u>31,928.64</u></b>	<b>\$ <u>1,633,379.95</u></b>



**BOARD OF EDUCATION**  
**EWING TOWNSHIP SCHOOL DISTRICT**  
**COMBINING SCHEDULE OF REVENUES AND EXPENDITURES**  
**SPECIAL REVENUE FUND - BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Exhibit E-1a

	Total Brought Forward (Exh. E-1b)	Title I 2015-2016	Title III			Perkins 2015-2016	Totals Carried Forward 2016
			2015-2016	2014-2015 Carryover	Immigrant		
<b>REVENUES:</b>							
State sources	\$ 52,025.00						\$ 52,025.00
Federal sources		\$ 329,840.46	\$ 28,267.02	\$ 3,858.98	\$ 2,916.88	\$ 15,114.25	379,997.59
Local sources	<u>79,355.46</u>						<u>79,355.46</u>
Total revenues	\$ <u>131,380.46</u>	\$ <u>329,840.46</u>	\$ <u>28,267.02</u>	\$ <u>3,858.98</u>	\$ <u>2,916.88</u>	\$ <u>15,114.25</u>	\$ <u>511,378.05</u>
<b>EXPENDITURES:</b>							
<b>Instruction:</b>							
Salaries of teachers		\$ 73,249.08	\$ 7,339.07	\$ 1,149.09			\$ 81,737.24
Purchased professional and technical services	\$ 52,025.00	16,827.00					68,852.00
Other purchased services							
General supplies	44,588.75	229,169.24	16,717.95	\$ 2,339.89	\$ 2,916.88	\$ 10,382.25	306,114.96
Other Objects	<u>34,766.71</u>						<u>34,766.71</u>
Total instruction	\$ <u>131,380.46</u>	\$ <u>319,245.32</u>	\$ <u>24,057.02</u>	\$ <u>3,488.98</u>	\$ <u>2,916.88</u>	\$ <u>10,382.25</u>	\$ <u>491,470.91</u>
<b>Support services:</b>							
Personal services - salaries						\$ 2,500.00	\$ 2,500.00
Salaries of Supervisors of Instruction		\$ 5,988.74					5,988.74
Purchased professional/technical services		4,007.40	\$ 3,210.00				7,217.40
Other Purchased professional/technical services		599.00	1,000.00	\$ 370.00		2,232.00	4,201.00
General supplies							
Total support services		\$ <u>10,595.14</u>	\$ <u>4,210.00</u>	<u>370.00</u>		\$ <u>4,732.00</u>	\$ <u>19,907.14</u>
<b>Facilities acquisition and construction services:</b>							
Instructional equipment							
Total facilities acquisition and construction services							
Total expenditures	\$ <u>131,380.46</u>	\$ <u>329,840.46</u>	\$ <u>28,267.02</u>	\$ <u>3,858.98</u>	\$ <u>2,916.88</u>	\$ <u>15,114.25</u>	\$ <u>511,378.05</u>

**BOARD OF EDUCATION  
EWING TOWNSHIP SCHOOL DISTRICT  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
SPECIAL REVENUE FUND - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Exhibit E-1b

	Total Brought Forward (Exh. E-1c)	NJ Nonpublic						New Jersey Chapter 193 Handicapped Examination & Classification	Totals Carried Forward 2016
		NJ Nonpublic			New Jersey Chapter 226	New Jersey Chapter 192 Auxiliary			
		Technology	Textbooks	Security	Nursing Services	Compensatory Education	Transporation		
<b>REVENUES:</b>									
State sources	\$ 3,676.00	\$ 7,924.00	\$ 3,488.00	\$ 14,746.00	\$ 2,064.00	\$ 6,967.00	\$ 13,160.00	\$ 52,025.00	
Federal sources									
Local sources	\$ 79,355.46							79,355.46	
<b>Total revenues</b>	\$ 79,355.46	\$ 3,676.00	\$ 7,924.00	\$ 3,488.00	\$ 14,746.00	\$ 2,064.00	\$ 6,967.00	\$ 13,160.00	\$ 131,380.46
<b>EXPENDITURES:</b>									
<b>Instruction:</b>									
Salaries of teachers									
Purchased professional and technical services	\$ 3,676.00	\$ 7,924.00	\$ 3,488.00	\$ 14,746.00	\$ 2,064.00	\$ 6,967.00	\$ 13,160.00	\$ 52,025.00	
Other purchased services									
General supplies	\$ 44,588.75							44,588.75	
Other Objects	34,766.71							34,766.71	
<b>Total instruction</b>	\$ 79,355.46	\$ 3,676.00	\$ 7,924.00	\$ 3,488.00	\$ 14,746.00	\$ 2,064.00	\$ 6,967.00	\$ 13,160.00	\$ 131,380.46
<b>Support services:</b>									
Personal services - salaries									
Salaries of Supervisors of Instruction									
Purchased professional/technical services									
Other Purchased professional/technical services									
General supplies									
<b>Total support services</b>									
<b>Facilities acquisition and construction services:</b>									
Instructional equipment									
<b>Total facilities acquisition and construction services</b>									
<b>Total expenditures</b>	\$ 79,355.46	\$ 3,676.00	\$ 7,924.00	\$ 3,488.00	\$ 14,746.00	\$ 2,064.00	\$ 6,967.00	\$ 13,160.00	\$ 131,380.46

BOARD OF EDUCATION  
EWING TOWNSHIP SCHOOL DISTRICT  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
SPECIAL REVENUE FUND - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Exhibit E-1c

	<u>Teacher</u>	<u>EPEF</u>	<u>Parent</u>	<u>Odyssey</u>	<u>Miscellaneous</u>	<u>Totals</u>
	<u>Recognition</u>		<u>Organization</u>		<u>Donations</u>	<u>Carried</u>
						<u>Forward</u>
						<u>2016</u>
<b>REVENUES:</b>						
State sources						
Federal sources						
Local sources	\$ <u>1,267.96</u>	\$ <u>44,588.75</u>	\$ <u>23,557.79</u>	\$ <u>6,254.20</u>	\$ <u>3,686.76</u>	\$ <u>79,355.46</u>
<b>Total revenues</b>	<b>\$ <u>1,267.96</u></b>	<b>\$ <u>44,588.75</u></b>	<b>\$ <u>23,557.79</u></b>	<b>\$ <u>6,254.20</u></b>	<b>\$ <u>3,686.76</u></b>	<b>\$ <u>79,355.46</u></b>
<b>EXPENDITURES:</b>						
<b>Instruction:</b>						
Salaries of teachers						
Purchased professional and technical services						
Other purchased services						
General supplies		\$ 44,588.75				\$ 44,588.75
Other Objects	\$ <u>1,267.96</u>	_____	\$ <u>23,557.79</u>	\$ <u>6,254.20</u>	\$ <u>3,686.76</u>	<u>34,766.71</u>
<b>Total instruction</b>	<b><u>1,267.96</u></b>	<b>\$ <u>44,588.75</u></b>	<b>\$ <u>23,557.79</u></b>	<b>\$ <u>6,254.20</u></b>	<b>\$ <u>3,686.76</u></b>	<b>\$ <u>79,355.46</u></b>
<b>Support services:</b>						
Personal services - salaries						
Salaries of Supervisors of Instruction						
Purchased professional/technical services						
Other Purchased professional/technical services						
General supplies	_____	_____	_____	_____	_____	_____
<b>Total support services</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>
<b>Facilities acquisition and construction services:</b>						
Instructional equipment	_____	_____	_____	_____	_____	_____
<b>Total facilities acquisition and construction services</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>
<b>Total expenditures</b>	<b>\$ <u>1,267.96</u></b>	<b>\$ <u>44,588.75</u></b>	<b>\$ <u>23,557.79</u></b>	<b>\$ <u>6,254.20</u></b>	<b>\$ <u>3,686.76</u></b>	<b>\$ <u>79,355.46</u></b>

**CAPITAL PROJECTS FUND**

**BOARD OF EDUCATION**  
**EWING TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MERCER**  
**CAPITAL PROJECTS FUND**  
**SUMMARY STATEMENT OF PROJECT EXPENDITURES**  
**FOR THE YEAR ENDED JUNE 30, 2016**

<u>Project Title/Issue</u>	<u>Original Date(s)</u>	<u>Appropriations</u>	<u>Expenditures to Date</u>		<u>Transfer to General Fund</u>	<u>Unexpended Balance June 30, 2016</u>
			<u>Prior Years</u>	<u>Current Year</u>		
2015 Textbooks and Equipment	07/01/14	\$ 500,000.00	\$ 498,103.15	\$ 1,268.79	\$ 628.06	
2016 Textbooks and Equipment	07/01/15	<u>1,000,000.00</u>		<u>958,326.94</u>		\$ <u>41,673.06</u>
		<u>\$ 1,500,000.00</u>	<u>\$ 498,103.15</u>	<u>\$ 959,595.73</u>	<u>\$ 628.06</u>	<u>\$ 41,673.06</u>

**BOARD OF EDUCATION**  
**EWING TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MERCER**  
**CAPITAL PROJECTS FUND**  
**SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGETARY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

<b>Revenues and Other Financing Sources</b>	
Interest on investments	\$ <u>20.57</u>
Total revenues	<u>20.57</u>
<b>Expenditures and Other Financing Uses</b>	
Equipment	\$ 874,690.00
Textbooks	<u>84,905.73</u>
Total expenditures	<u>959,595.73</u>
Excess(deficiency) of revenues over (under) expenditures	\$ (959,575.16)
Other financing sources/(uses):	
Lease Proceeds	1,000,000.00
Transfer to General Fund	<u>(648.63)</u>
Net change in fund balances	\$ 39,776.21
Fund balance, beginning	<u>1,896.85</u>
Fund balance, ending	<u><u>\$ 41,673.06</u></u>

**BOARD OF EDUCATION**  
**EWING TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MERCER**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE**  
**AND PROJECT STATUS - BUDGETARY BASIS**  
**TEXT BOOKS, LIBRARY BOOKS, TECHNOLOGY AND RENOVATIONS**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Capital Lease	\$ 500,000.00		\$ 500,000.00	\$ 500,000.00
Total revenues	\$ 500,000.00		\$ 500,000.00	\$ 500,000.00
Expenditures and Other Financing Uses				
Equipment				
Textbook	\$ 498,103.15	\$ 1,268.79	\$ 499,371.94	\$ 499,371.94
Total expenditures	498,103.15	1,268.79	499,371.94	499,371.94
Less: Transfer to General Fund		628.06	628.06	628.06
Excess (deficiency) of revenues over/(under) expenditures	\$ 1,896.85	\$ (1,896.85)		
Additional project information:				
Project Number		N/A		
Grant Date		N/A		
Bond Authorization Date		N/A		
Bonds Authorized		N/A		
Bonds Issued		N/A		
Original Authorized Cost	\$ 500,000.00			
Additional Authorized Cost	0.00			
Revised Authorized Cost	\$ 500,000.00			
Percentage Increase over Original Authorized Cost		N/A		
Percentage completion		N/A		
Original target completion date		2014-2015		

**BOARD OF EDUCATION**  
**EWING TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MERCER**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE**  
**AND PROJECT STATUS - BUDGETARY BASIS**  
**ACQUISITION OF TEXTBOOKS AND EQUIPMENT**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Capital Lease		1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00
Total revenues		1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00
Expenditures and Other Financing Uses				
Salaries				
Purchased professional and technical services				
Construction services				
Equipment		\$ 873,421.21	\$ 873,421.21	\$ 873,421.21
Textbook		84,905.73	84,905.73	84,905.73
Total expenditures		958,326.94	958,326.94	958,326.94
Less: Transfer to General Fund				
Excess (deficiency) of revenues over/(under) expenditures		\$ 41,673.06	\$ 41,673.06	\$ 41,673.06

## Additional project information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$1,000,000.00
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$1,000,000.00

## Percentage Increase over Original

Authorized Cost	N/A
Percentage completion	95.83%
Original target completion date	2015-2016



**FIDUCIARY FUND**

**BOARD OF EDUCATION  
EWING TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MERCER  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Balance July 1, 2015	Cash Receipts	Cash Disbursements	Balance June 30, 2016
Middle School:				
Fisher Middle School	\$ 19,860.20	\$ 28,966.05	\$ 25,503.31	\$ 23,322.94
Total Middle School	<u>19,860.20</u>	<u>28,966.05</u>	<u>25,503.31</u>	<u>23,322.94</u>
High Schools:				
Ewing High School	103,161.04	164,497.32	204,920.20	62,738.16
Athletic Account	<u>6,722.61</u>	<u>86,731.00</u>	<u>85,554.02</u>	<u>7,899.59</u>
Total High School	<u>109,883.65</u>	<u>251,228.32</u>	<u>290,474.22</u>	<u>70,637.75</u>
Total All Schools	<u>\$ 129,743.85</u>	<u>\$ 280,194.37</u>	<u>\$ 315,977.53</u>	<u>\$ 93,960.69</u>

**BOARD OF EDUCATION**  
**EWING TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MERCER**  
**PAYROLL AGENCY FUND**  
**SCHEDULE OF RECEIPTS AND DISBURSEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
<b><u>ASSETS</u></b>				
Cash and Cash Equivalents	\$ 398,487.91	\$ 43,087,358.63	\$ 42,984,977.98	\$ 500,868.56
Total Assets	<u>\$ 398,487.91</u>	<u>\$ 43,087,358.63</u>	<u>\$ 42,984,977.98</u>	<u>\$ 500,868.56</u>
<b><u>LIABILITIES</u></b>				
Payroll Deductions and Withholdings	\$ 261,163.86	\$ 20,372,115.97	\$ 20,331,363.46	\$ 301,916.37
Interfunds Payable - General Fund	132,302.31	261,163.86	196,265.25	197,200.92
Net Pay	<u>5,021.74</u>	<u>22,911,507.91</u>	<u>22,914,778.38</u>	<u>1,751.27</u>
Total Liabilities	<u>\$ 398,487.91</u>	<u>\$ 43,544,787.74</u>	<u>\$ 43,442,407.09</u>	<u>\$ 500,868.56</u>

**BOARD OF EDUCATION**  
**EWING TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MERCER**  
**COMBINING STATEMENT OF CHANGES IN NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Private Purpose Scholarship Fund</u>	<u>Robotics Fund</u>	<u>Total Fiduciary Fund</u>
<b><u>ADDITIONS</u></b>			
Contributions	<u>                    </u>	\$ <u>65,815.01</u>	\$ <u>65,815.01</u>
Total Additions	<u>                    </u>	<u>65,815.01</u>	<u>65,815.01</u>
<b><u>DEDUCTIONS</u></b>			
Expenditures	<u>                    </u>	\$ <u>29,530.85</u>	\$ <u>29,530.85</u>
Total Deductions	<u>                    </u>	<u>29,530.85</u>	<u>29,530.85</u>
Change in Net Position		36,284.16	36,284.16
Total Net Position - Beginning of the Year	\$ <u>6,528.06</u>	<u>                    </u>	<u>6,528.06</u>
Total Net Position - Ending of the Year	\$ <u><u>6,528.06</u></u>	\$ <u><u>36,284.16</u></u>	\$ <u><u>42,812.22</u></u>

See accompanying notes to financial statements

**NONCURRENT DEBT**

**BOARD OF EDUCATION  
EWING TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MERCER  
NONCURRENT DEBT  
SCHEDULE OF SERIAL BONDS  
AS OF JUNE 30, 2016**

Issue	Original		Annual Maturities		Interest Rate	Balance July 1, 2015	Retired	Balance June 30, 2016
	Date of Original Issue	Amount of Issue	Date	Amount				
Early Retirement Bond	5/1/2006	\$ 1,640,000.00				\$ 205,000.00	\$ 205,000.00	
Series 2007	9/15/2007	13,280,000.00	9/15/2016	\$ 1,795,000.00	3.875%	3,510,000.00	1,715,000.00	\$ 1,795,000.00
School Refunding Bonds, Series 2013	4/3/2013	19,470,000.00	10/1/2016	4,760,000.00	1.086%	15,155,000.00	4,405,000.00	10,750,000.00
			10/1/2017	2,985,000.00	1.390%			
			10/1/2018	1,485,000.00	1.596%			
			10/1/2019	1,520,000.00	2.008%			
<b>Total</b>						<b>\$ 18,870,000.00</b>	<b>\$ 6,325,000.00</b>	<b>\$ 12,545,000.00</b>

**BOARD OF EDUCATION  
EWING TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MERCER  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
AS OF JUNE 30, 2016**

<u>Series</u>	<u>Interest Rate</u>	<u>Amount of Original Issue</u>	<u>Balance June 30, 2015</u>	<u>Issued Current Year</u>	<u>Retired Current Year</u>	<u>Balance June 30, 2016</u>
Buildings and Grounds		\$ 2,500,000.00	\$ 375,000.00		\$ 375,000.00	
Textbooks, Library Books, Technology, and Renovations	1.94%	500,000.00	205,749.45		101,886.44	\$ 103,863.01
Textbooks, Library Books, Technology and Renovations	0.59%	500,000.00	202,842.39		100,561.39	102,281.00
Textbooks, Library Books, Technology and Renovations	1.13%	500,000.00	300,866.29		99,163.99	201,702.30
Textbooks, Library Books, Technology and Renovations	1.294%	500,000.00	398,112.17		97,616.90	300,495.27
Textbooks, Library Books, Technology and Renovations	1.554%	1,000,000.00		<u>\$ 1,000,000.00</u>	<u>203,302.73</u>	<u>796,697.27</u>
			<u>\$ 1,482,570.30</u>	<u>\$ 1,000,000.00</u>	<u>\$ 977,531.45</u>	<u>\$ 1,505,038.85</u>

**BOARD OF EDUCATION**  
**EWING TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MERCER**  
**DEBT SERVICE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE FISCAL 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>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 5,819,006.00		\$ 5,819,006.00	\$ 5,819,006.00	
State Sources:					
Debt Service Aid Type II	<u>759,256.00</u>		<u>759,256.00</u>	<u>759,256.00</u>	
Total - Local Sources	<u>\$ 6,578,262.00</u>		<u>\$ 6,578,262.00</u>	<u>\$ 6,578,262.00</u>	
Total Revenues	<u>\$ 6,578,262.00</u>		<u>\$ 6,578,262.00</u>	<u>\$ 6,578,262.00</u>	
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	278,262.00	\$ 1,422.50	279,684.50	279,684.50	
Redemption of Principal	<u>6,300,000.00</u>	<u>25,000.00</u>	<u>6,325,000.00</u>	<u>6,325,000.00</u>	
Total Regular Debt Service	<u>\$ 6,578,262.00</u>	<u>\$ 26,422.50</u>	<u>\$ 6,604,684.50</u>	<u>\$ 6,604,684.50</u>	
Total Expenditures	<u>\$ 6,578,262.00</u>	<u>\$ 26,422.50</u>	<u>\$ 6,604,684.50</u>	<u>\$ 6,604,684.50</u>	
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		<u>\$ (26,422.50)</u>	<u>\$ (26,422.50)</u>	<u>\$ (26,422.50)</u>	
Fund Balance, July 1	<u>\$ 235,708.16</u>		<u>\$ 235,708.16</u>	<u>\$ 235,708.16</u>	
Fund Balance, June 30	<u>\$ 235,708.16</u>	<u>\$ (26,422.50)</u>	<u>\$ 209,285.66</u>	<u>\$ 209,285.66</u>	
Recapitulation of Excess/(Deficiency) of Revenues Over/(Under) Expenditures:					
Budgeted Fund Balance	<u>\$ 235,708.16</u>	<u>(26,422.50)</u>	<u>\$ 209,285.66</u>	<u>\$ 209,285.66</u>	



**STATISTICAL TABLES (SECTION)**  
**(UNAUDITED)**

**EWING TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MERCER**  
**INTRODUCTION TO STATISTICAL TABLES (SECTION)**  
**(UNAUDITED)**

<b><u>Contents</u></b>	<b><u>Exhibit</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	<b>J-1 to J-5</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	<b>J-6 to J-9</b>
<b>Debt Capacity</b> These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	<b>J-10 to J-13</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	<b>J-14 &amp; J-15</b>
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	<b>J-16 to J-20</b>

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

## **FINANCIAL TRENDS**

**EWING TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MERCER**  
**NET POSITION BY COMPONENT**  
**LAST NINE (9) FISCAL YEARS**  
**(UNAUDITED)**

*(accrual basis of accounting)*

	Fiscal Year Ending June 30,								
	2008	2009	2010	2011 *	2012	2013	2014	2015	2016
<b>Governmental activities</b>									
Invested in capital assets	\$ 6,729,564	\$ 11,836,921	\$ (2,917,404)				\$ 6,698,143	\$ 9,204,333	\$ 13,779,875
Restricted	3,545,604	2,582,736	2,233,552	\$ 5,633,968	\$ 1,006,547	\$ 4,275,850	5,835,442	2,000,000	1,200,000
Unrestricted	(12,654,451)	(12,929,895)	(887,097)	(754,318)	(594,731)	932,933		(13,298,339)	(13,239,649)
<b>Total governmental activities net position</b>	<b>\$ (2,379,283)</b>	<b>\$ 1,489,762</b>	<b>\$ (1,570,949)</b>	<b>\$ 4,879,650</b>	<b>\$ 411,816</b>	<b>\$ 5,208,783</b>	<b>\$ 12,533,585</b>	<b>\$ (2,094,006)</b>	<b>\$ 1,740,226</b>
<b>Business-type activities</b>									
Invested in capital assets			\$ 81,614	\$ 73,448	\$ 65,282	\$ 57,116	\$ 48,949	\$ 40,783	\$ 32,617
Restricted	\$ 43,512	\$ 66,313							
Unrestricted	460,536	189,901	192,423	575,603	604,710	589,317	568,327	567,463	626,571
<b>Total business-type activities net position</b>	<b>\$ 504,048</b>	<b>\$ 256,214</b>	<b>\$ 274,037</b>	<b>\$ 649,051</b>	<b>\$ 669,992</b>	<b>\$ 646,433</b>	<b>\$ 617,276</b>	<b>\$ 608,246</b>	<b>\$ 659,188</b>
<b>District-wide</b>									
Invested in capital assets	\$ 6,729,564	\$ 11,836,921	\$ (2,835,790)	\$ 73,448	\$ 65,282	\$ 57,116	\$ 6,747,092	\$ 9,245,116	\$ 13,812,492
Restricted	3,589,116	2,649,049	2,233,552	5,633,968	1,006,547	4,275,850	5,835,422	2,000,000	1,200,000
Unrestricted	(12,193,915)	(12,739,994)	(694,674)	(178,716)	9,979	1,522,250	568,327	(12,730,876)	(12,613,078)
<b>Total district net position (Deficit)</b>	<b>\$ (1,875,235)</b>	<b>\$ 1,745,976</b>	<b>\$ (1,296,912)</b>	<b>\$ 5,528,700</b>	<b>\$ 1,081,808</b>	<b>\$ 5,855,216</b>	<b>\$ 13,150,841</b>	<b>\$ (1,485,760)</b>	<b>\$ 2,399,414</b>

\* Adjustment made to Fixed Assets

Source: CAFR Exhibit A-1

Note: Only the last nine (9) years of information are presented as GASB 34 was implemented during fiscal year ended June 30, 2005.

**EWING TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MERCER**  
**CHANGE IN NET POSITION**  
**LAST TEN (10) FISCAL YEARS**  
**(UNAUDITED)**  
*(accrual basis of accounting)*

	Fiscal Year Ending June 30									
	2007	2008	2009	2010	2011	2012	2013	2014	2015 *	2016
<b>Expenses</b>										
Governmental activities:										
Instruction:										
Regular	\$ 18,055,538	\$ 17,981,904	\$ 18,825,564	\$ 19,772,911	\$ 17,970,387	\$ 16,356,341	\$ 16,797,803	\$ 17,432,938	\$ 28,614,181	\$ 29,594,691
Special education	4,330,440	4,597,060	4,783,044	5,049,236	4,895,503	7,481,011	6,969,491	6,783,776	14,705,398	12,492,683
Other special instruction	262,497	255,987	288,490	280,425	257,520	242,258	833,549	694,056	1,688,142	1,796,684
Other instruction	871,230	884,959	943,134	967,749	862,764	857,568	1,093,080	1,139,887	1,480,327	1,911,934
Support Services & Undistributed Costs:										
Tuition	3,270,330	3,378,667	3,185,058	2,946,318	3,063,509	2,940,463	3,223,710	3,447,172	3,038,641	2,845,481
Attendance & social work services	166,278	183,705	185,467	185,889	186,152	192,438	194,921	263,362	461,648	464,211
Health services	676,020	742,722	733,496	787,719	767,682	696,547	820,421	934,761	1,286,907	1,287,144
Inv Student & instruction related services	3,183,707	3,397,501	3,452,967	3,490,190	4,750,846	4,378,773	3,719,462	4,660,866	6,887,001	7,530,795
Educational media services/school Library	415,428	663,589	493,412	394,917	401,944	445,647	470,763	468,091	781,951	785,462
Instructional staff training	60,286	38,263	63,856	38,000	6,684	8,380	37,934	33,023	81,440	45,424
School administrative services	462,146	472,458	585,810	548,256	547,941	671,631	592,130	569,836	1,006,676	1,088,153
Other administrative services	3,339,579	3,449,960	3,421,320	3,546,340	3,125,511	3,198,545	3,370,060	3,234,576	5,315,632	5,632,690
Plant operations & maintenance	4,355,360	4,426,814	4,576,259	4,706,129	4,310,875	4,816,906	4,987,039	5,401,311	8,870,383	9,770,323
Pupil transportation	2,598,027	2,827,609	2,922,191	2,884,305	2,824,246	3,010,490	3,138,467	3,334,579	3,539,379	6,548,896
Unallocated benefits	14,010,209	14,019,653	11,706,971	14,416,242	15,594,683	16,514,085	17,322,783	17,695,312		
Early retirement incentive program										
Interest on long-term debt	2,736,025	2,435,519	2,055,366	2,177,581	1,900,019	1,694,287	1,276,769	604,727	667,803	512,476
Transfer to Charter Schools	8,801	36,558	31,234	22,191	32,114	9,583	10,000	76,411	103,445	133,496
Scholarships Awarded				800	1,000	1,000				
Increase/decrease in compensated absences	273,219	(394,414)	648,600	134,024	(87,666)	49,386	524,125	(101,068)		
Unallocated depreciation	635,521	1,075,387	1,206,402	1,362,866	1,181,668	1,811,020	1,196,951	1,250,575		
Amortization of bond issuance costs	15,752	24,443	24,443	24,443	24,443	24,443				
Amortization of loss on early retirement of debt	120,581	126,336	126,336	126,336	126,336	126,336				
<b>Total governmental activities expenses</b>	<b>\$ 59,846,974</b>	<b>\$ 60,624,680</b>	<b>\$ 60,259,420</b>	<b>\$ 63,862,868</b>	<b>\$ 62,744,160</b>	<b>\$ 65,527,138</b>	<b>\$ 66,579,458</b>	<b>\$ 67,924,190</b>	<b>\$ 78,528,955</b>	<b>\$ 82,440,542</b>

**EWING TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MERCER**  
**CHANGE IN NET POSITION**  
**LAST TEN (10) FISCAL YEARS**  
**(UNAUDITED)**  
*(accrual basis of accounting)*

	Fiscal Year Ending June 30									
	2007	2008	2009	2010	2011	2012	2013	2014	2015 *	2016
<b>Business-type activities:</b>										
Extended day program				\$ 528,779	\$ 434,807	\$ 397,301	\$ 491,246	\$ 497,744	\$ 1,625,960	\$ 1,651,758
Food service	\$ 2,223,870	\$ 2,323,534	\$ 2,324,928	1,498,797	1,256,787	1,627,112	1,569,486	1,634,596	511,219	468,578
<b>Total business-type activities expense</b>	<b>2,223,870</b>	<b>2,323,534</b>	<b>2,324,928</b>	<b>2,027,576</b>	<b>1,691,594</b>	<b>2,024,413</b>	<b>2,060,732</b>	<b>2,132,340</b>	<b>2,137,179</b>	<b>2,120,336</b>
<b>Total district expenses</b>	<b>\$ 62,070,844</b>	<b>\$ 62,948,214</b>	<b>\$ 62,584,348</b>	<b>\$ 65,890,443</b>	<b>\$ 64,435,754</b>	<b>\$ 67,551,551</b>	<b>\$ 68,640,190</b>	<b>\$ 70,056,530</b>	<b>\$ 80,666,134</b>	<b>\$ 84,560,878</b>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
Charges for services:										
Instruction (tuition)	\$ 217,635	\$ 213,661	\$ 251,067	\$ 268,329	\$ 483,774	\$ 365,973	\$ 414,186	\$ 414,160	\$ 1,723,643	\$ 541,016
Pupil transportation	22,263	6,323	637				18,333			
Operating grants and contributions	943,622	943,828	943,901	940,803	802,016	798,994	2,335,362	2,474,251	1,007,197	2,351,513
<b>Total governmental activities program revenues</b>	<b>\$ 1,183,520</b>	<b>\$ 1,163,812</b>	<b>\$ 1,195,605</b>	<b>\$ 1,209,132</b>	<b>\$ 1,285,790</b>	<b>\$ 1,164,967</b>	<b>\$ 2,767,881</b>	<b>\$ 2,888,411</b>	<b>\$ 2,730,839</b>	<b>\$ 2,892,530</b>
<b>Business-type activities:</b>										
Charges for services:										
Food service	\$ 1,741,591	\$ 1,697,111	\$ 1,508,268	\$ 846,486	\$ 839,895	\$ 820,410	\$ 760,755	\$ 748,421	\$ 727,117	\$ 727,774
Extended day program				564,227	589,626	479,653	465,442	505,908	502,889	511,978
Operating grants and contributions	478,357	480,349	568,826	607,825	637,087	745,291	810,976	848,854	898,142	931,527
<b>Total business type activities program revenues</b>	<b>2,219,948</b>	<b>2,177,460</b>	<b>2,077,094</b>	<b>2,018,538</b>	<b>2,066,608</b>	<b>2,045,355</b>	<b>2,037,173</b>	<b>2,103,183</b>	<b>2,128,149</b>	<b>2,171,279</b>
<b>Total district program revenues</b>	<b>\$ 3,403,468</b>	<b>\$ 3,341,272</b>	<b>\$ 3,272,699</b>	<b>\$ 3,227,670</b>	<b>\$ 3,352,398</b>	<b>\$ 3,210,321</b>	<b>\$ 4,805,054</b>	<b>\$ 4,991,594</b>	<b>\$ 4,858,988</b>	<b>\$ 5,063,808</b>
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (58,663,454)	\$ (59,460,868)	\$ (59,063,815)	\$ (62,653,736)	\$ (61,458,370)	\$ (64,362,171)	\$ (63,811,577)	\$ (65,035,778)	\$ (75,798,115)	\$ (79,548,013)
Business-type activities	(3,922)	(146,074)	(247,834)	(9,038)	375,014	20,942	(23,559)	(29,157)	(9,030)	50,943
<b>Total district-wide net expense</b>	<b>\$ (58,667,376)</b>	<b>\$ (59,606,942)</b>	<b>\$ (59,311,649)</b>	<b>\$ (62,662,774)</b>	<b>\$ (61,083,356)</b>	<b>\$ (64,341,230)</b>	<b>\$ (63,835,136)</b>	<b>\$ (65,064,935)</b>	<b>\$ (75,807,146)</b>	<b>\$ (79,497,070)</b>

**EWING TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MERCER**  
**CHANGE IN NET POSITION**  
**LAST TEN (10) FISCAL YEARS**  
**(UNAUDITED)**  
*(accrual basis of accounting)*

	Fiscal Year Ending June 30									
	2007	2008	2009	2010	2011	2012	2013	2014	2015 *	2016
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 40,896,413	\$ 42,033,134	\$ 43,106,179	\$ 42,238,825	\$ 46,827,872	\$ 47,568,592	\$ 48,519,964	\$ 49,732,963	\$ 51,324,819	\$ 52,351,315
Taxes levied for debt service	5,815,737	5,176,991	4,469,798	5,310,395	5,853,103	5,879,200	5,998,737	6,016,278	5,870,676	5,819,006
Federal & State aid not restricted	15,825,667	16,097,493	15,039,282	14,389,904	14,268,387	15,802,598	15,968,332	14,862,161	22,107,803	24,791,630
Tuition received	217,635	213,661	251,067						-	
Miscellaneous income	2,129,247	743,856	66,533	76,454	420,747	289,556	261,910	229,701	273,227	210,933
Transfer to charter school	-	-	-							
Donated (written-off) Fixed Assets					244,637	791,195	(609,260)		(1,823,185)	(235,922)
Grant Proceeds - Restricted					294,324	359,516	(791,699)		-	
Prior Year Revenue/(Charge), Net									(62,846)	445,283
Operating transfer in/(out)	35,000									
<b>Total governmental activities</b>	<b>\$ 64,919,699</b>	<b>\$ 64,265,135</b>	<b>\$ 62,932,859</b>	<b>\$ 62,015,578</b>	<b>\$ 67,909,070</b>	<b>\$ 70,690,657</b>	<b>\$ 69,347,984</b>	<b>\$ 70,841,103</b>	<b>\$ 77,690,494</b>	<b>\$ 83,382,245</b>
Business-type activities:										
Operating transfer in/(out)	\$ (35,000)									
Special and Extraordinary Items, Net				\$ 26,860		\$ (10,796,318)				
<b>Total business-type activities</b>	<b>\$ (35,000)</b>	<b>-</b>	<b>-</b>	<b>\$ 26,860</b>	<b>\$ -</b>	<b>\$ (10,796,318)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total district-wide</b>	<b>\$ 64,884,699</b>	<b>\$ 64,265,135</b>	<b>\$ 62,932,859</b>	<b>\$ 62,042,438</b>	<b>\$ 67,909,070</b>	<b>\$ 59,894,339</b>	<b>\$ 69,347,984</b>	<b>\$ 70,841,103</b>	<b>\$ 77,690,494</b>	<b>\$ 83,382,245</b>
<b>Change in Net Position</b>										
Governmental activities	\$ 6,256,245	\$ 4,804,267	\$ 3,869,044	\$ (638,158)	\$ 6,450,700	\$ 6,328,485	\$ 5,536,407	\$ 5,805,325	\$ 1,892,379	\$ 3,834,232
Business-type activities	(38,922)	(146,074)	(247,834)	17,822	375,014	(10,775,376)	(23,559)	(29,157)	(9,030)	50,943
<b>Total district</b>	<b>\$ 6,217,323</b>	<b>\$ 4,658,193</b>	<b>\$ 3,621,210</b>	<b>\$ (620,336)</b>	<b>\$ 6,825,713</b>	<b>\$ (4,446,891)</b>	<b>\$ 5,512,848</b>	<b>\$ 5,776,168</b>	<b>\$ 1,883,348</b>	<b>\$ 3,885,175</b>

Source: CAFR Exhibit A-2

Note: 2015 includes pension expenses in accordance with GASB 68 related to pension liabilities (TPAF and PERS). Amounts from years prior to 2015 are not available.

Beginning in 2014-2015 the Depreciation and Loss on Defeasance of Debt was reallocated to functional line items.

\* Restated

**EWING TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MERCER**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN (10) FISCAL YEARS**  
**(UNAUDITED)**  
*(modified accrual basis of accounting)*

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Reserved	\$ 5,822,580	\$ 5,481,994	\$ 5,276,918	\$ 2,224,046						
Unreserved	765,441	849,579	494,515	1,077,553						
Restricted					\$ 4,104,025	\$ 6,627,106	\$ 6,664,205	\$ 6,704,498	\$ 6,408,594	\$ 6,780,695
Assigned					560,503	88,975	91,659	258,084	227,512	105,747
Unassigned					1,070,154	1,109,118	1,191,034	377,686	446,595	409,763
<b>Total general fund</b>	<b><u>\$ 6,588,021</u></b>	<b><u>\$ 6,331,573</u></b>	<b><u>\$ 5,771,433</u></b>	<b><u>\$ 3,301,599</u></b>	<b><u>\$ 5,734,682</u></b>	<b><u>\$ 7,825,199</u></b>	<b><u>\$ 7,946,898</u></b>	<b><u>\$ 7,340,268</u></b>	<b><u>\$ 7,082,701</u></b>	<b><u>\$ 7,296,205</u></b>
All Other Governmental Funds:										
Restricted:										
Special revenue fund	\$ (8,120)	\$ (8,120)								
Capital projects fund					2,099,501	\$ 937,719	\$ 226,616	\$ 145,931	\$ 1,897	\$ 41,673
Debt service fund	1,875,746	1,625,216		\$ 2	\$ 3	5	3,161	238,865	235,708	209,286
Permanent fund	10,731	10,742	\$ 10,495	9,507	8,524	7,528				
<b>Total all other governmental funds</b>	<b><u>\$ 1,878,357</u></b>	<b><u>\$ 1,627,838</u></b>	<b><u>\$ 10,495</u></b>	<b><u>\$ 9,509</u></b>	<b><u>\$ 2,108,028</u></b>	<b><u>\$ 945,252</u></b>	<b><u>\$ 229,777</u></b>	<b><u>\$ 384,796</u></b>	<b><u>\$ 237,605</u></b>	<b><u>\$ 250,959</u></b>

Source: CAFR Schedule B-1

Note: 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 Notes to financial statements - Note 2G 15(a-c). Prior years have not been restated above and are not required to be.



**EWING TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MERCER**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN (10) FISCAL YEARS**  
**(UNAUDITED)**  
*(modified accrual basis of accounting)*

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Revenues</b>										
Tax levy	\$ 46,712,150	\$ 47,210,125	\$ 47,575,977	\$ 47,549,220	\$ 52,680,975	\$ 53,447,792	\$ 54,518,701	\$ 55,749,241	\$ 57,195,495	\$ 58,170,321
Tuition charges	217,635	213,661	251,067	268,329	483,774	365,973	414,186	414,160	438,927	541,016
Miscellaneous	2,369,145	963,840	318,237	145,513	420,747	289,556	280,242	258,106	276,519	288,327
State sources	14,715,078	15,369,807	14,177,556	11,677,180	12,794,165	14,191,605	16,694,973	15,662,411	16,644,371	17,336,014
Federal sources	2,054,211	1,671,514	1,805,627	3,653,527	2,276,238	2,409,987	1,608,722	1,645,596	1,930,760	1,645,052
<b>Total revenue</b>	<b>66,068,219</b>	<b>65,428,947</b>	<b>64,128,464</b>	<b>63,293,769</b>	<b>68,655,899</b>	<b>70,704,913</b>	<b>73,516,824</b>	<b>73,729,514</b>	<b>76,486,072</b>	<b>77,980,731</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular instruction	19,375,013	18,959,324	19,954,420	20,171,262	19,207,265	19,109,145	17,884,453	18,029,204	18,232,518	18,610,342
Special education instruction	4,330,440	4,597,060	4,783,044	5,049,236	4,895,503	5,970,744	6,976,947	6,731,844	7,921,433	7,598,871
Other special instruction	262,497	255,987	288,490	280,425	257,520	242,258	834,323	688,743	1,030,100	1,092,861
Other instruction	871,230	884,959	943,134	967,749	862,764	857,568	1,094,095	1,131,161	1,171,124	1,162,964
<b>Support services &amp; undistributed costs:</b>										
Tuition	3,270,330	3,378,667	3,185,058	2,946,318	3,063,509	2,940,463	3,223,710	3,447,172	3,038,641	2,845,481
Attendance & social work services	166,278	183,705	185,467	185,889	186,152	192,438	194,921	263,362	281,696	282,364
Health services	676,020	742,722	733,496	787,719	767,682	696,547	820,421	934,761	785,267	782,926
Student & instruction related services	3,183,707	3,397,501	3,452,967	3,490,191	4,750,846	4,378,773	4,191,013	4,660,866	4,298,312	4,580,724
Educational media services/school library	415,428	418,904	424,414	394,917	401,944	445,647	470,763	468,091	477,144	477,769
Instructional staff training	60,286	38,263	63,856	38,000	6,684	8,380	37,934	33,023	49,695	27,630
School administrative services	462,146	472,458	585,810	548,256	547,941	671,631	592,130	569,836	614,271	661,886
Other administrative services	3,339,579	3,449,960	3,421,320	3,546,340	3,125,511	3,198,545	3,370,060	3,234,576	3,243,585	3,426,172
Plant operation & maintenance	4,355,360	4,426,814	4,517,439	4,706,129	4,310,875	4,816,906	4,987,039	5,401,311	5,412,684	5,562,786
Pupil transportation	2,598,027	2,827,609	2,922,191	2,884,305	2,824,246	3,010,490	3,138,467	3,334,579	3,539,379	3,983,469
Unallocated benefits	14,010,209	14,019,653	11,706,971	13,186,242	14,299,683	15,134,085	16,238,783	16,263,712	17,334,153	18,811,425
<b>Debt service:</b>										
Principal	3,970,000	4,175,000	4,420,000	4,610,000	4,810,000	5,035,000	5,375,000	5,990,000	6,170,000	6,325,000
Interest	2,792,015	2,488,286	2,226,806	2,030,744	1,847,681	1,643,192	1,420,244	589,673	425,405	279,685
Capital outlay	235,623	3,041,968	2,813,187	1,342,031	1,542,138	2,348,665	2,951,070	2,832,803	3,199,132	2,553,306
Early retirement incentive program										
Transfer to Charter School	8,801	36,558	31,234	22,191	32,114	9,583	10,000	76,411	103,445	133,496
Scholarships Awarded				800	1,000	1,000		-		
<b>Total expenditures</b>	<b>64,382,989</b>	<b>67,795,398</b>	<b>66,659,304</b>	<b>67,188,744</b>	<b>67,741,056</b>	<b>70,711,060</b>	<b>73,811,373</b>	<b>74,681,125</b>	<b>77,327,984</b>	<b>79,199,156</b>
<b>Excess (Deficiency) of revenues over (under) expenditures</b>	<b>1,685,230</b>	<b>(2,366,451)</b>	<b>(2,530,840)</b>	<b>(3,894,975)</b>	<b>914,843</b>	<b>(6,147)</b>	<b>(294,549)</b>	<b>(951,611)</b>	<b>(841,912)</b>	<b>(1,218,426)</b>

**EWING TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MERCER**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN (10) FISCAL YEARS**  
**(UNAUDITED)**  
*(modified accrual basis of accounting)*

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Other Financing sources (uses)</b>										
Transfers out	\$ 35,000									
Prior Year Revenue/(Charges), Net					\$ 294,324	\$ 359,516	\$ (791,699)		\$ (62,846)	\$ 445,283
Grant Proceeds						500,000	500,000	\$ 500,000	500,000	1,000,000
Capital leases	950,000	\$ 1,859,486	\$ 745,466	\$ 1,034,907	\$ 3,319,873	74,373				
Adjustments to correct balances										
<b>Total other financing sources (uses)</b>	<u>985,000</u>	<u>1,859,486</u>	<u>745,466</u>	<u>1,034,907</u>	<u>3,614,197</u>	<u>933,888</u>	<u>(291,699)</u>	<u>500,000</u>	<u>437,154</u>	<u>1,445,283</u>
<b>Net change in fund balances</b>	<u>\$ 2,670,230</u>	<u>\$ (506,965)</u>	<u>\$ (1,785,374)</u>	<u>\$ (2,860,068)</u>	<u>\$ 4,529,039</u>	<u>\$ 927,741</u>	<u>\$ (586,248)</u>	<u>\$ (451,611)</u>	<u>\$ (404,758)</u>	<u>\$ 226,857</u>
Debt service as a percentage of noncapital expenditures	6.45%	6.39%	6.86%	7.08%	7.30%	7.29%	7.42%	8.08%	8.02%	8.01%

Source: District Records

Note: Noncapital expenditures are total expenditures less capital outlay.

**EWING TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MERCER**  
**GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE**  
**LAST TEN (10) FISCAL YEARS**  
**(UNAUDITED)**  
*(modified accrual basis of accounting)*

Fiscal Year Ending June 30,	<u>Interest on Investments</u>	<u>Tuition</u>	<u>Transportation Jointures</u>	<u>Contributions &amp; Donations</u>	<u>Refunds of Prior Year Expenditures</u>	<u>Rentals</u>	<u>Adult Education</u>	<u>Miscellaneous</u>	<u>Total</u>
2007	\$ 430,784	\$ 174,569	\$ 22,263	\$ -	\$ 2,630	\$ 750	-	\$ 109,433	\$ 740,429
2008	340,396	213,661	6,323	-	6,798	1,005	-	130,298	698,481
2009	42,570	251,067	637	-	55,509	900	-	142,363	493,046
2010	514	268,329	-	-	23,431	1,622	-	50,775	344,671
2011	-	483,774	-	-	117	10,354	-	306,052	344,671
2012	-	365,973	-	-	-	1,645	-	246,819	614,436
2013	-	414,186	18,333	-	-	-	-	261,910	694,429
2014	-	414,160	-	-	-	-	-	187,865	602,025
2015	-	438,927	-	-	-	-	-	212,827	651,754
2016	-	541,016	-	-	-	-	-	210,912	751,929

Source: District records

## REVENUE CAPACITY

**EWING TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MERCER  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN (10) FISCAL YEARS  
(UNAUDITED)**

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Tax-Exempt Property	Net Valuation	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>b</sup>
2007	16,219,600	1,293,637,300	520,400	414,021,700	16,415,000	65,985,700	1,806,799,700	9,629,061	N/A	1,816,428,761	1,332,411,739	2.590
2008	16,022,300	1,306,857,100	539,300	414,891,500	16,415,000	65,335,700	1,820,060,900	8,579,643	N/A	1,828,640,543	1,776,450,558	2.593
2009	21,081,300	1,303,560,800	22,300	418,748,700	14,937,800	65,335,700	1,823,686,600	8,783,222	631,202,400	1,832,469,822	3,772,424,236	2.596
2010	25,755,500	1,309,928,300	5,900	417,357,200	14,767,800	65,002,400	1,832,817,100	8,987,707	654,082,200	2,495,887,007	3,634,559,942	2.721
2011	22,004,300	1,314,451,600	497,300	413,148,450	14,498,100	63,959,500	1,828,559,250	9,357,481	652,307,300	2,490,224,031	3,298,646,050	2.721
2012	22,470,800	1,315,688,800		463,295,800	18,960,500	64,816,500	1,885,232,400	9,613,329	653,789,610	2,548,635,339	3,194,730,665	2.815
2013	17,771,300	1,326,103,100		494,366,000	18,884,600	64,626,500	1,921,751,500	9,094,085	673,096,810	2,603,942,395	3,024,414,042	2.855
2014	16,979,000	1,328,640,100		501,779,550	18,768,500	64,816,500	1,930,983,650	9,071,727	672,162,910	2,612,218,287	2,892,239,006	2.916
2015	17,434,100	1,329,254,000		503,965,450	18,385,000	73,076,500	1,942,115,050	8,382,930	672,073,860	2,622,571,840	2,928,812,283	3.081
2016	21,469,400	1,333,113,900		496,195,150	20,004,300	70,626,500	1,941,409,250	8,823,322	672,698,460	2,622,931,032	2,875,320,540	3.010

Source: Municipal Tax Assessor

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

Reassessment occurs when the County Board of Taxation requests the Municipality to do so.

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100 of assessed valuation

c Revaluation effective 2010

**EWING TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MERCER**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**LAST TEN (10) FISCAL YEARS**  
**(UNAUDITED)**  
*(rate per \$100 of assessed value)*

Fiscal Year Ended June 30,	Ewing Township School District Direct Rate		Debt Service Operations - Overlapping Rates		Total Direct and Overlapping Tax Rate
	Local School	Municipality of			
		Ewing	County of Mercer		
2007	2.590	0.860	0.890	4.340	
2008	2.672	0.887	1.008	4.567	
2009	2.566	0.894	1.107	4.567	
2010	2.721	1.103	1.110	4.934	
2011	2.759	1.500	1.022	5.281	
2012	2.815	1.232	1.060	5.107	
2013	2.855	1.272	1.037	5.164	
2014	2.916	1.293	1.038	5.247	
2015	3.081	1.312	0.868	5.261	
2016	3.010	1.334	0.988	5.332	

Source: Municipal Tax Collector

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

The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net a valuation taxable.

**b** Rates for debt service are based on each year's requirements.

**c** Tax rates are per \$100 of assessed valuation.

**EWING TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MERCER**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**CURRENT YEAR AND NINE (9) YEARS AGO**  
**(UNAUDITED)**

<u>Taxpayer</u>	<u>2016</u>			<u>2007</u>		
	<u>Taxable Assessed Value</u>	<u>Rank [Optional]</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank [Optional]</u>	<u>% of Total District Net Assessed Value</u>
New Jersey Manufacturers Insurance Company	\$ 47,037,200	1	2.41%			
Cole OFC Ewing NJ	34,000,000	2	1.74%			
Ewing Properties/Hilton Management	23,164,500	3	1.19%			
Princeton Office Center	22,010,500	4	1.13%			
RT Ewing LLC	18,500,000	5	0.95%			
Pfizer Inc.	18,529,900	6	0.95%			
American Properties	14,739,700	7	0.76%			
Meducational Testing Service	14,463,700	8	0.74%			
Bre Ne Hospitality Property	14,400,000	9	0.74%			
Mountainview Office Park	13,712,200	10	0.70%			
New Jersey Manufacturers Insurance Company				\$ 47,037,200	1	2.59%
Pfizer				18,477,900	2	1.02%
Mountainview Office Park				17,578,950	3	0.97%
Educational Testing Service				14,463,700	4	0.80%
Levin Properties				12,656,000	5	0.70%
Halston Builders				10,204,800	6	0.56%
River Edge Apartments				9,573,300	7	0.53%
CF Princeton LLC				9,000,000	8	0.50%
Marriott Courtyard				8,945,200	9	0.49%
Lighthouse Ewing, LLC				8,756,800	10	0.48%
<b>Total</b>	<b>\$ 220,557,700</b>		<b>11.31%</b>	<b>\$ 156,693,850</b>		<b>8.63%</b>
Assessed Valuation Taxable	<b>\$ 1,950,232,572</b>			<b>\$ 1,816,428,761</b>		

Source: Municipal Tax Assessor

**EWING TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MERCER**  
**TAX LEVIES AND COLLECTIONS**  
**LAST TEN (10) FISCAL YEARS**  
**(UNAUDITED)**

<u>Fiscal Year Ended June 30,</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy<sup>a</sup></u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2007	46,712,150	46,712,150	100.00%	N/A
2008	47,210,425	47,210,425	100.00%	N/A
2009	47,575,977	47,575,977	100.00%	N/A
2010	47,549,220	47,549,220	100.00%	N/A
2011	52,680,975	52,680,975	100.00%	N/A
2012	53,447,792	53,447,792	100.00%	N/A
2013	54,518,701	54,518,701	100.00%	N/A
2014	55,749,241	55,749,241	100.00%	N/A
2015	57,195,495	57,195,495	100.00%	N/A
2016	58,170,321	58,170,321	100.00%	N/A

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

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



## DEBT CAPACITY

**EWING TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MERCER**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN (10) FISCAL YEARS**  
**(UNAUDITED)**

Fiscal Year Ended June 30,	<u>Governmental Activities</u>		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Capital Leases			
2007	44,040,000	16,327,703	60,367,703	3.37%	1,753
2008	54,260,000	4,126,188	58,386,188	3.09%	1,652
2009	49,840,000	377,233	50,217,233	2.66%	1,619
2010	45,230,000	3,219,071	48,449,071	2.55%	1,475
2011	40,420,000	4,589,606	45,009,606	2.37%	1,373
2012	35,385,000	3,842,469	39,227,469	2.07%	1,258
2013	31,030,000	3,017,593	34,047,593	2.11%	1,097
2014	25,040,000	2,209,517	27,249,517	3.12%	951
2015	18,870,000	1,482,570	20,352,570	2.52%	761
2016	12,545,000	1,505,039	14,050,039	1.29%	393

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

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

**EWING TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MERCER**  
**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN (10) FISCAL YEARS**  
**(UNAUDITED)**

<u>General Bonded Debt Outstanding</u>					
<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>General</u> <u>Obligation</u> <u>Bonds</u>	<u>Deductions</u>	<u>Net General</u> <u>Bonded Debt</u> <u>Outstanding</u>	<u>Percentage of</u> <u>Actual Taxable</u> <u>Value <sup>a</sup> of</u> <u>Property</u>	<u>Per</u> <u>Capita <sup>b</sup></u>
2007	44,040,000	-	44,040,000	2.61%	1,272
2008	54,260,000	-	54,260,000	2.45%	1,205
2009	49,840,000	-	49,840,000	3.02%	1,505
2010	45,230,000	-	45,230,000	2.77%	1,372
2011	40,420,000	-	40,420,000	2.40%	1,245
2012	35,385,000	-	35,385,000	1.93%	1,129
2013	31,030,000	-	31,030,000	1.64%	989
2014	25,040,000	-	25,040,000	1.60%	867
2015	18,870,000	-	18,870,000	0.95%	700
2016	12,545,000	-	12,545,000	0.64%	465

**Notes:**

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

**a** See Exhibit J-6 for property tax data.

**b** Population data can be found in Exhibit J-14.

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Deductions are allowable for resources that are restricted to repaying the principal of debt outstanding.

**EWING TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MERCER**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF JUNE 30, 2016**  
**(UNAUDITED)**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Township of Ewing	\$ 23,660,711	100.00%	\$ 23,660,711
County of Mercer	458,836,911	6.77%	31,070,058
County of Mercer Improvement Authority	6,930,801	100.00%	<u>6,930,801</u>
Subtotal, overlapping debt			\$ 61,661,570
<b>Township of Ewing District Direct Debt</b>			<u>12,545,000</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 74,206,570</u></u>

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

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

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

**EWING TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MERCER  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN (10) FISCAL YEARS  
(UNAUDITED)**

**Legal Debt Margin Calculation for Fiscal Year 2016**

	Equalized valuation basis	
	2015	\$ 2,831,071,501
	2014	2,865,843,307
	2013	<u>2,840,726,534</u>
		<u>\$ 8,537,641,342</u>
	Average equalized valuation of taxable property	\$ 2,845,880,447
	Debt limit (4 % of average equalization value)	113,835,218 <sup>a</sup>
	Total Net Debt Applicable to Limit	<u>12,545,000</u>
	Legal debt margin	<u>\$ 101,290,218</u>

	Fiscal Year									
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Debt limit	\$113,583,625	\$ 126,499,501	\$ 136,970,094	\$143,543,566	\$ 139,946,960	\$ 133,800,069	\$ 122,830,899	\$ 117,416,620	\$ 114,986,440	\$113,835,218
Total net debt applicable to limit	<u>44,040,000</u>	<u>54,260,000</u>	<u>49,840,000</u>	<u>45,230,000</u>	<u>40,420,000</u>	<u>35,385,000</u>	<u>31,030,000</u>	<u>25,040,000</u>	<u>18,870,000</u>	<u>12,545,000</u>
Legal debt margin	<u>\$ 69,543,625</u>	<u>\$ 72,239,501</u>	<u>\$ 87,130,094</u>	<u>\$ 98,313,566</u>	<u>\$ 99,526,960</u>	<u>\$ 98,415,069</u>	<u>\$ 91,800,899</u>	<u>\$ 92,376,620</u>	<u>\$ 96,116,440</u>	<u>\$ 101,290,218</u>
Total net debt applicable to the limit as a percentage of debt limit	38.77%	42.89%	36.39%	31.51%	28.88%	26.45%	25.26%	21.33%	16.41%	11.02%

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

<sup>a</sup> Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

## **DEMOGRAPHIC AND ECONOMIC INFORMATION**

**EWING TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MERCER**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN (10) FISCAL YEARS**  
**(UNAUDITED)**

<u>Year</u>	<u>Population <sup>a</sup></u>	<u>Personal Income <sup>b</sup></u>	<u>Per Capita Personal Income <sup>c</sup></u>	<u>Unemployment Rate <sup>d</sup></u>
2006	35,707	866,537,476	24,268	4.10%
2007	35,707	866,537,476	24,268	3.20%
2008	35,707	866,537,476	24,268	3.80%
2009	35,707	866,537,476	24,268	4.50%
2010	35,790	1,091,201,310	30,489	6.50%
2011	35,790	1,091,201,310	30,489	7.80%
2012	35,790	1,091,201,310	30,489	6.00%
2013	35,790	1,091,201,310	30,489	5.90%
2014	35,790	1,091,201,310	30,489	6.80%
2015	35,790	1,091,201,310	30,489	6.20%

**Source:**

<sup>a</sup> Population information provided by the NJ Dept of Labor and Workforce Development

<sup>b</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented.

<sup>c</sup> Per capita personal income by municipality estimated based upon the 2000 Census for 2006 through 2009 and 2010 Census for 2010 through 2015 by the US Census Bureau.

<sup>d</sup> Unemployment data provided by the NJ Dept of Labor and Workforce Development prior year-end.

EWING TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MERCER  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE (9) YEARS AGO  
(UNAUDITED)

	<u>2016</u>		<u>2007</u>	
<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Employees</u>	<u>Rank</u>
New Jersey Manufacturers Insurance Co.	1,864	1		
New Jersey Department of Transportation	1,591	2		
		3		
		4		
		5		
		6		
		7		
		8		
		9		
	3,455		N/A	
	3,455		N/A	

Source: Not Available



## **OPERATING INFORMATION**

**EWING TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MERCER  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN (10) FISCAL YEARS  
(UNAUDITED)**

<u>Function/Program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Instruction										
Regular	303	301	308	305	239	237	245	247	248	248
Special education	8	9	9	9	65	62	67	69	89	89
Other special education	6	1	1	1	1	1	1	1	1	1
Other instruction	27	29	54	54	54	54	54	54	54	54
Adult/continuing education programs										
Support Services:										
Student & instruction related services	94	95	58	58	56	55	55	55	56	56
General administration	2	2	2	2	3	4	4	4	5	5
School administrative services	14	14	14	14	15	16	16	16	17	16
Plant operations and maintenance	41	41	43	43	46	49	49	49	51	51
Pupil transportation	2	2	2	2	2	2	2	2	2	2
Other support services	5	4	9	9	120	113	116	116	136	136
Food Service	22	23	23	23	25	24	24	24	24	24
Total	<u>524</u>	<u>521</u>	<u>523</u>	<u>520</u>	<u>626</u>	<u>617</u>	<u>633</u>	<u>637</u>	<u>683</u>	<u>682</u>

Source: District Personnel Records

**EWING TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MERCER  
OPERATING STATISTICS  
LAST TEN (10) FISCAL YEARS  
(UNAUDITED)**

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil <sup>d</sup>	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio			Attendance			
						Elementary	Middle School	Senior High School	Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
2007	3,885	53,861,805	13,864	13.31%	311.00	10.0	10.1	10.7	3,975.5	3,896	6.75%	98.00%
2008	3,979	58,053,586	14,590	5.24%	313.50	10.0	10.1	10.6	3,920.9	3,842	-1.37%	98.00%
2009	3,758	57,168,077	15,212	4.27%	317.00	10.1	10.0	10.7	3,753.9	3,679	-4.26%	98.00%
2010	3,777	59,205,170	15,675	3.04%	314.00	10.0	10.1	10.6	3,734.5	3,660	-0.52%	98.00%
2011	3,781	59,508,124	15,739	0.41%	304.00	10.2	10.0	10.7	3,706.0	3,632	-0.76%	98.00%
2012	3,703	61,673,620	16,655	5.82%	299.00	10.0	10.1	10.7	3,672.0	3,530	-0.92%	96.13%
2013	3,710	64,065,059	17,268	3.68%	312.00	10.0	10.0	10.7	3,643.0	3,501	-0.79%	96.10%
2014	3,697	65,268,649	17,654	2.24%	319.00	10.0	10.0	11.0	3,640.0	3,345	-0.08%	91.90%
2015	3,630	67,533,448	18,604	5.38%	328.00	11.0	10.0	12.0	3,600.0	3,440	-1.10%	95.56%
2016	3,568	70,041,166	19,630	5.51%	328.00	11.0	10.0	12.0	3,553.0	3,407	-1.31%	95.89%

Sources: District records

Note: Enrollment based on annual October district count as related in the Application for State School Aid (ASSA).

- a Operating expenditures equal total expenditures less debt service, capital outlay and scholarships.
- 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).
- d Cost per pupil calculated by dividing operating expenditures by enrollment; not intended to represent the statutory calculation of cost per pupil.

**EWING TOWNSHIP SCHOOL DISTRICT  
COUNTY OF MERCER  
SCHOOL BUILDING INFORMATION  
LAST TEN (10) FISCAL YEARS  
(UNAUDITED)**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>District Building</b>										
<b>Elementary</b>										
Antheil Elementary (1982):										
Square Feet	111,198	111,198	111,198	111,198	111,198	111,198	111,198	111,198	111,198	111,198
Capacity (students)	886	886	886	886	886	886	886	886	886	886
Enrollment	688	734	729	729	729	729	729	729	663	663
Lore Elementary (1954):										
Square Feet	71,571	71,571	71,571	71,571	71,571	71,571	71,571	71,571	71,571	71,571
Capacity (students)	839	839	839	839	839	839	839	839	839	839
Enrollment	583	537	528	528	528	528	528	528	591	591
Parkway Elementary (1954):										
Square Feet	67,417	67,417	67,417	67,417	67,417	67,417	67,417	67,417	67,417	67,417
Capacity (students)	534	534	534	534	534	534	534	534	534	534
Enrollment	472	458	461	461	461	461	461	461	404	404
<b>Middle School</b>										
Fisher Middle School (1960):										
Square Feet	157,085	157,085	157,085	157,085	157,085	157,085	157,085	157,085	157,085	157,085
Capacity (students)	970	970	970	970	970	970	970	970	970	970
Enrollment	941	916	877	877	877	877	877	877	799	799
<b>High School</b>										
Ewing High School (1950):										
Square Feet	202,755	202,755	202,755	202,755	202,755	202,755	202,755	202,755	202,755	202,755
Capacity (students)	1,435	1,435	1,435	1,435	1,435	1,435	1,435	1,435	1,435	1,435
Enrollment	1,091	1,113	1,139	1,139	1,139	1,139	1,139	1,139	1,058	1,058
Ryan Administration (1946):										
Square Feet	3,914	3,914	3,914	3,914	3,914	3,914	3,914	3,914	3,914	3,914
Enrollment						12	12	12	12	12
<b>Other</b>										
Gusz Building (1979):										
Square Feet	23,156	23,156	23,156	23,156	23,156	23,156	23,156	23,156	23,156	23,156

Number of Buildings at June 30, 2016  
 Elementary Schools = 3  
 Middle School = 1  
 High School = 1  
 Other = 2

Source: District Facilities Office

Note: Enrollment is based on the average daily enrollment (ADE).

**EWING TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MERCER**  
**SCHEDULE OF REQUIRED MAINTENANCE**  
**FOR SCHOOL FACILITIES**  
**LAST TEN (10) FISCAL YEARS**  
**(UNAUDITED)**

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

	* School Facilities Project # (s)	<u>Antheil</u>	<u>Lore</u>	<u>Parkway</u>	<u>Fisher Middle</u>	<u>Ewing High School</u>	<u>Total</u>
2007	N/A	155,604	100,152	94,339	219,816	283,724	853,635
2008	N/A	141,798	91,266	85,969	200,313	258,551	777,897
2009	N/A	148,958	95,874	90,310	210,426	271,604	817,172
2010	N/A	164,447	105,844	99,702	225,899	299,848	895,740
2011	N/A	165,775	106,699	100,506	234,184	302,270	909,434
2012	N/A	170,749	109,900	103,521	241,210	311,338	936,718
2013	N/A	176,782	113,783	107,179	249,733	322,339	969,816
2014	N/A	188,019	121,016	113,992	265,608	342,829	1,031,464
2015	N/A	175,422	112,908	106,355	247,812	319,860	962,357
2016	N/A	158,170	101,804	95,895	223,441	288,403	867,713
<b>Total School Facilities</b>		<b><u>\$ 1,645,724</u></b>	<b><u>\$ 1,059,246</u></b>	<b><u>\$ 997,768</u></b>	<b><u>\$ 2,318,442</u></b>	<b><u>\$ 3,000,766</u></b>	<b><u>\$ 9,021,946</u></b>

**EWING TOWNSHIP SCHOOL DISTRICT**  
**COUNTY OF MERCER**  
**INSURANCE SCHEDULE**  
**June 30, 2016**  
**Unaudited**

COVERAGE DESCRIPTION	COVERAGE	DEDUCTIBLE
<b>Burlington County Insurance Pool Joint Insurance Fund</b>		
Property / Inland Marine / Automobile Physical Damage - JIF Self Insured Retention	\$ 250,000	\$ 500
Crime - JIF Self Insured Retention	250,000	500
General Liability / Auto Liability - JIF Self Insured Retention	250,000	
Educators Legal Liability - JIF Self Insured Retention	250,000	
Workers Compensation - JIF Self Insured Retention	250,000	
<b>School Pool for Excess Liability Limits Joint Insurance Fund (SPELL JIF)**</b>		
Property / Inland Marine / Automobile Physical Damage	150,000,000	
Crime	500,000	
Workers Compensation	Statutory	
Employers Liability	10,000,000	
General Liability / Auto Liability	20,000,000	
Educator' Legal Liability	20,000,000	
<b>Travelers Insurance Company</b>		
Boiler and Machinery	125,000,000	1,000
<b>AIG / Commercial and Industry Insurance Company</b>		
Pollution Legal Liability	3,000,000	25,000
<b>AIG / Lexington Insurance Company</b>		
Cyber Liability	1,000,000	25,000
<b>Lloyd's of London</b>		
Violent Malicious Acts	1,000,000	15,000
<b>Hardenberg Insurance Company</b>		
Treasurer of School Monies - Jill Liedtka	360,000	
Board Secretary - Dennis J. Nettleton	128,000	

**Excess and Reinsurance Carriers Involved \*\***

Property and Crime.....	SPELL JIF, Great American Insurance Company Great American Insurance Company Axis Surplus Insurance Company Westchester Fire Insurance Company Alterra Excess & Surplus Insurance Company Ironshore Specialty Insurance Company Steadfast Insurance Company RSUI Indemnity Company James River Insurance Company BRIT / Lloyd's of London Arch Specialty Insurance Company
General Liability and Automobile Liability.....	SPELL JIF, Great American Insurance Company
Workers Compensation.....	SPELL JIF, Great American Insurance Company, Safety National Casualty Company
Educators Legal Liability.....	SPELL JIF, Great American Insurance Company

**SINGLE AUDIT SECTION**

550 BROAD STREET, 11TH FLOOR  
NEWARK, N.J. 07102-9969  
PHONE (973) 624-6100  
FAX (973) 624-6101

36 WEST MAIN STREET, SUITE 303  
FREEHOLD, N.J. 07728-2291  
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Exhibit K-1  
Sheet 1 of 2

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable President and Members  
of the Board of Education  
Township of Ewing Board of Education  
County of Mercer, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance Department, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Ewing Board of Education, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Township of Ewing Board of Education's basic financial statements, and have issued our report thereon dated November 29, 2016.

Internal Control Over Financial Reporting

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

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

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



**INDEPENDENT AUDITOR'S 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 (CONTINUED)**

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Gerard Stankiewicz  
Certified Public Accountant  
Licensed Public School Accountant #912



SAMUEL KLEIN AND COMPANY

Freehold, New Jersey  
November 29, 2016

**INDEPENDENT AUDITORS REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL  
AND STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND NJOMB 15-08**

The Honorable President and Members  
of the Board of Education  
Township of Ewing Board of Education  
County of Mercer, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Township of Ewing Board of Education's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and *New Jersey State Aid/Grant Compliance supplement* that could have a direct and material effect on each of District's major federal and state programs for the year ended June 30, 2016. The Township of Ewing School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Township of Ewing Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance); *the New Jersey State Aid/Grant Compliance Supplement*; the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey; and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, Uniform Guidance and New Jersey OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether on compliance 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 Township of Ewing Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

**INDEPENDENT AUDITORS REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL  
AND STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND NJOMB 15-08  
(CONTINUED)**

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 Township of Ewing Board of Education's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Township of Ewing Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2016.

Report on Internal Control over Compliance

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and 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 non-compliance with a type of compliance requirement of a federal and 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 and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

**INDEPENDENT AUDITORS REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL  
AND STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND NJOMB 15-08  
(CONTINUED)**

Purpose of 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 Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purposes.



Gerard Stankiewicz  
Certified Public Accountant  
Licensed Public School Accountant #912



SAMUEL KLEIN AND COMPANY

Freehold, New Jersey  
November 29, 2016

**BOARD OF EDUCATION  
EWING TOWNSHIP, COUNTY OF MERCER  
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	Program or Award Amount	Grant Period		June 30, 2015	Cash Received	Budgetary Expenditures	Adjustments	Balance, June 30, 2016	
				From	To	(Accounts Receivable)/ Deferred Revenue				(Accounts Receivable)	Deferred Revenue
U.S. Department of Agriculture											
Passed-through State Department of Education:											
Enterprise Fund:											
Food Distribution Program	10.555	16161NJ304N1099	\$ 125,538.23	7/1/2015	- 6/30/2016		\$ 125,538.23	\$ (102,342.16)			\$ 23,196.07
Food Distribution Program	10.555	16161NJ304N1099	96,616.71	7/1/2014	- 6/30/2015	\$ 13,658.33		(13,658.33)			
National School Lunch Program	10.555	16161NJ304N1099	699,498.20	7/1/2015	- 6/30/2016		569,692.39	(699,498.20)		\$ (129,805.81)	
National School Lunch Program	10.555	16161NJ304N1099	701,519.55	7/1/2014	- 6/30/2015	(133,451.36)	133,451.36				
Breakfast Program	10.553	16161NJ304N1099	89,473.81	7/1/2015	- 6/30/2016		70,490.98	(89,473.81)		(18,982.83)	
Breakfast Program	10.553	16161NJ304N1099	82,481.16	7/1/2014	- 6/30/2015	(18,092.95)	18,092.95				
Total Enterprise Fund						\$ (137,885.98)	\$ 917,265.91	\$ (904,972.50)		\$ (148,788.64)	\$ 23,196.07
U.S. Department of Education											
Passed - Through State Department of Education:											
Special Revenue Fund:											
Title I	84.010A	S010A150030	\$ 442,083.00	9/1/2015	- 6/30/2016		\$ 54,185.00	\$ (329,840.46)		\$ (275,655.46)	
Title I	84.010A	S010A150030	345,942.00	9/1/2014	- 6/30/2015	\$ (89,922.00)	88,287.00		\$ 1,635.00		
ARRA Title I, Part A	93.778	1605NJ5MAP	311,621.00	9/1/2009	- 8/31/2010	127,100.00					\$ 127,100.00
Title IIA	84.367A	S367A150029	101,100.00	7/1/2015	- 6/30/2016		59,848.00	(76,601.13)	(1,295.87)	(18,049.00)	
Title IIA	84.367A	S367A150029	54,424.00	9/1/2014	- 6/30/2015	(28,440.00)	12,203.00	(1,747.72)	17,984.72		
Title III	84.365A	S365A150030	32,126.00	7/1/2015	- 6/30/2016		16,775.00	(28,267.02)		(11,492.02)	
Title III	84.365A	S365A150030	20,599.00	9/1/2014	- 6/30/2015	(10,566.67)	1,587.00	(3,858.98)	12,838.65		
Title III Immigrant	84.365A	S365A150030	5,089.00	7/1/2015	- 6/30/2016		2,096.00	(2,916.88)		(820.88)	
Title III Immigrant	84.365A	S365A150030	5,956.00	7/1/2014	- 6/30/2015	(2,429.00)	2,382.00			(47.00)	

See accompanying Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance.

**BOARD OF EDUCATION  
EWING TOWNSHIP, COUNTY OF MERCER  
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	Program or Award Amount	Grant Period		June 30, 2015 (Accounts Receivable)/ Deferred Revenue	Cash Received	Budgetary Expenditures	Adjustments	Balance, June 30, 2016	
				From	To					(Accounts Receivable)	Deferred Revenue
U.S. Department of Education (Continued):											
Passed - Through State Department of Education (Continued):											
Special Revenue Fund (Continued):											
I.D.E.A. Part B, Basic Regular	84.027	H027A150100	\$ 1,066,504.00	7/1/2015	6/30/2016		\$ 889,243.00	\$ (1,011,724.41)		\$ (122,481.41)	
I.D.E.A. Part B, Basic Regular	84.027	H027A150100	1,024,058.00	9/1/2014	6/30/2015	\$ (94,940.29)	98,456.00		\$ (3,515.70)		
I.D.E.A. Part B, Preschool	84.173	H173A150114	38,263.00	7/1/2015	6/30/2016		27,347.00	(31,928.64)		(4,581.64)	
I.D.E.A. Part B, Preschool	84.173	H173A150114	37,127.00	9/1/2014	6/30/2015	(26,268.00)	26,268.00				
Perkins Grant	84.048A	V048A140030	17,037.00	7/1/2015	6/30/2016		13,798.00	(15,114.25)		(1,316.25)	
Perkins Grant	84.048A	V048A140030	19,784.00	9/1/2014	6/30/2015	(2,020.00)	2,020.00				
Total Special Revenue Fund						\$ (127,485.96)	\$ 1,294,495.00	\$ (1,501,999.49)	\$ 27,646.80	\$ (434,443.66)	\$ 127,100.00
General Fund:											
Medical Assistance Program	93.778	N/A	\$ 182,213.55	7/1/2015	6/30/2016		\$ 182,213.55	\$ (182,213.55)			
Total General Fund							\$ 182,213.55	\$ (182,213.55)			
Total Federal Financial Assistance						\$ (265,371.94)	\$ 2,393,974.46	\$ (2,589,185.54)	\$ 27,646.80	\$ (583,232.30)	\$ 150,296.07

See accompanying Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance.

**BOARD OF EDUCATION  
EWING TOWNSHIP, COUNTY OF MERCER  
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 From To	June 30, 2015		Cash Received	Budgetary (Expenditures)	Repayment of Prior Year's Balances	Balance, June 30, 2016		MEMO	
				(Accounts Receivable)	Due to Grantor				(Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:												
General Fund:												
Categorical Special Education Aid	16-495-034-5120-089	\$ 2,208,951.00	7/1/2015 - 6/30/2016			\$ 2,208,951.00	\$ (2,208,951.00)			\$ (197,017.00)	\$ (2,208,951.00)	
Categorical Security Aid	16-495-034-5120-084	222,407.00	7/1/2015 - 6/30/2016			222,407.00	(222,407.00)			(19,836.00)	(222,407.00)	
Categorical Transportation Aid	16-495-034-5120-014	230,148.00	7/1/2015 - 6/30/2016			230,148.00	(230,148.00)			(20,527.00)	(230,148.00)	
Equalization Aid	16-495-034-5120-078	6,862,747.00	7/1/2015 - 6/30/2016			6,862,747.00	(6,862,747.00)			(612,089.00)	(6,862,747.00)	
Extraordinary Aid	16-495-034-5120-044	182,735.00	7/1/2015 - 6/30/2016				(182,735.00)	\$ (182,735.00)			(182,735.00)	
Extraordinary Aid	15-495-034-5120-044	189,697.00	7/1/2014 - 6/30/2015	\$ (189,697.00)		189,697.00						
TPAF Social Security Contributions	16-495-034-5095-002	2,031,215.47	7/1/2015 - 6/30/2016			2,031,215.47	(2,031,215.47)				(2,031,215.47)	
TPAF Social Security Contributions	15-495-034-5095-002	2,046,225.90	7/1/2014 - 6/30/2015	(91,704.78)		91,704.78						
Non Public Transportation	16-495-034-5120-014	36,541.00	7/1/2015 - 6/30/2016				(36,541.00)		(36,541.00)		(36,541.00)	
Non Public Transportation	15-495-034-5120-014	35,161.00	7/1/2014 - 6/30/2015	(35,161.00)		35,161.00						
PARCC Readiness Aid	16-495-034-5120-098	36,200.00	7/1/2015 - 6/30/2016			36,200.00	(36,200.00)			(3,229.00)	(36,200.00)	
Per Pupil Growth Aid	16-495-034-5120-097	36,200.00	7/1/2015 - 6/30/2016			36,200.00	(36,200.00)			(3,229.00)	(36,200.00)	
ADDL Adjustment Aid	16-495-034-5120-085	1.00	7/1/2015 - 6/30/2016			1.00	(1.00)				(1.00)	
Homeless Reimbursement Aid	16-495-034-5120-005	7,911.00	7/1/2015 - 6/30/2016				(7,911.00)		(7,911.00)		(7,911.00)	
Homeless Reimbursement Aid	15-495-034-5120-005	41,381.00	7/1/2014 - 6/30/2015	(41,381.00)		41,381.00			(7,911.00)		(7,911.00)	
Total General Fund				\$ (357,943.78)		\$ 11,985,813.25	\$ (11,855,056.47)		\$ (227,187.00)	\$ (855,927.00)	\$ (11,855,056.47)	
Special Revenue Fund:												
N.J. Nonpublic Aid:												
Textbook Aid	16-495-034-5120-064	\$ 8,166.00	7/1/2015 - 6/30/2016			\$ 8,166.00	\$ (7,924.00)		\$ 242.00		\$ (7,924.00)	
Textbook Aid	15-495-034-5120-064	16,801.00	7/1/2014 - 6/30/2015		\$ 2,003.30			\$ (2,003.30)				
Nursing	16-100-034-5120-070	14,850.00	7/1/2015 - 6/30/2016			14,850.00	(14,746.00)		104.00		(14,746.00)	
Nursing	15-100-034-5120-070	29,214.00	7/1/2014 - 6/30/2015					(4,311.90)				
Technology Aid	16-100-034-5120-073	3,718.00	7/1/2015 - 6/30/2016			3,718.00	(3,676.00)		42.00		(3,676.00)	
Technology Aid	15-100-034-5120-073	9,024.00	7/1/2014 - 6/30/2015					(360.67)				
Security	16-495-034-5120-084	4,125.00	7/1/2015 - 6/30/2016			4,125.00	(3,488.00)		637.00		(3,488.00)	
Auxiliary Services:												
Compensatory Education	16-100-034-5120-067	2,064.00	7/1/2015 - 6/30/2016			2,064.00	(2,064.00)				(2,064.00)	
Compensatory Education	15-100-034-5120-067	51,061.00	7/1/2014 - 6/30/2015					(9,487.10)				
Transportation	16-100-034-5120-068	6,967.00	7/1/2015 - 6/30/2016			6,967.00	(6,967.00)				(6,967.00)	

See Accompanying Notes to Schedules of Financial Assistance.

**BOARD OF EDUCATION  
EWING TOWNSHIP, COUNTY OF MERCER  
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 From To	June 30, 2015		Cash Received	Budgetary (Expenditures)	Repayment of Prior Yea's Balances	Balance, June 30, 2016		MEMO	
				(Accounts Receivable)	Due to Grantor				(Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
Special Revenue Fund: (Continued)												
Handicap Services:												
Examination and Classification	16-100-034-5120-068	\$ 17,029.00	7/1/2015 - 6/30/2016			\$ 17,029.00	\$ (13,160.00)		\$ 3,869.00		\$ (13,160.00)	
Examination and Classification	15-100-034-5120-068	31,334.00	7/1/2014 - 6/30/2015		\$ 10,077.00			\$ (10,077.00)				
Total Special Revenue Fund					\$ 26,239.97	\$ 56,919.00	\$ (52,025.00)	\$ (26,239.97)	\$ 4,894.00		\$ (52,025.00)	
Debt Service Fund:												
Debt Service Aid Type II	16-100-034-5120-125	\$ 759,256.00	7/1/2015 - 6/30/2016			\$ 759,256.00	\$ (759,256.00)				\$ (759,256.00)	
Total Debt Service Fund						\$ 759,256.00	\$ (759,256.00)				\$ (759,256.00)	
State Department of Agriculture												
Enterprise Fund:												
State School Lunch Program	16-100-010-3350-023	\$ 17,016.70	7/1/2015 - 6/30/2016			\$ 13,872.42	\$ (17,016.70)		\$ (3,144.28)		\$ (17,016.70)	
State School Lunch Program	15-100-010-3350-023	17,524.76	7/1/2014 6/30/2015	\$ (3,314.76)		3,314.76						
Total Enterprise Fund				\$ (3,314.76)		\$ 17,187.18	\$ (17,016.70)		\$ (3,144.28)		\$ (17,016.70)	
Total State Financial Assistance				\$ (361,258.54)	\$ 26,239.97	\$ 12,819,175.43	\$ (12,683,354.17)	\$ (26,239.97)	\$ (230,331.28)	\$ 4,894.00	\$ (855,927.00)	\$ (12,683,354.17)

See Accompanying Notes to Schedules of Financial Assistance.



**BOARD OF EDUCATION**  
**TOWNSHIP OF EWING SCHOOL DISTRICT**  
**NOTES TO THE 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 include federal and state award activity of the Board of Education, Township of Ewing School District. The information in this Schedule is presented in accordance with the requirements of Title 2, *US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and NJOMB 15-08. The Board of Education is defined in Note 1 (A) to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedules or 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 food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this Schedule is presented in accordance with the requirements of Title 2, *US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and NJOMB 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

**3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last two (2) state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last two (2) 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.

**BOARD OF EDUCATION**  
**TOWNSHIP OF EWING SCHOOL DISTRICT**  
**NOTES TO THE SCHEDULES OF EXPENDITURES OF**  
**FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE (CONTINUED)**  
**YEAR ENDED JUNE 30, 2016**

**3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$57,222.00 for the General Fund and a decrease \$41,122.61 for the Special Revenue Fund. See Note 1 (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 182,213.55	\$ 16,254,733.47	\$ 16,436,947.02
Special Revenue Fund	1,462,838.13	52,025.00	1,514,863.13
Debt Service Fund		759,256.00	759,256.00
Food Service Fund	<u>914,510.24</u>	<u>17,016.70</u>	<u>931,526.94</u>
	<u>\$ 2,559,561.92</u>	<u>\$ 17,083,031.17</u>	<u>\$ 19,642,593.09</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. FEDERAL AND STATE LOANS OUTSTANDING**

The District had no loans outstanding payable to federal or state entities at June 30, 2016.

**6. OTHER**

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively.

The amount reported as TPAF Pension Contributions and Post Retirement Medical Contributions represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2016. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share social security contributions for TPAF members for the year ended June 30, 2016.

The State of New Jersey also makes TPAF post-retirement medical and pension contribution expenditures on-behalf of the District. These expenditures are not subject to New Jersey OMB Circular 15-08 because the contributions are made by the State directly and do not have any compliance related requirements and therefore, have not been included on the Schedule of State Finance Assistance as directed by the funding agency.

**BOARD OF EDUCATION**  
**TOWNSHIP OF EWING SCHOOL DISTRICT**  
**COUNTY OF MERCER**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unmodified, dated  
November 29, 2016

Internal control over financial reporting:

1. Material weakness(es) identified? \_\_\_\_\_ yes      x   no
2. Reportable condition(s) identified that are not considered to be material weaknesses? \_\_\_\_\_ yes      x   none reported

Noncompliance material to basic financial statements noted? \_\_\_\_\_ yes      x   no

**Federal Awards**

Internal control over major programs:

1. Material weakness(es) identified? \_\_\_\_\_ yes      x   no
2. Reportable condition(s) identified that are not considered to be material weaknesses? \_\_\_\_\_ yes      x   none reported

Type of auditor's report issued on compliance for major programs: Unmodified, dated  
November 29, 2016

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of *Uniform Guidance*? \_\_\_\_\_ yes      x   no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
84.027	IDEA Part B
10.555	Child Nutrition Cluster - National School Lunch Program
10.555	Child Nutrition Cluster – Food Distribution

Dollar threshold used to distinguish between Type A and Type B programs:   \$750,000.00  

Auditee qualified as low-risk auditee?   x   yes    \_\_\_\_\_ no

**BOARD OF EDUCATION**  
**TOWNSHIP OF EWING SCHOOL DISTRICT**  
**COUNTY OF MERCER**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Section I - Summary of Auditor's Results (Continued)**

**State Financial Assistance**

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000.00

Internal control over major programs:

1. Material weakness(es) identified?            yes   x   no
2. Reportable condition(s) identified that are not considered to be material weaknesses?            yes   x   none reported

Type of auditor's report issued on compliance for major programs: Unmodified, dated November 29, 2016

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08?            yes   x   no

Identification of major programs:

<u>GMIS Number</u>	<u>Name of State Program or Cluster</u>
<u>16-495-034-5120-011</u>	<u>Categorical Special Education Aid</u>
<u>16-495-034-5095-002</u>	<u>Reimbursed TPAF Social Security Contributions</u>
<u>16-100-034-5120-125</u>	<u>Debt Service</u>
<u>16-495-034-5120-078</u>	<u>Equalization Aid</u>

Auditee qualified as low-risk auditee?   x   yes            no

**Section II - Schedule of Financial Statement Findings**

None

**Section III - Schedule of State Financial Assistance Findings and Questioned Costs**

None

**BOARD OF EDUCATION**  
**TOWNSHIP OF EWING SCHOOL DISTRICT**  
**COUNTY OF MERCER**  
**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
**YEAR ENDED JUNE 30, 2016**

**FOR THE YEAR ENDED JUNE 30, 2015:**

There were no findings for the year ended June 30, 2015.