

SCHOOL DISTRICT
OF
GREEN TOWNSHIP

Green Township School District
Board of Education
Green Township, New Jersey

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

Comprehensive Annual
Financial Report

of the

Green Township School District
Board of Education

Green Township, New Jersey

For the Fiscal Year Ended June 30, 2016

Prepared by

Green Township School District
Board of Education

GREEN TOWNSHIP SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2016

INTRODUCTORY SECTION (Unaudited)

Letter of Transmittal	1
Organizational Chart.....	4
Roster of Officials.....	5
Consultants and Advisors	6

FINANCIAL SECTION

Independent Auditors' Report	8
Required Supplementary Information	11
Management's Discussion and Analysis (Unaudited).....	12
Basic Financial Statements (Sections A. and B.).....	22
A. District-Wide Financial Statements	23
A-1 Statement of Net Position.....	24
A-2 Statement of Activities	26
B. Fund Financial Statements	28
B-1 Balance Sheet – Governmental Funds.....	29
B-2 Statement of Revenue, Expenditures and Changes in Fund Balance – Governmental Funds	31
B-3 Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	33
B-4 Statement of Net Position – Proprietary Funds	35
B-5 Statement of Revenue, Expenses and Changes in Fund Net Position – Proprietary Funds.....	36
B-6 Statement of Cash Flows – Proprietary Funds	37
B-7 Statement of Fiduciary Net Position – Fiduciary Funds.....	38
B-8 Statement of Changes in Fiduciary Net Position – Fiduciary Funds.....	39
Notes to the Basic Financial Statements	40

Required Supplementary Information (Unaudited)

L. Schedules Related to Accounting and Reporting for Pensions (GASB 68) (Unaudited).....	72
L-1 Schedule of District's Proportionate Share of the Net Pension Liability- Public Employees Retirement System	72
L-2 Schedule of District Contributions – Public Employees Retirement System	73
L-3 Schedule of State's Proportionate Share of the Net Pension Liability associated with the District - Teachers' Pension and Annuity Fund	74
L-4 Schedule of State Contributions – Teachers' Pension and Annuity Fund.....	75
Notes to Required Supplementary Information.....	76
C. Budgetary Comparison Schedules (Unaudited)	77
C-1 Budgetary Comparison Schedule – General Fund	78
C-2 Combining Budgetary Schedule – Special Revenue Fund.....	88
C-3 Budgetary Comparison Schedule – Note to Required Supplementary Information.....	89

GREEN TOWNSHIP SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

FINANCIAL SECTION (Cont'd)

Other Supplementary Schedules (D.-I.)

D. School Level Schedules (Not Applicable)	90
E. Special Revenue Fund.....	91
E-1 Combining Schedule of Revenue and Expenditures Special Revenue Fund – Budgetary Basis	92
E-2 Preschool Education Aid Schedule of Expenditures – Budgetary Basis (Not Applicable)	
F. Capital Projects Fund	94
F-1 Summary Schedule of Revenue, Expenditures and Charges in Fund Balance – Budgetary Basis.....	95
F-1a Schedule of Project Revenue, Expenditures, Project Balances, and Project Status – Budgetary Basis – ADA Upgrades/New Vents in Classrooms	96
G. Proprietary Funds.....	97
Enterprise Fund:	
G-1 Combining Statement of Net Position.....	98
G-2 Combining Statement of Revenue, Expenses and Changes in Fund Net Position	99
G-3 Combining Statement of Cash Flows	100
H. Fiduciary Funds.....	101
H-1 Combining Statement of Fiduciary Net Position.....	102
H-2 Statement of Changes in Fiduciary Net Position.....	103
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	104
H-4 Student Activity Agency Fund Statement of Activity.....	105
H-5 Payroll Agency Fund Schedule of Receipts and Disbursements.....	106
I. Long-Term Debt.....	107
I-1 Schedule of Serial Bonds.....	108
I-2 Schedule of Obligations Under Capital Leases (Not Applicable)	
I-3 Debt Service Fund Budgetary Comparison Schedule	109
J. Statistical Section (Unaudited).....	110
J-1 Net Position by Component	111
J-2 Changes in Net Position	112
J-3 Fund Balances – Governmental Funds.....	115
J-4 Changes in Fund Balance, Governmental Funds.....	116
J-5 General Fund Other Local Revenue by Source	118
J-6 Assessed Value and Estimated Actual Value of Taxable Property	119
J-7 Direct and Overlapping Property Tax Rates.....	120
J-8 Principal Property Taxpayers (Current Year and Nine Years Ago).....	121
J-9 Property Tax Levies and Collections	122
J-10 Ratios of Outstanding Debt by Type.....	123
J-11 Ratios of Net General Bonded Debt Outstanding	124
J-12 Ratios of Direct and Overlapping Governmental Activities Debt.....	125
J-13 Legal Debt Margin Information.....	126
J-14 Demographic and Economic Statistics.....	127
J-15 Principal Employers in the County of Sussex, Current and Nine Years Ago	128

GREEN TOWNSHIP SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

J.	Statistical Section (Unaudited) (Cont'd)	
	J-16 Full-time Equivalent District Employees by Function/Program	129
	J-17 Operating Statistics.....	130
	J-18 School Building Information.....	131
	J-19 Schedule of Required Maintenance Expenditures by School Facility.....	132
	J-20 Insurance Schedule.....	133
K.	Single Audit Section	134
	K-1 Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with <i>Government Auditing Standards</i>	135
	K-2 Independent Auditors' Report on Compliance For Each Major State Program; Report on Internal Control Over Compliance.....	137
	Schedule of Expenditures of Federal Awards	139
	Schedule of Expenditures of State Awards.....	140
	Notes to the Schedules of Expenditures of Federal and State Awards.....	142
	Schedule of Findings and Questioned Costs.....	144
	Summary Schedule of Prior Audit Findings	146

INTRODUCTORY SECTION

GREEN TOWNSHIP SCHOOL DISTRICT

P.O. Box 14, Greendell, New Jersey 07839
973-300-3800
Fax 973-383-0594

=====

Mr. Seth Cohen
Principal
Coordinator of Instruction

Mr. John Z. Nittolo
Chief School Administrator
Superintendent

Ms. Sallyann McCarty
Business Administrator/
Board Secretary

November 4, 2016

The Honorable President and Members of
the Board of Education
Green Township School District
County of Sussex, New Jersey

Dear Honorable President and Board Members:

The Comprehensive Annual Financial Report of the Green Township School District (the "District") for the fiscal year ended June 30, 2016 is hereby submitted.

Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Green Township 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 basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Independent Auditors' Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' reports on internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

1. **REPORTING ENTITY AND ITS SERVICES:** The Green Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board ("GASB") in codification section 2100. All funds of the District are included in this report. The Green Township School District's elementary school constitutes the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 8. These include regular, as well as special education, for handicapped youngsters. The District also sends its high school students to Newton High School. The District completed the 2015-2016 fiscal year with an average daily enrollment of 469 students, which is 3 students more than the previous year's average daily enrollment.

The Honorable President and Members of
the Board of Education
Green Township School District
Page 2
November 4, 2016

2. MAJOR INITIATIVES: The Board of Education is committed to student excellence. The District Objectives for the 2015-2016 school year were indicative of this commitment. The District committed funds for continued staff growth both through course reimbursement and professional development monies. Funds were allotted for a Literacy coach, Think STEM coach, basic skills instruction, Gifted and Talented instruction, and Special Education and support.
3. INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control system 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 in conformity with generally accepted accounting principles (GAAP). The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control system is also subject to periodic evaluation by the District's 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 federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws, regulations, contracts and grants.

4. 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 Board of Education. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

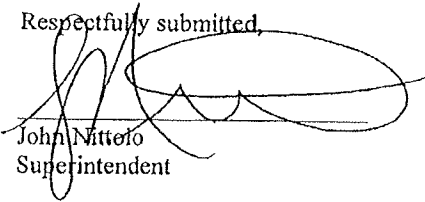
An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as fund balance restrictions, commitments and assignments at June 30, 2016.

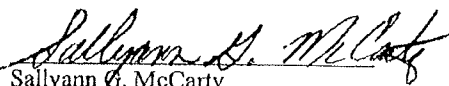
5. ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements", Note 1.
6. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

The Honorable President and Members of
the Board of Education
Green Township School District
Page 3
November 4, 2016

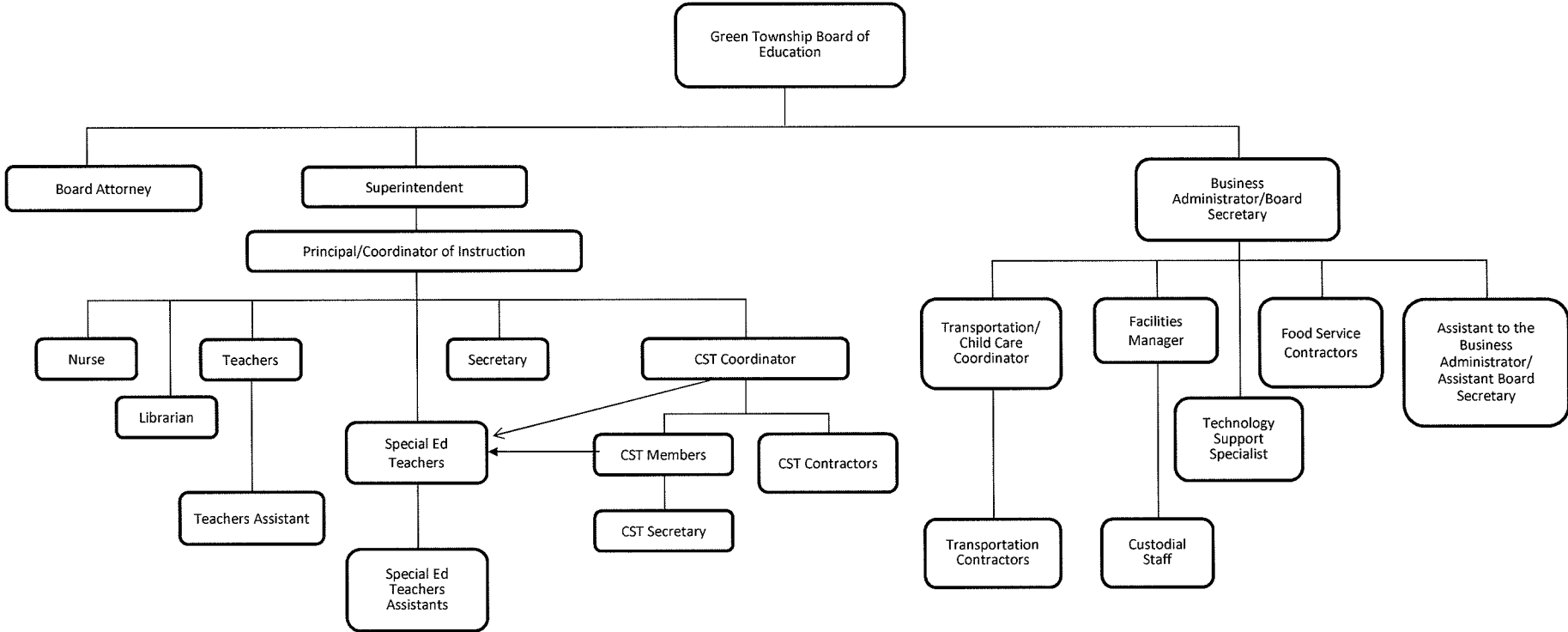
7. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property, contents, and fidelity bonds. The Board oversees risk management for the District. A schedule of insurance coverage is found on J-20.
8. OTHER INFORMATION: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The Auditors' Report on the basic financial statements and specific required supplementary information are included in the financial section of this report. The Auditors' Reports related specifically to the single audit and *Government Auditing Standards* are included in the single audit section of this report.
9. ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Green Township School Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,


John Nittolo
Superintendent


Sallyann G. McCarty
Business Administrator/Board Secretary

Green Township Board of Education
Organizational Chart
2015/2016



GREEN TOWNSHIP SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2016

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Jonathan Ernst - President	2016
Ann Marie Cooke - Vice President	2018
Joseph Cercone	2018
Jennifer Cinotti	2016
Matthew Fox	2017
John O'Gorman	2017
Denise Kelly-Jones	2016
Michael Rose	2018

<u>Other Officials</u>	<u>Title</u>
John Nittolo	Superintendent
Sallyann G. McCarty	Business Administrator / Board Secretary
Linda Padula	Treasurer of School Monies

GREEN TOWNSHIP SCHOOL DISTRICT

Consultants and Advisors
Year Ended June 30, 2016

Audit Firm

Nisivoccia LLP
Mount Arlington Corporate Center
200 Valley Road Suite 300
Mount Arlington, New Jersey 07856
and
Lawrence Business Park
11 Lawrence Road
Newton, New Jersey 07860

Attorneys

Schenck, Price, Smith & King, LLP
220 Park Avenue
PO Box 991
Florham Park, New Jersey 07932

Official Depositories

Lakeland State Bank
Oak Ridge, New Jersey 07438

TD Bank
Hackettstown, New Jersey 07840

Bond Attorney

McManimon, Scotland and Baumann, L.L.C.
75 Livingston Avenue
Roseland, New Jersey 07068

Architect

DMR.
Heights Plaza
777 Terrace Avenue, 6th Floor
Hasbrouck Heights, New Jersey 07604

FINANCIAL SECTION



Mount Arlington Corporate Center
 200 Valley Road, Suite 300
 Mt. Arlington, NJ 07856
 973-328-1825 | 973-328-0507 Fax
 Lawrence Business Center
 11 Lawrence Road
 Newton, NJ 07860
 973-383-6699 | 973-383-6555 Fax

Independent Auditors' Report

The Honorable President and Members
 of the Board of Education
 Green Township School District
 County of Sussex, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Green Township School District (the "District") in the County of Sussex, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

The Honorable President and Members
of the Board of Education
Green Township School District
Page 2

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, which follows this report, the pension schedules in Exhibits L-1 through L-4 and the related notes and the budgetary comparison information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information such as the combining and individual non-major fund financial statements and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and the other information, such as the introductory and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The Honorable President and Members
of the Board of Education
Green Township School District
Page 3

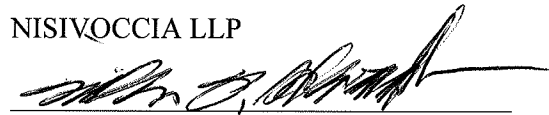
The accompanying other information such as the introductory and statistical sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2016 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

November 4, 2016
Mount Arlington, New Jersey

NISIVOCIA LLP



William F. Schroeder
Licensed Public School Accountant #2112
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION -
MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR FISCAL YEAR ENDED JUNE 30, 2016
(UNAUDITED)

The discussion and analysis of the Green 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.

Financial Highlights

Key financial highlights for 2016 are as follows:

- ❖ The District's financial status showed improvement on a district-wide basis, in spite of relatively frozen state aid for several years.
- ❖ Overall revenue was \$14,158,597.
- ❖ Enrollment in the District was the same as prior year.

Overview of the Financial Statements

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

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

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

**Management's Discussion and Analysis
For Fiscal Year Ended June 30, 2016
(Unaudited)**

**Figure A-1
Organization of the District's Financial Report**

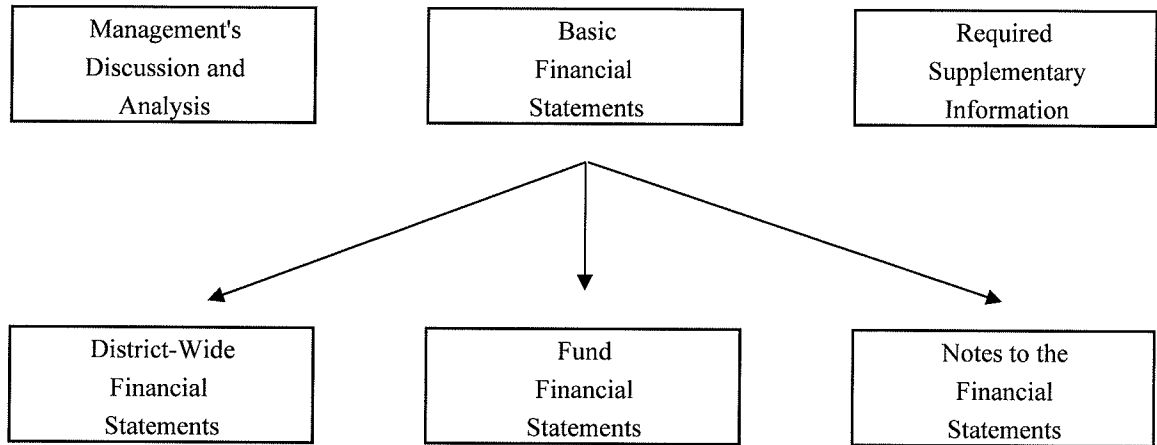


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents of each of the statements.

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses; food services and child care	Instances in which the district administers resources on behalf of someone else, such as scholarship programs and student activities monies.
Required Financial Statements	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenue, Expenditures, and Changes in Fund Balances 	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Revenue, Expenses, and Changes in Net Position • Statement of Cash Flows 	<ul style="list-style-type: none"> • Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual Accounting and Economic Resources focus	Modified Accrual Accounting and Current Financial Focus	Accrual Accounting and Economic Resources focus	Accrual Accounting and Economic Resources focus
Type of Asset/Liability Information	All Assets and Liabilities, both Financial and Capital, Short-Term and Long-Term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term; funds do not currently contain capital assets, although they can
Type of Inflow/Outflow Information	All Revenue and Expenses during the year, regardless of when Cash is Received or Paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liabilities is due and payable	All Revenue and Expenses during the year, regardless of when cash is received or paid	All Additions and Deductions during the year, regardless of when cash is received or paid

Using this Comparative 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 Green 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 best 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 one column. In the case of Green Township School District, the General Fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains all the funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all the financial transactions and asks the question, "How did we do financially during 2015-2016?". The Statement of Net Position and the Statement of Activities answer this question. These schedules report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, deferred inflows and outflows and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two District-wide statements report the District's *net position* and how they have changed. Net position – the difference between the District's assets, deferred inflows and outflows and liabilities – is one way to measure the District's financial health or *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 cause of this change may be the result of many factors, some financial and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

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

- ❖ Governmental Activities- All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- ❖ Business- Type Activities- These services are provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service and Child Care enterprise funds are reported as business-type activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Proprietary Funds

Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. *Internal service funds* (the other kind of proprietary fund) report activities that provide supplies and services for its other programs and activities. The District does not utilize an internal service fund.

Fiduciary Funds

The District is the trustee, or *fiduciary*, for assets that belong to others, such as scholarship funds and the student activities funds. The District is responsible for ensuring the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

Notes to the Basic 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 basic financial statements can be found immediately following the fund financial statements.

The School District as a Whole

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

Figure A-3

Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2016	2015	2016	2015	2016	2015	2015-2016
Current and Other Assets	\$ 1,097,019	\$ 858,550	\$ 67,565	\$ 67,520	\$ 1,164,584	\$ 926,070	25.76%
Capital Assets, Net	4,928,354	5,182,343	35,800	34,273	4,964,154	5,216,616	-4.84%
Total Assets	<u>6,025,373</u>	<u>6,040,893</u>	<u>103,365</u>	<u>101,793</u>	<u>6,128,738</u>	<u>6,142,686</u>	-0.23%
Deferred Outflows of Resources	501,392	255,937			501,392	255,937	95.90%
Long-Term Liabilities	3,669,383	3,772,323			3,669,383	3,772,323	-2.73%
Other Liabilities	485,412	162,567	9,904	19,865	495,316	182,432	171.51%
Total Liabilities	<u>4,154,795</u>	<u>3,934,890</u>	<u>9,904</u>	<u>19,865</u>	<u>4,164,699</u>	<u>3,954,755</u>	5.31%
Deferred Inflows of Resources	40,808	102,821			40,808	102,821	-60.31%
Net Position:							
Net Investment in Capital							
Assets	3,597,636	3,460,465	35,800	34,273	3,633,436	3,494,738	3.97%
Restricted	182,488	191,384			182,488	191,384	-4.65%
Unrestricted/(Deficit)	(1,448,962)	(1,392,730)	57,661	47,655	(1,391,301)	(1,345,075)	-3.44%
Total Net Position	<u>\$ 2,331,162</u>	<u>\$ 2,259,119</u>	<u>\$ 93,461</u>	<u>\$ 81,928</u>	<u>\$ 2,424,623</u>	<u>\$ 2,341,047</u>	3.57%

The District's combined net position was \$2,424,623 on June 30, 2016. This was an increase of \$83,576 or 3.57 percent from the prior year. Net investment in capital assets increased \$138,698 due to \$5,161 of capital assets purchased and the \$560,000 repayment of bonds offset by the \$23,040 of the deferred amount on the refunding amortized, the issuance of serial bonds of \$145,800, \$7,333 of capital asset deletions and the \$250,290 of depreciation expense. The restricted net position decreased \$8,896 due to the \$120,892 increase in capital projects fund balance and the \$42 increase in debt service fund balance offset by the \$129,830 decrease in the tuition reserve. The \$46,229 decrease in unrestricted net position is due primarily to the increase in the net pension liability, fund balance utilized in the current year budget offset by unexpended budget appropriations as well as by the change in the accrued interest payable and the amortization of the bond premium.

Figure A-4 shows changes in net position for fiscal year 2016.

Figure A-4

Changes in Net Position from Operating Results

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	2016	2015	2016	2015	2016	2015	
Revenue:							
Program Revenue:							
Charges for Services			\$ 226,332	\$ 207,383	\$ 226,332	\$ 207,383	9.14%
Operating Grants and Contributions	\$ 1,855,008	\$ 1,716,777	21,884	22,282	1,876,892	1,739,059	7.93%
General Revenue:							
Property Taxes	9,289,263	8,812,380			9,289,263	8,812,380	5.41%
Unrestricted Federal and State Aid	2,675,522	2,208,496			2,675,522	2,208,496	21.15%
Other	90,565	52,147	23	20	90,588	52,167	73.65%
Total Revenue	<u>13,910,358</u>	<u>12,789,800</u>	<u>248,239</u>	<u>229,685</u>	<u>14,158,597</u>	<u>13,019,485</u>	8.75%
Expenses:							
Instruction	6,161,165	5,609,333			6,161,165	5,609,333	9.84%
Tuition	4,184,839	3,670,664			4,184,839	3,670,664	14.01%
Pupil and Instruction Services	894,438	907,645			894,438	907,645	-1.46%
Administrative and Business	965,252	950,047			965,252	950,047	1.60%
Maintenance and Operations	729,776	610,865			729,776	610,865	19.47%
Transportation	531,781	572,565			531,781	572,565	-7.12%
Other	371,064	324,901	236,706	227,430	607,770	552,331	10.04%
Total Expenses	<u>13,838,315</u>	<u>12,646,020</u>	<u>236,706</u>	<u>227,430</u>	<u>14,075,021</u>	<u>12,873,450</u>	9.33%
Change in Net Position	<u>\$ 72,043</u>	<u>\$ 143,780</u>	<u>\$ 11,533</u>	<u>\$ 2,255</u>	<u>\$ 83,576</u>	<u>\$ 146,035</u>	-42.77%

Revenue Sources

The District's total revenues were \$14,158,597 for the fiscal year ended June 30, 2016. Property taxes made up 65.61 percent of revenues for the Green Township School District for the fiscal year 2016. Approximately 32.15 percent came from state and federal aid and the remaining from miscellaneous sources and charges for services. The school district revenue is detailed in Figure A-5.

Figure A-5
Sources of Revenue for Fiscal Year 2016

Sources of Income	Amount	Percentage
State Formula Aid	\$ 2,530,688	17.87%
Property Taxes	9,289,263	65.61%
Federal and State Categorical Grants	2,021,726	14.28%
Charges for Services	226,332	1.60%
Other	90,588	0.64%
	\$ 14,158,597	100.00%

The total cost of all programs and services was \$14,075,021. The District's expenses are predominantly related to instructing, tuition, caring for (pupil services) and transporting students (83.64 percent). (See Figure A-6). The District's administrative and maintenance and operations activities accounted for 12.04 percent of total costs.

Figure A-6
Expenses for Fiscal Year 2016

Expense Category	Amount	Percentage
Instruction	\$ 6,161,165	43.78%
Tuition	4,184,839	29.73%
Pupil & Instruction Services	894,438	6.35%
Administrative and Business	965,252	6.86%
Maintenance & Operations	729,776	5.18%
Transportation	531,781	3.78%
Other	607,770	4.32%
	\$ 14,075,021	100.00%

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

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

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

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

"Other" includes unallocated depreciation, interest on debt, transfer of funds to charter school and the District's food service and child care operations.

Governmental Activities

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Figure A-7 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 those functions.

Figure A-7
Net Cost of Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2016	2015	2016	2015
Instruction	\$ 6,161,165	\$ 5,609,333	\$ 4,769,849	\$ 4,356,964
Tuition	4,184,839	3,670,664	4,184,839	3,670,664
Pupil & Instruction Services	894,438	907,645	852,932	868,586
Administrative and Business	965,252	950,047	953,365	940,085
Maintenance & Operations	729,776	610,865	729,776	610,865
Transportation	531,781	572,565	121,482	157,178
Other	371,064	324,901	371,064	324,901
Total	\$ 13,838,315	\$ 12,646,020	\$ 11,983,307	\$ 10,929,243

- ❖ The cost of all governmental activities this year was \$13.84 million.
- ❖ The federal and state governments subsidized certain programs with grants and contributions (\$4.53 million).
- ❖ Most of the District's costs (\$9.29 million), however, were financed by District taxpayers.
- ❖ The remainder of the funding came from charges for services, miscellaneous revenue and investment earnings.

Business-Type Activities

Net position from the District's business-type activities increased by \$11,533. (Refer to Figure A-4). Factors contributing to these results included:

- ❖ Food services net position increased by \$9,816 due to a decrease in operating expenses.
- ❖ Child care net position increased by \$1,717 due to operating revenues exceeding operating expenses.

The School District's Funds

The District's financial position remained relatively stable in spite of difficult economic conditions. Tuition costs increased from the prior year. The ability to generate fund balance and to have increased ratables is essential since there is not a guaranteed state aid increase.

General Fund Budgetary Highlights

The School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant 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. Several of these revisions bear notation:

- ❖ The District received Extraordinary Aid, which is state aid for special education students whose individual program cost exceeds \$40,000 per year. The District did not budget for all of this revenue and the final amount was not anticipated, as there is no guarantee from the Department of Education that these funds would be available.
- ❖ Tuition costs for out-of-district special education students are budgeted based upon actual students known when the budget is completed. Transfers are made between the tuition line items based on the actual placements during the year.

Capital Assets

At the end of the fiscal year 2016, the School District had \$4,964,154 invested in land, site improvements, building and building improvements, furniture, equipment, and machinery. Figure A-8 shows fiscal year 2016 balances compared to 2015.

Figure A-8

Capital Assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Total School District		Percentage
	2016	2015	2016	2015	2016	2015	Change 2015-2016
Land	\$ 20,000	\$ 20,000			\$ 20,000	\$ 20,000	0.00%
Site Improvements	1,480	2,468			1,480	2,468	-40.03%
Buildings & Building Improvements	4,842,572	5,019,157			4,842,572	5,019,157	-3.52%
Furniture, Machinery and Equipment	64,302	140,718	\$ 35,800	\$ 34,273	100,102	174,991	-42.80%
Total	\$4,928,354	\$5,182,343	\$ 35,800	\$ 34,273	\$4,964,154	\$5,216,616	-4.84%

Overall capital assets decreased by \$252,462 from fiscal year 2015 to fiscal year 2016. The decrease in capital assets is due to the normal depreciation expense for the year offset by the capital additions and deletions.

Long Term Liabilities

At June 30, 2016, the School District had \$1,376,800 in general obligation bonds, \$2,057,713 in net pension liability, \$161,176 in compensated absences and \$73,694 in unamortized bond issuance premiums – a decrease of \$102,940 from last year – as shown in Figure A-9. More detailed information about the District’s long-term liabilities is presented in Note 8 to the basic financial statements.

Figure A-9
Outstanding Long-Term Liabilities

	Total School District		Percentage
	2016	2015	Change 2015-2016
General Obligation Bonds (Financed with Property Taxes)	\$ 1,376,800	\$ 1,791,000	-23.13%
Net Pension Liability	2,057,713	1,725,342	19.26%
Compensated Absences	161,176	145,440	9.76%
Unamortized Bond Issuance Premium	<u>73,694</u>	<u>110,541</u>	-50.00%
Total	<u>\$ 3,669,383</u>	<u>\$ 3,772,323</u>	-2.73%

For the Future

At the time these financial statements were prepared and audited, the District was in a good financial position. However, the State imposed tax levy cap limit of 2% leaves the District with little protection in the event of costly emergencies.

Contacting the School District’s Financial Management

This financial report is designed to provide the District’s citizens, taxpayers, customers and investors and creditors with a general overview of the District’s finances and to demonstrate the District’s accountability for money it receives. If you have questions about this report or need additional information, contact the Board of Education Office, P.O. Box 14, Greendell, New Jersey 07839.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

GREEN TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2016

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
<u>ASSETS:</u>			
Cash and Cash Equivalents	\$ 832,737	\$ 57,803	\$ 890,540
Internal Balances	932	(932)	
Receivable from State Government	89,513	28	89,541
Receivable from Federal Government	18,795	596	19,391
Receivable from Other Government	4,440		4,440
Other Accounts Receivable		2,102	2,102
Prepaid Expenses	89,048		89,048
Inventories		7,968	7,968
Restricted Assets:			
Capital Reserve Account - Cash and Cash Equivalents	101		101
Tuition Reserve Account - Cash and Cash Equivalents	61,453		61,453
Capital Assets:			
Sites (Land)	20,000		20,000
Depreciable Site Improvements, Buildings and Building Improvements and Furniture, Machinery and Equipment	4,908,354	35,800	4,944,154
Total Assets	<u>6,025,373</u>	<u>103,365</u>	<u>6,128,738</u>
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>			
Deferred Amount on Refunding	46,082		46,082
Changes in Assumptions - Pensions	220,981		220,981
Changes in Proportions - Pensions	108,193		108,193
Difference between Expected and Actual Experience-Pensions	49,090		49,090
District Contribution Subsequent to the Measurement Date-Pensions	77,046		77,046
Total Deferred Outflows of Resources	<u>501,392</u>		<u>501,392</u>
<u>LIABILITIES:</u>			
Accrued Interest Payable	18,076		18,076
Accounts Payable	450,124	3,406	453,530
Payable to State Government	15,212		15,212
Unearned Revenue	2,000	6,498	8,498
Noncurrent Liabilities:			
Due Within One Year	621,847		621,847
Due Beyond One Year	3,047,536		3,047,536
Total Liabilities	<u>4,154,795</u>	<u>9,904</u>	<u>4,164,699</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Changes in Proportions - Pensions	7,724		7,724
Investment Gains - Pensions	33,084		33,084
Total Deferred Inflows of Resources	<u>40,808</u>		<u>40,808</u>

GREEN TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2016

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>NET POSITION:</u>			
Net Investment in Capital Assets	\$ 3,597,636	\$ 35,800	\$ 3,633,436
Restricted for:			
Capital Projects	120,993		120,993
Debt Service	42		42
Tuition Reserve	61,453		61,453
Unrestricted/(Deficit)	<u>(1,448,962)</u>	<u>57,661</u>	<u>(1,391,301)</u>
Total Net Position	<u>\$ 2,331,162</u>	<u>\$ 93,461</u>	<u>\$ 2,424,623</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

GREEN TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 4,455,637		\$ 636,313		\$ (3,819,324)		\$ (3,819,324)
Special Education	1,130,280		678,189		(452,091)		(452,091)
Other Special Instruction	487,118		65,578		(421,540)		(421,540)
School-Sponsored /Other Instruction	88,130		11,236		(76,894)		(76,894)
Support Services:							
Tuition	4,184,839				(4,184,839)		(4,184,839)
Student & Instruction Related Services	894,438		41,506		(852,932)		(852,932)
General Administrative Services	448,654				(448,654)		(448,654)
School Administrative Services	207,182		11,887		(195,295)		(195,295)
Central Services	281,302				(281,302)		(281,302)
Administrative Information Technology	28,114				(28,114)		(28,114)
Plant Operations and Maintenance	729,776				(729,776)		(729,776)
Pupil Transportation	531,781		410,299		(121,482)		(121,482)
Unallocated Depreciation	225,402				(225,402)		(225,402)
Interest on Long-term Debt	51,573				(51,573)		(51,573)
Capital Outlay	63,475				(63,475)		(63,475)
Transfer to Charter School	30,614				(30,614)		(30,614)
Total Governmental Activities	13,838,315		1,855,008		(11,983,307)		(11,983,307)

GREEN TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

Functions/Programs	Expenses	Program Revenue		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities
Business-Type Activities:						
Food Service	\$ 87,948	\$ 75,857	\$ 21,884		\$ 9,793	\$ 9,793
Child Care	148,758	150,475			1,717	1,717
Total Business-Type Activities	236,706	226,332	21,884		11,510	11,510
Total Primary Government	<u>\$ 14,075,021</u>	<u>\$ 226,332</u>	<u>\$ 1,876,892</u>	<u>\$ -0-</u>	<u>\$ (11,983,307)</u>	<u>(11,971,797)</u>
General Revenue:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				\$ 8,657,422		\$ 8,657,422
Taxes Levied for Debt Service				631,841		631,841
Federal and State Aid not Restricted				2,675,522		2,675,522
Interest					\$ 23	23
Transportation Fees from Other LEAs				371		371
Miscellaneous Income				90,194		90,194
Total General Revenue				12,055,350	23	12,055,373
Change in Net Position				72,043	11,533	83,576
Net Position - Beginning				2,259,119	81,928	2,341,047
Net Position - Ending				<u>\$ 2,331,162</u>	<u>\$ 93,461</u>	<u>\$ 2,424,623</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

FUND FINANCIAL STATEMENTS

GREEN TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 711,803		\$ 120,934		\$ 832,737
Receivables From State Government	89,513				89,513
Receivables From Federal Government		\$ 18,795			18,795
Receivables From Other Government	4,440				4,440
Interfund Receivable	1,786			\$ 42	1,828
Prepaid Expenses	89,048				89,048
Restricted Cash and Cash Equivalents	61,554				61,554
Total Assets	\$ 958,144	\$ 18,795	\$ 120,934	\$ 42	\$ 1,097,915
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Payable to State Government		\$ 15,212			\$ 15,212
Accounts Payable	\$ 372,349	729			373,078
Interfund Payable		854	\$ 42		896
Unearned Revenue		2,000			2,000
Total Liabilities	372,349	18,795	42		391,186
Fund Balances:					
Restricted:					
Capital Reserve Account	\$ 101				101
Tuition Reserve Restricted for 2016-2017	40,935				40,935
Tuition Reserve Restricted for 2017-2018	20,518				20,518
Capital Projects			120,892		120,892
Debt Service				\$ 42	42
Assigned:					
Designated for Subsequent Year's Expenditures	467,082				467,082
Encumbrances	46,857				46,857
Unassigned	10,302				10,302
Total Fund Balances	585,795		120,892	\$ 42	706,729

GREEN TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Total Liabilities and Fund Balances	\$ 958,144	\$ 18,795	\$ 120,934	\$ 42	\$ 1,097,915

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

Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds.

The cost of the assets is \$11,812,407 and the accumulated depreciation is \$6,884,053 \$ 4,928,354

Long-Term Liabilities, including Bonds Payable, are not due and payable in the current period and therefore are not reported as liabilities in the Funds. (1,537,976)

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. (18,076)

Bond Premiums are reported as revenue in the Governmental Funds. The Premium is \$221,080 and the Amortization is \$147,386. (73,694)

The Deferred amount on the refunding is not reported as an expenditures in the governmental funds in the year of the expenditure. 46,082

The Net Pension Liability for PERS is not due and payable in the current period and is not reported in the Governmental Funds. (2,057,713)

Certain amounts related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not reported in the Governmental Funds:

Changes in Assumptions - Pensions	220,981
Difference between Expected and Actual Experience - Pensions	49,090
Changes in Proportions - Pensions	108,193
Investment Gains - Pensions	(33,084)
Changes in Proportions - Pensions	(7,724)

Net Position of Governmental Activities \$ 3,429,077

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

GREEN TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 8,657,422			\$ 631,841	\$ 9,289,263
Transportation Fees from Other LEAs	371				371
Miscellaneous	90,152			42	90,194
Total - Local Sources	8,747,945			631,883	9,379,828
State Sources	3,333,967	\$ 4,498			3,338,465
Federal Sources		203,173			203,173
Total Revenue	12,081,912	207,671		631,883	12,921,466
EXPENDITURES					
Current:					
Regular Instruction	2,571,499	72,572			2,644,071
Special Education Instruction	578,069	135,099			713,168
Other Special Instruction	286,236				286,236
School Sponsored/Other Instruction	52,747				52,747
Support Services and Undistributed Costs:					
Tuition	4,184,839				4,184,839
Student & Instruction Related Services	675,361				675,361
General Administrative Services	356,225				356,225
School Administrative Services	110,461				110,461
Central Services	193,135				193,135
Administration Information Technology	23,160				23,160
Plant Operations and Maintenance	661,981				661,981
Pupil Transportation	526,985				526,985
Allocated and Unallocated Benefits	1,926,758				1,926,758

GREEN TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
EXPENDITURES					
Debt Service:					
Principal				\$ 560,000	\$ 560,000
Interest and Other Charges				71,841	71,841
Capital Outlay	\$ 38,567		\$ 24,908		63,475
Transfer of Funds to Charter Schools	30,614				30,614
Total Expenditures	<u>12,216,637</u>	<u>\$ 207,671</u>	<u>24,908</u>	<u>631,841</u>	<u>13,081,057</u>
Excess/(Deficit) of Revenue over/(under) Expenditures	(134,725)		(24,908)	42	(159,591)
OTHER FINANCING SOURCES					
Serial Bond Proceeds			145,800		145,800
Total Other Financing Sources			<u>145,800</u>		<u>145,800</u>
Net Change in Fund Balances	(134,725)		120,892	42	(13,791)
Fund Balance —July 1	<u>720,520</u>				<u>720,520</u>
Fund Balance —June 30	<u>\$ 585,795</u>	<u>\$ -0-</u>	<u>\$ 120,892</u>	<u>\$ 42</u>	<u>\$ 706,729</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

GREEN TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUE, 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)	\$	(13,791)
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation differs from the deletion of capital assets in the period.		
	Depreciation expense	\$ (246,656)
	Deletion of Capital Assets	<u>(7,333)</u>
		(253,989)
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 a reduction in the in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation. (+)		(15,736)
Proceeds from debt issues are an other financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net position. (-)		(145,800)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities. (+)		560,000
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. When the interest paid exceeds the accrued interest the difference is an addition in the reconciliation. (+)		6,461
Also, the governmental funds report the effect of the deferred amount on the refunding relative to an advance refunding when debt is first issued whereas these amounts are deferred and amortized in the statement of activities. (-)		(23,040)
The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:		
Change in Net Pension Liability		(332,371)
Deferred Outflows:		
Changes in Assumptions		166,727
Changes in Proportion		(24,368)
Difference between Expected and Actual Experience		49,090
Deferred Inflows:		
Changes in Proportion		(7,724.00)
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		69,737

GREEN TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Finally, the governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. (+)

Change in Net Position of Governmental Activities (A-2)

\$	<u>36,847</u>
\$	<u><u>72,043</u></u>

Exhibit B-4

GREEN TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2016

	Business-Type Activities:		
	Enterprise Funds		
	Major Funds		
	Food Service	Child Care	Total
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 31,668	\$ 26,135	\$ 57,803
Intergovernmental Accounts Receivable:			
State	28		28
Federal	596		596
Accounts Receivable - Other	1,202	900	2,102
Inventories	7,968		7,968
 Total Current Assets	 41,462	 27,035	 68,497
Non-Current Assets:			
Capital Assets: (Net of Depreciation)			
Depreciable Furniture and Equipment	20,315	15,485	35,800
 Total Non-Current Assets	 20,315	 15,485	 35,800
 Total Assets	 61,777	 42,520	 104,297
LIABILITIES:			
Current Liabilities:			
Interfund Payable	866	66	932
Accounts Payable	1,891	1,515	3,406
Unearned Revenue	4,883	1,615	6,498
 Total Liabilities	 7,640	 3,196	 10,836
NET POSITION:			
Net Investment in Capital Assets	20,315	15,485	35,800
Unrestricted	33,822	23,839	57,661
 Total Net Position	 \$ 54,137	 \$ 39,324	 \$ 93,461

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-5

GREEN TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Business-Type Activities:		
	Enterprise Funds		
	Major Funds		
	Food Service	Child Care	Total
Operating Revenue:			
Local Sources:			
Daily Sales - Reimbursable Programs	\$ 52,448		\$ 52,448
Daily Sales - Non-Reimbursable Programs	23,409		23,409
Child Care All Registration Fees		\$ 150,475	150,475
Total Operating Revenue	<u>75,857</u>	<u>150,475</u>	<u>226,332</u>
Operating Expenses:			
Cost of Sales - Reimbursable Programs	30,415		30,415
Cost of Sales - Non-Reimbursable Programs	13,575		13,575
Salaries, Benefits & Payroll Taxes	24,950	100,829	125,779
Purchased Services	6,885	4,209	11,094
Supplies, Insurance & Other Costs	4,200	2,582	6,782
Depreciation Expense	2,531	1,103	3,634
Utilities		818	818
Rent		35,137	35,137
Other	5,392	4,080	9,472
Total Operating Expenses	<u>87,948</u>	<u>148,758</u>	<u>236,706</u>
Operating Loss	<u>(12,091)</u>	<u>1,717</u>	<u>(10,374)</u>
Non-Operating Revenue:			
State Sources:			
State School Lunch Program	818		818
Federal Sources:			
National School Lunch Program	15,856		15,856
Food Distribution Program	5,210		5,210
Local Source:			
Interest Revenue	23		23
Total Non-Operating Revenue	<u>21,907</u>		<u>21,907</u>
Change in Net Position	9,816	1,717	11,533
Net Position - Beginning of Year	<u>44,321</u>	<u>37,607</u>	<u>81,928</u>
Net Position - End of Year	<u>\$ 54,137</u>	<u>\$ 39,324</u>	<u>\$ 93,461</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-6

GREEN TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Business-Type Activities:		
	Enterprise Funds		
	Major Funds		
	Food Service	Child Care	Total
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 77,282	\$ 151,418	\$ 228,700
Payments to Employees	(24,950)	(101,932)	(126,882)
Payments to Suppliers	(57,603)	(51,836)	(109,439)
Net Cash Used for Operating Activities	(5,271)	(2,350)	(7,621)
Cash Flows from Capital Financing Activities:			
Acquisition of Capital Assets		(5,161)	(5,161)
Net Cash Used for Capital Financing Activities		(5,161)	(5,161)
Cash Flows from Noncapital Financing Activities:			
Federal and State Sources - Turnover from General Fund	20,642		20,642
Net Cash Provided by Noncapital Financing Activities	20,642		20,642
Cash Flows from Investing Activities:			
Interest Income	23		23
Net Cash Provided by Investing Activities	23		23
Net Increase/(Decrease) in Cash and Cash Equivalents	15,394	(7,511)	7,883
Cash and Cash Equivalents, July 1	16,274	33,646	49,920
Cash and Cash Equivalents, June 30	<u>\$ 31,668</u>	<u>\$ 26,135</u>	<u>\$ 57,803</u>
Reconciliation of Operating Income/(Loss) to Net Cash Used for by Operating Activities:			
Operating Income/(Loss)	\$ (12,091)	\$ 1,717	\$ (10,374)
Adjustment to Reconcile Operating Income/(Loss) to Cash Used for Operating Activities:			
Depreciation	2,531	1,103	3,634
Food Distribution Program	5,210		5,210
Changes in Assets and Liabilities:			
(Increase)/Decrease in Accounts Receivable - Other	(884)	830	(54)
(Increase) in Inventories	(1,376)		(1,376)
Decrease in Interfund Receivable	4,528		4,528
Increase/(Decrease) in Interfund Payable	810	(38)	772
(Decrease) in Accounts Payable	(3,254)	(6,075)	(9,329)
(Decrease) in Prepaid Sales	(2,219)		(2,219)
Increase in Unearned Revenue	1,474	113	1,587
Net Cash Used for Operating Activities	<u>\$ (5,271)</u>	<u>\$ (2,350)</u>	<u>\$ (7,621)</u>

Noncash Investing and Financing Activities:

The Food Service Enterprise Fund received \$6,684 from the Federal Food Distribution Program and utilized commodities valued at \$5,210 for the fiscal year ended June 30, 2016.

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-7

GREEN TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2016

	<u>Agency</u>	<u>Unemployment Compensation Trust</u>	<u>Total</u>
ASSETS:			
Cash and Cash Equivalents	\$ 96,078	\$ 125,456	\$ 221,534
Total Assets	<u>96,078</u>	<u>125,456</u>	<u>221,534</u>
LIABILITIES:			
Due to Student Groups	49,576		49,576
Payroll Deductions and Withholdings	<u>46,502</u>		<u>46,502</u>
Total Liabilities	<u>96,078</u>		<u>96,078</u>
NET POSITION:			
Held in Trust for Unemployment Claims		<u>125,456</u>	<u>125,456</u>
Total Net Position	<u>\$ -0-</u>	<u>\$ 125,456</u>	<u>\$ 125,456</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-8

GREEN TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Unemployment Compensation Trust</u>
Additions:	
Contributions:	
Plan Member Contributions	\$ 8,121
Total Contributions	<u>8,121</u>
Investment Earnings:	
Interest	178
Net Investment Earnings	<u>178</u>
Total Additions	<u>8,299</u>
 Deductions	
Unemployment Compensation Claims	<u>3,572</u>
Total Deductions	<u>3,572</u>
Change in Net Position	4,727
Net Position - Beginning of the Year	<u>120,729</u>
Net Position - End of the Year	<u><u>\$ 125,456</u></u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

GREEN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity:

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

Governmental Accounting Standards Board publication, Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency and a resulting financial benefit or burden relationship, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e. benefit of economic resources, access/entitlement to economic resources, and significance) should be included in the financial reporting entity. The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include an elementary school located in Green Township. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation:

District-Wide Financial Statements:

The statement of net position and the statement of activities present financial information about the District's governmental and business type activities. These statements include the financial activities of the overall District in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenue and other non-exchange transactions. Business-type activities are financed in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

GREEN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

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

B. Basis of Presentation: (Cont'd)

Fund Financial Statements:

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - *governmental, proprietary and fiduciary* - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

The District reports the following governmental funds:

General Fund: The General Fund is the general operating fund of the District and is used to account for and report all expendable financial resources not accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay subfund.

As required by NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states 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 revenue. 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 expenses by board resolution.

Special Revenue Fund: The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus the Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted or committed to expenditures for specified purposes.

Capital Projects Fund: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (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, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

Debt Service Fund: The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest.

GREEN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

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

B. Basis of Presentation: (Cont'd)

The District reports the following proprietary fund:

Enterprise (Food Service and Child Care) Funds: The Enterprise Funds account for all revenue and expenses pertaining to the Board's cafeteria and child care operations. The food service fund and child care fund are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

Additionally, the District reports the following fund type:

Fiduciary Funds: The Fiduciary Funds are used to account for assets held by the District on behalf of others and includes the Student Activities Fund, Payroll Agency Fund and Unemployment Compensation Trust Fund.

C. Measurement Focus and Basis of Accounting:

The district-wide financial statements and the proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

It is the District's policy, that when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, to apply restricted resources first followed by unrestricted resources. Similarly, within unrestricted fund balance, it is the District's policy to apply committed resources first followed by assigned resources and then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenue. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenue.

GREEN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

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

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 2016 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be made by School Board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the 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 revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The General Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

The Capital Projects budgetary revenue differs from GAAP revenue due to a difference in the recognition of SDA grants. Grants are recognized in full the year the grants are awarded on the budgetary basis; but, are not recognized on the GAAP basis until they are expended and submitted for reimbursement.

GREEN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

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

D. Budgets/Budgetary Control: (Cont'd)

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 12,104,522	\$ 207,671
Differences - Budget to GAAP:		
Prior Year State Aid Payments Recognized for GAAP Statements	217,088	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(239,698)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 12,081,912</u>	<u>\$ 207,671</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	<u>\$12,216,637</u>	<u>\$ 207,671</u>
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 12,216,637</u>	<u>\$ 207,671</u>
	<u>Capital Projects Fund</u>	
	<u>Revenue</u>	<u>Fund Balance</u>
Revenue/Restricted Fund Balance - Budgetary Basis	\$ 218,092	\$ 218,092
Reconciliation to Governmental Funds Statements (GAAP):		
SDA Grant Receivable not Recognized on GAAP Basis	<u>(97,200)</u>	<u>(97,200)</u>
Revenue/Fund Balance per Governmental Funds (GAAP)	<u>\$ 120,892</u>	<u>\$ 120,892</u>

E. Cash and Cash Equivalents, and Investments:

Cash and cash equivalents include petty cash and cash in banks. Certificates of deposit with maturities of one year or less when purchased are stated at cost.

New Jersey school districts are limited as to type 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.

GREEN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

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

E. Cash and Cash Equivalents, and Investments: (Cont'd)

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 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 market value of 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 the other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

F. Interfund Transactions:

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

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the statement of net position, except for amounts due between governmental and business-type activities, which are presented as internal balances.

G. Allowance for Uncollectible Accounts:

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

H. 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 restricted, committed and/or assigned 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 revenue 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.

I. Short-term Interfund Receivables/Payables:

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

GREEN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

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

J. 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.

Enterprise fund inventories 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.

K. Capital Assets:

During the year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Land has been recorded at estimated historical cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. The District has reviewed capital assets for impairment.

The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the district-wide statements and proprietary funds are as follows:

	<u>Estimated Useful Life</u>
Buildings	50 Years
Site Improvements	20 Years
Furniture, Machinery and Equipment	10 to 15 Years
Computer and Related Technology	5 Years
Vehicles	8 Years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures in the governmental fund upon acquisition. Capital assets are not capitalized and related depreciation is not reported in the fund financial statements.

L. Long Term Liabilities:

In the District-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or enterprise funds. Bond premium and discounts, are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

GREEN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

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

M. Accrued Salaries and Wages:

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year, therefore, there are no accrued salaries and wages as of June 30, 2016.

N. 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 are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after fifteen years of service.

In the district-wide *Statement of Net Position*, the liabilities, whose average maturities are greater than one year, should be reported in two components – the amount due within one year and the amount due in more than one year.

O. Unearned Revenue:

Unearned revenue in the special revenue fund represents cash which has been received but not yet earned. See Note 1(D) regarding the special revenue fund.

P. Fund Balance Appropriated:

General Fund: Of the \$585,795 General Fund fund balance at June 30, 2016, \$101 is restricted in the capital reserve account; \$40,935 is restricted in the tuition reserve account and has been appropriated and included in the budget for the fiscal year ending June 30, 2017 and \$20,518 is also restricted in the tuition reserve account and will be included in the budget for the fiscal year ending June 30, 2018; \$46,857 is assigned for encumbrances; \$467,082 is assigned fund balance designated for subsequent year's expenditures; and \$10,302 is unassigned which is \$239,698 less than the calculated maximum unassigned fund balance, on a GAAP basis, due to the final two state aid payments, which are not recognized until the fiscal year ended June 30, 2017.

Capital Projects Fund: The Capital Projects Fund fund balance at June 30, 2016, of \$120,892 is restricted.

Debt Service Fund: The total Debt Service Fund fund balance of \$42 at June 30, 2016 is restricted.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, c.73 (S1701), the designation for Restricted 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 restrict General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District did not have excess surplus at June 30, 2016.

GREEN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

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

P. Fund Balance Appropriated: (Cont'd)

Unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$239,698 as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize the last two state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments.

Q. Fund Balance Restrictions, Commitments and Assignments:

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's highest level of decision-making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts have been restricted, committed or assigned.

Fund balance restrictions have been established for a capital reserve, a tuition reserve, the capital projects fund and debt service.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District did not have any committed resources at June 30, 2016.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for year-end encumbrances and for amounts designated for subsequent year's expenditures in the General Fund at June 30, 2016.

GREEN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

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

R. Deficit Fund Balance/Net Position:

The \$1,448,962 deficit in the Unrestricted Net Position of the District's Governmental Activities is due to the accrual of \$18,076 of interest payable, accrual of \$161,176 of compensated absences, net pension liability of \$2,057,713, investment gains in pensions of \$33,084, changes in proportions in pensions of \$7,724 and the unamortized bond premiums of \$73,694 offset by \$513,939 of assigned fund balance, \$10,302 of unassigned fund balance, changes in assumptions in pensions of \$220,981, changes in proportions in pensions of \$108,193 and the difference between expected and actual experience in pensions of \$49,090. This deficit does not indicate that the District is having financial difficulties and is a permitted practice under generally accepted accounting principles.

S. Net Position:

Net position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District has deferred outflows of resources at June 30, 2016 for the deferred amount on refunding related to the 2011 refunded school bonds, changes in assumptions in pensions, changes in proportions in pensions, difference between expected and actual experience and district contribution subsequent to measurement date related to pensions.

The District had deferred inflows of resources at June 30, 2016 for the changes in proportion in pension and the net difference between projected and actual investment earnings on pension plan investments.

Net position is displayed in three components - net investment in capital assets; restricted and unrestricted.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

T. Revenue - Exchange and Nonexchange Transactions:

Revenue, resulting from exchange transactions in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

GREEN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

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

T. Revenue - Exchange and Nonexchange Transactions: (Cont'd)

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes, interest and tuition.

U. Operating Revenue and Expenses:

Operating revenue is revenue that is generated directly from the primary activity of the Enterprise Funds. For the School District, this revenue is sales for food service and child care fees. Operating expenses are necessary costs incurred to provide the services that are the primary activities of the Enterprise Funds.

V. Management Estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

W. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State of New Jersey Public Employees' Retirement System (PERS) and the State of New Jersey Teachers' Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's net position have been determined on the same basis as they are reported by the PERS and the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Pension Plan investments are reported at fair value.

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

GREEN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

Investments are stated at cost, which approximates market. The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB Statement No. 40, *Governmental Accounting Standards Board Deposit and Investment Risk Disclosures*, requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents, and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk - In accordance with its cash management plan, the District ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk - The District limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed on the following page.

Custodial Credit Risk – The District does not have a policy with respect to custodial credit risk. However, the District ensures that District funds are only deposited in financial institutions in which NJ school districts are permitted to invest their funds.

Deposits:

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

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.

GREEN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

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

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;
- (5) Local government investment pools;
- (6) Deposits with the State of New Jersey Cash Management Fund; or
- (7) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in statute; and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

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

	<u>Cash and Cash Equivalents</u>	<u>Restricted Cash and Cash Equivalents</u>		
		<u>Capital Reserve</u>	<u>Tuition Reserve</u>	<u>Total</u>
Checking & Savings Accounts	<u>\$ 1,112,074</u>	<u>\$ 101</u>	<u>\$ 61,453</u>	<u>\$ 1,173,628</u>

During the period ended June 30, 2016, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2016, was \$1,173,628 and the bank balance was \$1,374,693.

GREEN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Green Township School District for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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 State Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to 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.

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

Balance at June 30, 2015	\$	101
Balance at June 30, 2016	<u>\$</u>	<u>101</u>

The June 30, 2016 LRFP balance of local support of uncompleted capital project costs exceeds the balance in the capital reserve account at June 30, 2016.

NOTE 5: TUITION RESERVE ACCOUNT

A tuition reserve account may be established in accordance with N.J.A.C. 6A:23-3.1(f) for tuition between two Boards of Education that are in a formal sending/receiving relationship. The maximum amount that may be restricted at year end is 10% of the estimated contract year. Upon certification of tuition rates in the second year following the contract year, full appropriation of the applicable year's reserve must be liquidated and any remaining balance related to that year must be restricted and budgeted for tax relief.

The District established a \$20,518 tuition reserve during the 2015/2016 school year which will be used to pay for any tuition adjustments for the fiscal year ending June 30, 2018. The District also has \$40,935 in the tuition reserve account which has been appropriated and included in the budget for the fiscal year ending June 30, 2017.

NOTE 6: TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2016, the District made a transfer of \$3,000 to the capital outlay accounts for equipment, which did not require approval from the County Superintendent.

GREEN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 7. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2016 were as follows:

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Governmental Activities:				
Capital Assets not being Depreciated:				
Sites (Land)	\$ 20,000			\$ 20,000
Total Capital Assets not Being Depreciated	20,000			20,000
Capital Assets Being Depreciated				
Site Improvements	134,184			134,184
Buildings and Building Improvements	10,687,889			10,687,889
Machinery and Equipment	977,667		\$ (7,333)	970,334
Total Capital Assets Being Depreciated	11,799,740		(7,333)	11,792,407
Governmental Activities Capital Assets	11,819,740		(7,333)	11,812,407
Less Accumulated Depreciation for:				
Site Improvements	(131,716)	\$ (988)		(132,704)
Buildings and Building Improvements	(5,668,732)	(176,585)		(5,845,317)
Machinery and Equipment	(836,949)	(69,083)		(906,032)
Total Accumulated Depreciation	(6,637,397)	(246,656)		(6,884,053)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 5,182,343	\$ (246,656)	\$ (7,333)	\$ 4,928,354
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 125,395	\$ 5,161		\$ 130,556
Less Accumulated Depreciation	(91,122)	(3,634)		(94,756)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	\$ 34,273	\$ 1,527	\$ -0-	\$ 35,800

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 20,756
General and School Administrative Services	256
Operations and Maintenance of Plant	242
Unallocated	225,402
	<u>\$ 246,656</u>

GREEN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 8. LONG-TERM DEBT LIABILITIES

During the fiscal year ended June 30, 2016, the following changes occurred in long-term liabilities reported in the district-wide financial statements:

	Balance 6/30/2015	Accrued	Retired	Balance 6/30/2016
Serial Bonds Payable	\$ 1,791,000	\$ 145,800	\$ 560,000	\$ 1,376,800
Net Pension Liability	1,725,342	332,371		2,057,713
Compensated Absences Payable	145,440	15,736		161,176
Unamortized Bond Issuance Cost	110,541		36,847	73,694
	<u>\$ 3,772,323</u>	<u>\$ 493,907</u>	<u>\$ 596,847</u>	<u>\$ 3,669,383</u>

A. Bonds Payable:

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. Debt service on bonds is liquidated through the debt service fund.

The District had bonds outstanding as of June 30, 2016 as follows:

Purpose	Final Maturity Date	Interest Rate	Amount
School Bonds of 2009	6/1/2019	4.10%	\$ 156,000
Refunding Bonds of 2011	2/15/2018	3.00% - 4.00%	1,075,000
School Bonds of 2016	8/15/2020	2.73%	145,800
			<u>\$ 1,376,800</u>

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

Fiscal Year Ending June 30,	Bonds		Total
	Principal	Interest	
2017	\$ 615,000	\$ 53,376	\$ 631,841
2018	615,000	29,044	639,396
2019	86,000	4,775	90,775
2020	30,000	1,660	31,660
2021	30,800	841	
	<u>\$ 1,376,800</u>	<u>\$ 89,696</u>	<u>\$ 1,393,672</u>

On June 15, 2011, the Green Township School District issued \$3,055,000 refunding bonds with interest rates ranging from 3.00% to 4.00% to advance refund \$3,490,000 school bonds with interest rates of 4.25% to 4.75%. The refunding bonds mature on February 15, 2013 through 2018. The net proceeds from the issuance of the refunding bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service. The bonds are non-callable. The advance refunding met the requirements of an in-substance debt defeasance and the school bonds were removed from the District's financial statements.

GREEN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 8. GENERAL LONG-TERM DEBT (Cont'd)

A. Bonds Payable: (Cont'd)

As a result of the advance refunding, the District reduced its total debt service requirements by \$138,242, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$143,916 or 4.71 percent.

On February 24, 2016, the District issued \$145,800 in school bonds which were authorized by voter referendum for ADA upgrades and new vents in the classrooms. The bonds mature in serial installments due August 15, 2016 through August 15, 2020 at an interest rate of 2.73% over the life of the issue.

B. Bonds Authorized But Not Issued:

As of June 30, 2016, the District had no bonds authorized but not issued.

C. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is recorded as a long-term liability. There is no current portion of the compensated absences balance of the governmental funds in the current year. The long-term liability balance of compensated absences is \$161,176.

The liability for vested compensated balances 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 funds.

Compensated absences will be liquidated by the General Fund.

D. Unamortized Bond Issuance Premium

The unamortized bond issuance premium of the governmental fund types is recorded in the noncurrent liabilities. The current portion of the unamortized bond issuance premium balance of the governmental fund is \$36,847 and is separated from the long-term liability balance of \$36,847.

E. Net Pension Liability

The Public Employee's Retirement System (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2016 is \$-0- and the long term portion is \$2,057,713. See Note 9 for further information on the PERS.

NOTE 9. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP).

GREEN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

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

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$78,808 for fiscal year 2016.

GREEN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Contributions (Cont'd)

The employee contribution rate was 7.06% effective July 1, 2015. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

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

At June 30, 2016, the District reported a liability of \$2,057,713 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2015, the District's proportion was 0.0092%, which was a decrease of 0.00005% from its proportion measured as of June 30, 2014.

For the fiscal year ended June 30, 2016, the District recognized pension expense of \$157,717. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions - 2014	6.44	\$ 44,047	
Changes in Assumptions - 2015	5.72	176,981	
Changes in Proportion - 2014	6.44	108,193	
Changes in Proportion - 2015	5.72		\$ 7,724
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments - 2014	5		76,709
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments - 2015	5		(43,625)
District Contribution Subsequent to the Measurement Date	1	77,046	
Difference Between Expected and Actual Experience - 2015	5.72	49,090	
		<u>\$ 455,357</u>	<u>\$ 40,808</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts including changes in proportion and the district contribution subsequent to the measurement date) related to pensions will be recognized in pension expense as follows:

GREEN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Total</u>
2016	\$ 43,144
2017	43,144
2018	43,144
2019	68,713
2020	38,842
	<hr/> <u>\$ 236,987</u>

Actuarial Assumptions

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

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

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

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension 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 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' target asset allocation as of June 30, 2015 are summarized in the following table:

GREEN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Long Term Expected Rate of Return (Cont'd)

<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 Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex. U.S.	3.50%	-0.40%
REIT	4.25%	5.12%

Discount Rate

The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9% and a municipal bond rate of 3.80% as of June 30, 2015 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the average of the last five years of contributions made in relation to the last five years of actuarially determined 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.

GREEN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

	June 30, 2015		
	1% Decrease (3.90%)	Current Discount Rate (4.90%)	1% Increase (5.90%)
District's proportionate share of the Net Pension Liability	\$ 2,557,486	\$ 2,057,713	\$ 1,638,708

Pension plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

Benefits Provided

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

GREEN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Benefits Provided (Cont'd)

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2015, the State's pension contribution was less than the actuarially determined amount.

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, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2016, the State of New Jersey contributed \$269,050 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$1,257,942.

The employee contribution rate was 7.06% effective July 1, 2015. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

GREEN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

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

At June 30, 2016, the State's proportionate share of the net pension liability associated with the District was \$20,602,075. 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 July 1, 2014 which was rolled forward to June 30, 2015. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2015, the District's proportion was 0.033%, which was an increase of 0.0012% from its proportion measured as of June 30, 2014.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>20,602,075</u>
Total	<u><u>\$ 20,602,075</u></u>

For the fiscal year ended June 30, 2016, the State recognized pension expense on behalf of the District in the amount of \$1,257,942 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2016 financial statements.

The State reported collective deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions - 2014	8.5	\$ 1,999,074,013	
Changes in Assumptions - 2015	8.3	5,201,079,373	
Difference Between Expected and Actual Experience - 2014	8.5		\$ 19,039,817
Difference Between Expected and Actual Experience - 2015	8.3	321,224,871	
Net Difference Between Projected and Actual			
Investment Earnings on Pension Plan Investments - 2014	5		1,305,927,430
Net Difference Between Projected and Actual			
Investment Earnings on Pension Plan Investments - 2015	5		(770,568,242)
		<u><u>\$ 7,521,378,257</u></u>	<u><u>\$ 554,399,005</u></u>

Amounts reported by the State as collective deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense excluding that attributable to employer-paid members contributions as follows:

GREEN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Total</u>
2016	\$ 818,433,596
2017	818,433,596
2018	818,433,598
2019	1,253,742,742
2020	1,061,100,680
Thereafter	<u>2,196,835,040</u>
	<u>\$ 6,966,979,252</u>

Actuarial Assumptions

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

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

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

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

GREEN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension 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 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' target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Cash	5.00%	0.53%
U.S. Government Bonds	1.75%	1.39%
U.S. Credit Bonds	13.50%	2.72%
U.S. Mortgages	2.10%	2.54%
U.S. Inflation-Indexed Bonds	1.50%	1.47%
U.S. High Yield Bonds	2.00%	4.57%
U.S. Equity Market	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Market Equities	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%

GREEN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 4.13% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90% and a municipal bond rate of 3.80% as of June 30, 2015 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the average of the last five years. Based on those assumptions, the pension 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 pension 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 District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

	Fiscal Year Ended June 30, 2015		
	At 1% Decrease (3.13%)	At Current Discount Rate (4.13%)	At 1% Increase (5.13%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 24,484,796	\$ 20,602,075	\$ 17,256,878

Pension Plan Fiduciary Net Position - TPAF

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

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

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

GREEN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

C. Defined Contribution Retirement Program (DCRP) (Cont'd)

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the District recognized pension expense of \$10,625 for the fiscal year ended June 30, 2016. Employee contributions to DCRP amounted to \$19,478 for the fiscal year ended June 30, 2016.

NOTE 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. Chapter 103 of Public Law amended the law to eliminate the funding of post-retirement medical benefits through TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2015, there were 107,314 retirees receiving post-retirement medical benefits, and the State contributed \$1.25 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

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

The State's on-behalf Post Retirement Medical Contributions to TPAF for the District amounted to \$320,365, \$279,757 and \$217,439 for 2016, 2015, and 2014, respectively.

NOTE 11. DEFERRED COMPENSATION

The Board offers its employees the following deferred compensation plan created in accordance with Internal Revenue Code Section 403(b). The plan which is administered by the entity 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 as follows:

AXA – Equitable

GREEN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 12. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. Health benefits are provided to the employees through the State of New Jersey Health Benefits Plan.

Property and Liability

The District maintains insurance coverage for property, liability, student accident, and surety bonds. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report.

The Board is a member of the School Alliance Insurance Fund (“SAIF”). The SAIF provides its members with Workers’ Compensation, Comprehensive General Liability and Automobile Liability, Property, Boiler and Machinery, and School Board Legal Liability Insurance. The SAIF is a risk-sharing fund that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage for their members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective district for the purpose of creating a governing body from which officers for the SAIF are elected.

As a member of the SAIF, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the SAIF were to be exhausted, members would become responsible for their respective shares of the SAIF’s liabilities.

The SAIF can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with Statement No. 10 of the Governmental Accounting Standards Board, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

The audit report for the fiscal year ended June 30, 2016 was not available as of the date of this report. Selected financial information for the SAIF as of June 30, 2015 is as follows:

GREEN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 12. RISK MANAGEMENT (Cont'd)

Property and Liability (Cont'd)

	School Alliance Insurance Fund
Total Assets	\$ 35,565,090
Net Position	\$ 7,171,390
Total Revenue	\$ 38,392,884
Total Expenses	\$ 36,335,763
Change in Net Position	\$ 2,057,121
Members Dividends	\$ -0-

Financial Statements for the Fund are available at the Fund’s Executive Director’s Office:

Risk and Loss Managers Inc.
51 Everett Drive Suite B40
West Windsor, NJ 08550
(609) 275-1155

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 the District’s contributions, employee contributions and interest, reimbursements to the State for benefits paid and the ending balance of the District’s Unemployment Trust Fiduciary Fund for the current and previous two years:

Fiscal Year	District Contributions	Employee Contributions and Interest	Amount Reimbursed	Ending Balance
2015-2016	\$ -0-	\$ 8,299	\$ 3,572	\$ 125,456
2014-2015	-0-	7,861	13,840	120,729
2013-2014	-0-	7,773	20,102	126,708

GREEN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 13. ECONOMIC DEPENDENCY

The Board of Education 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, may have an effect on the Board of Education's programs and activities.

NOTE 14. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2016:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 1,786	
Special Revenue Fund		\$ 854
Capital Projects Fund		42
Debt Service Fund	42	
Proprietary Fund		932
	<u>\$ 1,828</u>	<u>\$ 1,828</u>

The interfund receivable from Proprietary Fund to the General Fund is for supplies purchased by General Fund on behalf of the Child Care Fund and for expenses incurred by General Fund on behalf of the Food Service Fund. The interfund receivable in Debt Service from Capital Projects is interest earned in Capital Projects.

NOTE 15. TAX CALENDAR

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10.

Taxes are collected by the constituent municipality and are remitted to the local school district on a predetermined, agreed-upon schedule.

NOTE 16. COMMITMENTS AND CONTINGENCIESGrant Programs

The school district participates in Federal and State assisted grant programs. The programs are subject to program compliance audits by grantors or their representatives. The school district is potentially liable for expenditures which may be disallowed pursuant to terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

GREEN TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 16. COMMITMENTS AND CONTINGENCIES (Cont'd)

Litigation

The District is periodically involved in pending lawsuits. The District estimates that the potential claims against it resulting from such litigation and not covered by insurance would not materially affect the financial statements of the District.

Encumbrances

At June 30, 2016, there were encumbrances in the General Fund of \$46,857.

NOTE 17. ACCOUNTS PAYABLE

Payables as of June 30, 2016 were:

	<u>Governmental Activities</u>		District Contribution Subsequent to the Measurement Date	Total Governmental Funds	<u>Business-Type Activities</u>
	General Fund	Special Revenue Fund			Proprietary Funds
Vendors and Salaries	\$ 372,349	\$ 729		\$ 373,078	\$ 3,406
State of New Jersey			\$ 77,046	77,046	
	<u>\$ 372,349</u>	<u>\$ 729</u>	<u>\$ 77,046</u>	<u>\$ 450,124</u>	<u>\$ 3,406</u>

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

L-1

GREEN TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TWO FISCAL YEARS
UNAUDITED

	<u>Fiscal Year Ending June 30,</u>	
	<u>2014</u>	<u>2015</u>
District's proportion of the net pension liability	0.0092152267%	0.0091665796%
District's proportionate share of the net pension liability	\$ 1,725,342	\$ 2,057,713
District's covered employee payroll	\$ 634,958	\$ 573,992
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	271.73%	358.49%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

L-2

GREEN TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TWO FISCAL YEARS
UNAUDITED

	<u>Fiscal Year Ending June 30,</u>	
	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$ 63,248	\$ 78,808
Contributions in relation to the contractually required contribution	<u>(63,248)</u>	<u>(78,808)</u>
Contribution deficiency/(excess)	<u>\$ -0-</u>	<u>\$ -0-</u>
District's covered employee payroll	\$ 573,992	\$ 626,422
Contributions as a percentage of covered employee payroll	11.02%	12.58%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

L-3

GREEN TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ATTRIBUTABLE TO THE DISTRICT TEACHERS' PENSION AND ANNUITY FUND
LAST TWO FISCAL YEARS
UNAUDITED

	<u>Fiscal Year Ending June 30,</u>	
	<u>2014</u>	<u>2015</u>
State's proportion of the net pension liability attributable to the District	0.0313480591%	0.0325960173%
State's proportionate share of the net pension liability attributable to the District	\$ 16,754,517	\$ 20,602,075
District's covered employee payroll	\$ 3,362,844	\$ 3,370,233
State proportionate share of the net pension liability attributable to the District as a percentage of its covered employee payroll	498.22%	611.30%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

L-4

GREEN TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND
LAST TWO FISCAL YEARS
UNAUDITED

	<u>Fiscal Year Ending June 30,</u>	
	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$ 901,550	\$ 1,257,942
Contributions in relation to the contractually required contribution	<u>(176,226)</u>	<u>(269,050)</u>
Contribution deficiency/(excess)	<u>\$ 725,324</u>	<u>\$ 988,892</u>
District's covered employee payroll	\$ 3,370,233	3,313,487
Contributions as a percentage of covered employee payroll	26.75%	37.96%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

GREEN TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 5.39% as of June 30, 2014 to 4.90% as of June 30, 2015. The inflation rate changed from 3.01% as of June 30, 2014 to 3.04% as of June 30, 2015.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

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

BUDGETARY COMPARISON SCHEDULES

GREEN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 8,657,422		\$ 8,657,422	\$ 8,657,422	
Transportation Fees from Other LEAs				371	\$ 371
Unrestricted Miscellaneous Revenue	15,500		15,500	90,152	74,652
Total - Local Sources	<u>8,672,922</u>		<u>8,672,922</u>	<u>8,747,945</u>	<u>75,023</u>
State Sources:					
Special Education Catergorical Aid	351,368		351,368	351,368	
Equalization Aid	693,970		693,970	693,970	
Security Aid	44,047		44,047	44,047	
Adjustment Aid	437,219		437,219	437,219	
Transportation Aid	403,821		403,821	403,821	
School Choice Aid	520,520		520,520	520,520	
PARCC Readiness Aid	6,810		6,810	6,810	
Per Pupil Growth Aid	6,810		6,810	6,810	
Extraordinary Special Education Costs Aid				59,781	59,781
Nonpublic Transportation Aid				6,406	6,406
On-behalf TPAF Pension Contributions (non-budgeted)				269,050	269,050
On-behalf TPAF Post Retirement Contributions (non-budgeted)				320,365	320,365
Reimbursed TPAF Social Security Contributions (non-budgeted)				236,410	236,410
Total State Sources	<u>2,464,565</u>		<u>2,464,565</u>	<u>3,356,577</u>	<u>892,012</u>
TOTAL REVENUES	<u>11,137,487</u>		<u>11,137,487</u>	<u>12,104,522</u>	<u>967,035</u>
EXPENDITURES:					
CURRENT EXPENSE					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	257,009	\$ (38,029)	218,980	201,550	17,430
Grades 1-5 - Salaries of Teachers	1,225,923	(28,436)	1,197,487	1,197,487	
Grades 6-8 - Salaries of Teachers	961,062	24,894	985,956	985,093	863

GREEN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED

	<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 - Home Instruction:					
Salaries of Teachers	\$ 5,994	\$ (1,059)	\$ 4,935	\$ 4,813	\$ 122
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	70,181	7,495	77,676	71,674	6,002
Purchased Professional - Educational Services	10,200	(7,602)	2,598	2,598	
General Supplies	123,916	17,699	141,615	97,743	43,872
Other Objects	2,302	8,273	10,575	10,541	34
Total Regular Programs - Instruction	<u>2,656,587</u>	<u>(16,765)</u>	<u>2,639,822</u>	<u>2,571,499</u>	<u>68,323</u>
Special Education:					
Resource Room/Resource Center:					
Salaries of Teachers	302,063	4,206	306,269	306,269	
Other Salaries for Instruction	243,902	29,078	272,980	269,349	3,631
Purchased Professional-Educational Services		1,260	1,260	1,260	
General Supplies	1,300	(109)	1,191	1,191	
Total Resource Room/Resource Center	<u>547,265</u>	<u>34,435</u>	<u>581,700</u>	<u>578,069</u>	<u>3,631</u>
Total Special Education Instruction	<u>547,265</u>	<u>34,435</u>	<u>581,700</u>	<u>578,069</u>	<u>3,631</u>
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	<u>247,967</u>	<u>38,269</u>	<u>286,236</u>	<u>286,236</u>	
Total Basic Skills/Remedial - Instruction	<u>247,967</u>	<u>38,269</u>	<u>286,236</u>	<u>286,236</u>	
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	<u>27,500</u>	<u>10,305</u>	<u>37,805</u>	<u>37,805</u>	
Total School-Sponsored Cocurricular Activities - Instruction	<u>27,500</u>	<u>10,305</u>	<u>37,805</u>	<u>37,805</u>	

GREEN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
School-Sponsored Athletics - Instruction:					
Salaries	\$ 9,935	\$ 5,519	\$ 15,454	\$ 11,238	\$ 4,216
Supplies and Materials	1,700	(556)	1,144	1,144	
Other Objects	2,210	370	2,580	2,560	20
Total School-Sponsored Athletics - Instruction	<u>13,845</u>	<u>5,333</u>	<u>19,178</u>	<u>14,942</u>	<u>4,236</u>
Total Instruction	<u>3,493,164</u>	<u>71,577</u>	<u>3,564,741</u>	<u>3,488,551</u>	<u>76,190</u>
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Regular	3,475,768	123,321	3,599,089	3,599,089	
Tuition to Other LEAs Within the State - Special	495,328	10,047	505,375	505,375	
Tuition to County Voc. School District - Regular	21,000	(5,670)	15,330	15,330	
Tuition to Private Schools for the Handicapped - Within State	191,743	(122,524)	69,219	65,045	4,174
Tuition - Other		1,156	1,156		1,156
Total Undistributed Expenditures - Instruction	<u>4,183,839</u>	<u>6,330</u>	<u>4,190,169</u>	<u>4,184,839</u>	<u>5,330</u>
Attendance & Social Work:					
Salaries	16,188	271	16,459	16,459	
Total Attendance & Social Work	<u>16,188</u>	<u>271</u>	<u>16,459</u>	<u>16,459</u>	
Health Services:					
Salaries	78,929	5,807	84,736	84,736	
Purchased Professional and Technical Services	2,700	(1,255)	1,445	1,358	87
Supplies and Materials	3,300	(1,683)	1,617	1,539	78
Total Health Services	<u>84,929</u>	<u>2,869</u>	<u>87,798</u>	<u>87,633</u>	<u>165</u>

GREEN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Speech, OT, PT and Other Related Services:					
Salaries	\$ 52,823	\$ 122	\$ 52,945	\$ 52,945	
Purchased Professional - Educational Services	14,000	(2,616)	11,384	9,748	\$ 1,636
Supplies and Materials	400	(66)	334	215	119
Total Speech, OT, PT and Other Related Services	67,223	(2,560)	64,663	62,908	1,755
Other Support Services - Students - Extraordinary Services:					
Salaries	100,046	(41,952)	58,094	52,352	5,742
Purchased Professional - Educational Services	75,000	(12,247)	62,753	42,193	20,560
Total Other Support Services - Students - Extraordinary Services	175,046	(54,199)	120,847	94,545	26,302
Guidance:					
Salaries of Other Professional Staff	42,393	5,405	47,798	47,798	
Supplies and Materials	1,800	1,263	3,063	2,260	803
Total Guidance	44,193	6,668	50,861	50,058	803
Child Study Teams:					
Salaries of Other Professional Staff	131,328	5,251	136,579	136,579	
Salaries of Secretarial and Clerical Assistants	62,224	(3)	62,221	62,221	
Purchased Professional - Educational Services	15,000	(3,324)	11,676	11,226	450
Other Purchased Services (400-500 series)		348	348	348	
Supplies and Materials	2,000	6,278	8,278	8,278	
Other Objects	300		300	291	9
Total Child Study Teams	210,852	8,550	219,402	218,943	459
Improvement of Instructional Services:					
Salaries of Other Professional Staff	61,010		61,010	51,886	9,124
Total Improvement of Instructional Services	61,010		61,010	51,886	9,124

GREEN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Educational Media Services/School Library:					
Salaries	\$ 70,385	\$ 5,485	\$ 75,870	\$ 75,870	
Supplies and Materials	5,000	(638)	4,362	4,333	\$ 29
Other Objects		5	5		5
Total Educational Media Services/School Library	75,385	4,852	80,237	80,203	34
Instructional Staff Training Services:					
Purchased Professional - Educational Services	10,000	(777)	9,223	25	9,198
Other Purchased Services (400-500 series)	7,000	5,438	12,438	12,383	55
Other Objects	100	225	325	318	7
Total Instructional Staff Training Services	17,100	4,886	21,986	12,726	9,260
Support Services - General Administration:					
Salaries	205,770	7,416	213,186	213,026	160
Legal Services	25,000	(509)	24,491	24,491	
Audit Fee	27,755	1,500	29,255	29,255	
Architectural/Engineering Services	8,234	11,560	19,794	19,794	
Other Purchased Professional Services	235	245	480	235	245
Purchased Technical Services	15,240	(4,664)	10,576	10,272	304
Communications/Telephone	30,000	(3,490)	26,510	24,678	1,832
Misc Purchased Services (400-500 series)	25,000	958	25,958	21,354	4,604
General Supplies	3,100	2,273	5,373	3,938	1,435
BOE In-House Training/ Meeting Supplies		760	760	590	170
Miscellaneous Expenditures	9,000	(881)	8,119	8,003	116
BOE Membership Dues and Fees		589	589	589	
Total Support Services - General Administration	349,334	15,757	365,091	356,225	8,866

GREEN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	\$ 52,010	\$ (125)	\$ 51,885	\$ 51,885	
Salaries of Secretarial and Clerical Assistants	39,709	552	40,261	40,261	
Purchased Professional and Technical Services	11,100	(148)	10,952	8,949	\$ 2,003
Other Purchased Services (400-500 series)	11	1,032	1,043	960	83
Supplies and Materials	10,750	(1,827)	8,923	7,196	1,727
Other Objects	3,500	55	3,555	1,210	2,345
Total Support Services - School Administration	117,080	(461)	116,619	110,461	6,158
Central Services:					
Salaries	155,791	(249)	155,542	155,542	
Purchased Professional Services	1,000	2,933	3,933	3,933	
Purchased Technical Services	23,570	217	23,787	23,787	
Miscellaneous Purchased Services (400-500 series)	2,700	910	3,610	3,103	507
Supplies and Materials	3,500	286	3,786	3,786	
Miscellaneous Expenditures	2,800	184	2,984	2,984	
Total Central Services	189,361	4,281	193,642	193,135	507
Administration Information Technology:					
Salaries	30,000		30,000	22,720	7,280
Purchased Technical Services	4,000		4,000	440	3,560
Total Administration Information Technology	34,000		34,000	23,160	10,840
Required Maintenance of School Facilities:					
Salaries	52,739	(4,172)	48,567	47,196	1,371
Cleaning, Repair and Maintenance Services	13,500	3,318	16,818	16,766	52
General Supplies	1,200	(404)	796	796	
Total Required Maintenance of School Facilities	67,439	(1,258)	66,181	64,758	1,423

GREEN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Custodial Services:					
Salaries	\$ 218,906	\$ (3,650)	\$ 215,256	\$ 210,659	\$ 4,597
Purchased Professional and Technical Services	6,000	1,711	7,711	7,458	253
Cleaning, Repair and Maintenance Services	65,000	32,315	97,315	96,338	977
Other Purchased Property Services	3,600		3,600	3,396	204
Insurance	36,000	2,318	38,318	38,318	
Miscellaneous Purchased Services	8,500	6,177	14,677	11,666	3,011
General Supplies	47,000	2,006	49,006	49,006	
Energy (Electricity)	86,000	29,377	115,377	115,377	
Energy (Natural Gas)	1,600		1,600	893	707
Energy (Oil)	131,000	(41,698)	89,302	43,059	46,243
Other Objects	5,000	1,928	6,928	6,928	
Total Custodial Services	608,606	30,484	639,090	583,098	55,992
Care and Upkeep of Grounds:					
Salaries	15,906		15,906	13,903	2,003
General Supplies	4,750		4,750	222	4,528
Total Care and Upkeep of Grounds	20,656		20,656	14,125	6,531
Student Transportation Services:					
Salary for Pupil Transportation (Between Home & School) - Regular	23,499	(165)	23,334	21,995	1,339
Management Fee - ESC & CTSA Transportation Program	7,417		7,417		7,417
Contracted Services:					
Between Home and School - Vendors	378,695	(5,652)	373,043	354,326	18,717
Other Between Home and School - Vendors	8,160	7,647	15,807	8,141	7,666
Special Education Students - Vendors	181,015	(55,787)	125,228	123,597	1,631
Aid in Lieu Payments - Nonpublic School	21,640	11,185	32,825	18,926	13,899
Total Student Transportation Services	620,426	(42,772)	577,654	526,985	50,669

GREEN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Support Services - General Administration:					
Health Benefits	\$ 45,360	\$ 1,495	\$ 46,855	\$ 45,360	\$ 1,495
Total Allocated Benefits - General Administration	<u>45,360</u>	<u>1,495</u>	<u>46,855</u>	<u>45,360</u>	<u>1,495</u>
Support Services - School Administration:					
Health Benefits	49,755	9,784	59,539	49,755	9,784
Total Allocated Benefits - School Administration	<u>49,755</u>	<u>9,784</u>	<u>59,539</u>	<u>49,755</u>	<u>9,784</u>
Support Services - Central Services:					
Health Benefits	53,592	8,226	61,818	53,592	8,226
Total Allocated Benefits - Central Services	<u>53,592</u>	<u>8,226</u>	<u>61,818</u>	<u>53,592</u>	<u>8,226</u>
Total Allocated Benefits	<u>148,707</u>	<u>19,505</u>	<u>168,212</u>	<u>148,707</u>	<u>19,505</u>
Unallocated Benefits:					
Social Security Contributions	96,000	17,546	113,546	112,582	964
Other Retirement Contributions - PERS	77,000	15,823	92,823	92,823	
Unemployment Compensation	15,000	(13,590)	1,410		1,410
Workmen's Compensation	42,777	3,409	46,186	43,685	2,501
Health Benefits	758,477	(43,353)	715,124	628,599	86,525
Tuition Reimbursement	27,000		27,000	15,070	11,930
Other Employee Benefits	50,000	9,467	59,467	59,467	
Total Unallocated Benefits	<u>1,066,254</u>	<u>(10,698)</u>	<u>1,055,556</u>	<u>952,226</u>	<u>103,330</u>

GREEN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
On-behalf TPAF Pension (non-budgeted)				\$ 269,050	\$ (269,050)
On-behalf TPAF Post Retirement Contributions (non-budgeted)				320,365	(320,365)
Reimbursed TPAF Social Security Contributions (non-budgeted)				236,410	(236,410)
Total On-behalf and Reimbursed TPAF Contributions				825,825	(825,825)
Total Undistributed Expenses	\$ 8,157,628	\$ (7,495)	\$ 8,150,133	8,658,905	(508,772)
TOTAL GENERAL CURRENT EXPENSE	11,650,792	64,082	11,714,874	12,147,456	(432,582)
CAPITAL OUTLAY:					
Equipment:					
Undistributed Expenditures - Security		3,000	3,000	3,000	
Total Equipment		3,000	3,000	3,000	
Facilities Acquisition and Construction Services:					
Assessment for Debt Service on SDA Funding	35,567		35,567	35,567	
Total Facilities Acquisition and Construction Services	35,567		35,567	35,567	
TOTAL CAPITAL OUTLAY	35,567	3,000	38,567	38,567	
Transfer of Funds to Charter Schools	30,618		30,618	30,614	4
TOTAL EXPENDITURES	11,716,977	67,082	11,784,059	12,216,637	(432,578)

GREEN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (579,490)	\$ (67,082)	\$ (646,572)	\$ (112,115)	\$ 534,457
Fund Balance, July 1	<u>937,608</u>		<u>937,608</u>	<u>937,608</u>	
Fund Balance, June 30	<u>\$ 358,118</u>	<u>\$ (67,082)</u>	<u>\$ 291,036</u>	<u>\$ 825,493</u>	<u>\$ 534,457</u>
<u>Recapitulation:</u>					
Restricted:					
Capital Reserve				\$ 101	
Tuition Reserve - Designated for 2016-2017				40,935	
Tuition Reserve - Designated for 2017-2018				20,518	
Assigned:					
Year-End Encumbrances				46,857	
Designated for Subsequent Year's Expenditures				467,082	
Unassigned				<u>250,000</u>	
				825,493	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payments not Recognized on GAAP Basis				<u>(239,698)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 585,795</u>	

GREEN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Revenue:					
Local Sources		\$ 2,000	\$ 2,000		\$ (2,000)
State Sources	\$ 17,661	2,049	19,710	\$ 4,498	(15,212)
Federal Sources	167,708	65,861	233,569	203,173	(30,396)
Total Revenue	<u>185,369</u>	<u>69,910</u>	<u>255,279</u>	<u>207,671</u>	<u>(47,608)</u>
Expenditures:					
Instruction:					
Tuition	106,837	25,377	132,214	132,214	
Purchased Professional - Educational Services		2,816	2,816		2,816
Textbooks	965	(51)	914	729	185
Total Instruction	<u>107,802</u>	<u>28,142</u>	<u>135,944</u>	<u>132,943</u>	<u>3,001</u>
Support Services:					
Salaries of Other Professional Staff		28,480	28,480	28,480	
Purchased Professional and Technical Services	33,017	34,154	67,171	22,564	44,607
Supplies and Materials	44,550	(20,866)	23,684	23,684	
Total Support Services	<u>77,567</u>	<u>41,768</u>	<u>119,335</u>	<u>74,728</u>	<u>44,607</u>
Total Expenditures	<u>\$ 185,369</u>	<u>\$ 69,910</u>	<u>\$ 255,279</u>	<u>\$ 207,671</u>	<u>\$ 47,608</u>

Exhibit C-3

GREEN TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
UNAUDITED

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 12,104,522	\$ 207,671
Differences - Budget to GAAP:		
Prior Year State Aid Payments Recognized for GAAP Statements	217,088	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(239,698)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 12,081,912	\$ 207,671
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 12,216,637	\$ 207,671
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 12,216,637	\$ 207,671

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budget for the fiscal year ended June 30, 2016 was submitted to the County office and was approved by a vote by the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in 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. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the 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 revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The general fund budgetary revenue differs from the GAAP revenue due to a difference in the recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

SCHOOL LEVEL SCHEDULES

(NOT APPLICABLE)

SPECIAL REVENUE FUND

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

	Small Rural Education Achievement Program (REAP)	I.D.E.A., Part B		No Child Left Behind	Nonpublic Nursing
		Basic	Preschool	Title I	
REVENUE:					
State Sources					\$ 1,440
Federal Sources	\$ 52,164	\$ 126,438	\$ 5,776	\$ 18,795	
Total Revenue	52,164	126,438	5,776	18,795	1,440
EXPENDITURES:					
Instruction:					
Tuition		126,438	5,776		
Textbooks					
Total Instruction		126,438	5,776		
Support Services:					
Salaries of Other Professional Staff	28,480				
Purchased Professional and Technical Services				18,795	1,440
Supplies and Materials	23,684				
Total Support Services	52,164			18,795	1,440
Total Expenditures	\$ 52,164	\$ 126,438	\$ 5,776	\$ 18,795	\$ 1,440

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

	<u>Nonpublic Textbook</u>	<u>Nonpublic Auxiliary ESL</u>	<u>Total</u>
REVENUE:			
State Sources	\$ 729	\$ 2,329	\$ 4,498
Federal Sources			203,173
	<hr/>	<hr/>	<hr/>
Total Revenue	729	2,329	207,671
	<hr/>	<hr/>	<hr/>
EXPENDITURES:			
Instruction:			
Tuition			132,214
Textbooks	729		729
	<hr/>	<hr/>	<hr/>
Total Instruction	729		132,943
	<hr/>	<hr/>	<hr/>
Support Services:			
Salaries of Other Professional Staff			28,480
Purchased Professional and Technical Services		2,329	22,564
Supplies and Materials			23,684
	<hr/>	<hr/>	<hr/>
Total Support Services		2,329	74,728
	<hr/>	<hr/>	<hr/>
Total Expenditures	<u>\$ 729</u>	<u>\$ 2,329</u>	<u>\$ 207,671</u>

CAPITAL PROJECTS FUND

Exhibit F-1

GREEN TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Revenue:	
Proceeds on Bonds	\$ 145,800
School Development Authority (SDA) Grant	<u>97,200</u>
Total Revenues	<u>243,000</u>
Expenditures:	
Legal Services	13,115
Other Purchased Professional Technical Services	1,153
Construction Services	<u>10,640</u>
Total Expenditures	<u>24,908</u>
Excess of Revenue Over Expenditures	218,092
Fund Balance - Beginning Balance	<u>-0-</u>
Fund Balance - Ending Balance	<u><u>\$ 218,092</u></u>
Recapitulation:	
Restricted:	\$ 218,092
Fund Balance per Governmental Funds	<u>218,092</u>
Reconciliation to Governmental Funds Statements (GAAP):	
SDA Grant Receivable not Recognized on GAAP Basis	<u>(97,200)</u>
Fund Balance per Governmental Funds (GAAP)	<u><u>\$ 120,892</u></u>

Exhibit F-1a

GREEN TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE PROJECT OF REVENUES, EXPENDITURES, PROJECT BALANCES AND PROJECT STATUS
BUDGETARY BASIS
ADA UPGRADES/NEW VENTS IN CLASSROOMS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Current Year</u>	<u>Total</u>	<u>Authorized Cost</u>
Revenue and Other Financing Sources:			
Bond Proceeds	\$ 145,800	\$ 145,800	\$ 145,800
SDA Grant	97,200	97,200	97,200
Total Revenues and Other Financing Sources	<u>243,000</u>	<u>243,000</u>	<u>243,000</u>
Expenditures:			
Legal Services	13,115	13,115	13,115
Other Purchased Professional Technical Services	1,153	1,153	1,153
Construction Services	10,640	10,640	228,732
Total Expenditures	<u>24,908</u>	<u>24,908</u>	<u>243,000</u>
Excess of Revenue and Other Financing Sources Over Expenditures	<u>\$ 218,092</u>	<u>\$ 218,092</u>	<u>\$ -0-</u>

Additional Project Information:

Project Number	1800-060-14-1001
Grant Date	2/24/2016
Bond Authorization Date	2/24/2016
Bonds Authorized	\$ 243,000
Bonds Issued	\$ 243,000
Original Authorized Cost	\$ 243,000
Revised Authorized Cost	\$ 243,000
Original Target Completion Date	6/30/2017
Percentage Completion	10.25%

PROPRIETARY FUNDS

Exhibit G-1

GREEN TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2016

	Business-Type Activities:		
	Enterprise Funds		
	Major Funds		
	Food Service	Child Care	Total
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 31,668	\$ 26,135	\$ 57,803
Intergovernmental Accounts Receivable:			
State	28		28
Federal	596		596
Accounts Receivable - Other	1,202	900	2,102
Inventories	7,968		7,968
Total Current Assets	41,462	27,035	68,497
Non-Current Assets:			
Capital Assets	113,152	17,404	130,556
Accumulated depreciation	(92,837)	(1,919)	(94,756)
Total Non-Current Assets	20,315	15,485	35,800
Total Assets	61,777	42,520	104,297
LIABILITIES:			
Current Liabilities:			
Interfund Payable	866	66	932
Accounts Payable	1,891	1,515	3,406
Unearned Revenue	4,883	1,615	6,498
Total Current Liabilities	7,640	3,196	10,836
NET POSITION:			
Net Investment in Capital Assets	20,315	15,485	35,800
Unrestricted	33,822	23,839	57,661
Total Net Position	\$ 54,137	\$ 39,324	\$ 93,461

Exhibit G-2

GREEN TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Business-Type Activities:		
	Enterprise Funds		
	Major Funds		
	Food Service	Child Care	Total
Operating Revenue:			
Local Sources:			
Daily Sales - Reimbursable Programs	\$ 52,448		\$ 52,448
Daily Sales - Non-Reimbursable Programs	23,409		23,409
Child Care All Registration Fees		\$ 150,475	150,475
Total Operating Revenue	<u>75,857</u>	<u>150,475</u>	<u>226,332</u>
Operating Expenses:			
Cost of Sales - Reimbursable Programs	30,415		30,415
Cost of Sales - Non-Reimbursable Programs	13,575		13,575
Salaries and Benefits	24,950	100,829	125,779
Purchased Services	6,885	4,209	11,094
Supplies and Materials	4,200	2,582	6,782
Depreciation	2,531	1,103	3,634
Utilities		818	818
Rent		35,137	35,137
Other	5,392	4,080	9,472
Total Operating Expenses	<u>87,948</u>	<u>148,758</u>	<u>236,706</u>
Operating Income/(Loss)	<u>(12,091)</u>	<u>1,717</u>	<u>(10,374)</u>
Non-Operating Revenue:			
State Sources:			
State School Lunch Program	818		818
Federal Sources:			
National School Lunch Program	15,856		15,856
Food Distribution Program	5,210		5,210
Local Source:			
Interest Revenue	23		23
Total Non-Operating Revenue	<u>21,907</u>		<u>21,907</u>
Change in Net Position	9,816	1,717	11,533
Net Position - Beginning of Year	44,321	37,607	81,928
Net Position - End of Year	<u>\$ 54,137</u>	<u>\$ 39,324</u>	<u>\$ 93,461</u>

Exhibit G-3

GREEN TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Business-Type Activities:		
	Enterprise Funds		
	Major Funds		
	Food Service	Child Care	Total
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 77,282	\$ 151,418	\$ 228,700
Payments for Employees and Benefits	(24,950)	(101,932)	(126,882)
Payments to Suppliers	(57,603)	(51,836)	(109,439)
Net Cash Used for Operating Activities	(5,271)	(2,350)	(7,621)
Cash Flows from Capital Financing Activities:			
Acquisition of Capital Assets		(5,161)	(5,161)
Net Cash (Used for) Capital Financing Activities		(5,161)	(5,161)
Cash Flows from Noncapital Financing Activities:			
Federal and State Sources - Turnover from General Fund	20,642		20,642
Net Cash Provided by Noncapital Financing Activities	20,642		20,642
Cash Flows from Investing Activities:			
Interest on Investments	23		23
Net Cash Provided by Investing Activities	23		23
Net Increase/(Decrease) in Cash and Cash Equivalents	15,394	(7,511)	7,883
Cash and Cash Equivalents, July 1	16,274	33,646	49,920
Cash and Cash Equivalents, June 30	\$ 31,668	\$ 26,135	\$ 57,803
Reconciliation of Operating Income/(Loss) to Net Cash Used for Operating Activities:			
Operating Income/(Loss)	\$ (12,091)	\$ 1,717	\$ (10,374)
Adjustment to Reconcile Operating Income/(Loss) to Cash Used for Operating Activities:			
(Increase) in Other Accounts Receivable			
Depreciation	2,531	1,103	3,634
Federal Food Distribution Program	5,210		5,210
Changes in Assets and Liabilities:			
(Increase)/Decrease in Accounts Receivable - Other	(884)	830	(54)
(Increase) in Inventories	(1,376)		(1,376)
Decrease in Interfund Receivable	4,528		4,528
Increase/(Decrease) in Interfund Payable	810	(38)	772
(Decrease) in Accounts Payable	(3,254)	(6,075)	(9,329)
(Decrease) in Prepaid Sales	(2,219)		(2,219)
Increase in Unearned Revenue	1,474	113	1,587
Net Cash Used for Operating Activities	\$ (5,271)	\$ (2,350)	\$ (7,621)

Non-Cash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received \$6,684 from the Federal Food Distribution Program and utilized commodities valued at \$5,210 for the fiscal year ended June 30, 2016.

FIDUCIARY FUNDS

GREEN TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30,2016

	<u>Payroll</u>	<u>Agency Student Activities</u>	<u>Total Agency</u>	<u>Unemployment Compensation Trust</u>	<u>Totals</u>
ASSETS:					
Cash and Cash Equivalents	\$ 46,502	\$ 49,576	\$ 96,078	\$ 125,456	\$ 221,534
Total Assets	<u>46,502</u>	<u>49,576</u>	<u>96,078</u>	<u>125,456</u>	<u>221,534</u>
LIABILITIES:					
Due to Student Groups		49,576	49,576		49,576
Payroll Deductions and Withholdings	46,502		46,502		46,502
Total Liabilities	<u>46,502</u>	<u>49,576</u>	<u>96,078</u>		<u>96,078</u>
NET POSITION:					
Held in Trust for Unemployment Claims				125,456	125,456
Total Net Position	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 125,456</u>	<u>\$ 125,456</u>

Exhibit H-2

GREEN TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Unemployment Compensation Trust</u>
Additions:	
Contributions:	
Plan Member Contributions	<u>\$ 8,121</u>
Total Contributions	<u>8,121</u>
Investment Earnings:	
Interest	<u>178</u>
Net Investment Earnings	<u>178</u>
Total Additions	<u>8,299</u>
Deductions	
Unemployment Compensation Claims	<u>3,572</u>
Total Deductions	<u>3,572</u>
Change in Net Position	4,727
Net Position - Beginning of the Year	<u>120,729</u>
Net Position - End of the Year	<u><u>\$ 125,456</u></u>

GREEN TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 43,883	\$ 116,336	\$ 110,643	\$ 49,576
Total Assets	<u>\$ 43,883</u>	<u>\$ 116,336</u>	<u>\$ 110,643</u>	<u>\$ 49,576</u>
 <u>LIABILITIES:</u>				
Liabilities:				
Due to Student Groups	\$ 43,883	\$ 116,336	\$ 110,643	\$ 49,576
Total Liabilities	<u>\$ 43,883</u>	<u>\$ 116,336</u>	<u>\$ 110,643</u>	<u>\$ 49,576</u>

GREEN TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF ACTIVITY

	<u>Balance</u> <u>July 1, 2015</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2016</u>
Elementary School: General Organization Account	<u>\$ 43,883</u>	<u>\$ 116,336</u>	<u>\$ 110,643</u>	<u>\$ 49,576</u>
Total All Schools	<u><u>\$ 43,883</u></u>	<u><u>\$ 116,336</u></u>	<u><u>\$ 110,643</u></u>	<u><u>\$ 49,576</u></u>

GREEN TOWNSHIP SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 44,102	\$ 5,397,105	\$ 5,394,705	\$ 46,502
Total Assets	<u>\$ 44,102</u>	<u>\$ 5,397,105</u>	<u>\$ 5,394,705</u>	<u>\$ 46,502</u>
 <u>LIABILITIES:</u>				
Payroll Deduction and Withholdings	\$ 44,102	\$ 5,397,105	\$ 5,394,705	\$ 46,502
Total Liabilities	<u>\$ 44,102</u>	<u>\$ 5,397,105</u>	<u>\$ 5,394,705</u>	<u>\$ 46,502</u>

LONG-TERM DEBT

GREEN TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
STATEMENT OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding June 30, 2016		Interest Rate	Balance July 1, 2015	Bonds Issued	Retired or Matured	Balance June 30, 2016
			Date	Amount					
Renovations to the Green Hills Elementary School Roof	7/28/2009	\$ 416,000	06/01/17	\$ 50,000	4.100%	\$ 201,000		\$ 45,000	\$ 156,000
			06/01/18	50,000	4.100%				
			06/01/19	56,000	4.100%				
Refunded School Bonds	6/15/2011	3,055,000	02/15/17	540,000	4.000%	1,590,000		515,000	1,075,000
			02/15/18	535,000	4.000%				
ADA Upgrades	2/24/2016	145,800	08/15/16	25,000	2.730%		\$ 145,800		145,800
			08/15/17	30,000	2.730%				
			08/15/18	30,000	2.730%				
			08/15/19	30,000	2.730%				
			08/15/20	30,800	2.730%				
						\$ 1,791,000	\$ 145,800	\$ 560,000	\$ 1,376,800

GREEN TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
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>
REVENUE:					
Local Sources:					
Local Tax Levy	\$ 631,841		\$ 631,841	\$ 631,841	
Miscellaneous Revenue				42	\$ 42
Total Revenue	<u>631,841</u>		<u>631,841</u>	<u>631,883</u>	<u>42</u>
EXPENDITURES:					
Regular Debt Service:					
Interest	71,841		71,841	71,841	
Redemption of Principal	560,000		560,000	560,000	
Total Regular Debt Service	<u>631,841</u>		<u>631,841</u>	<u>631,841</u>	
Total Expenditures	<u>631,841</u>		<u>631,841</u>	<u>631,841</u>	
Excess of Revenue Over Expenditures				42	42
Fund Balance, July 1	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Fund Balance, June 30	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 42</u>	<u>\$ 42</u>
<u>Recapitulation:</u>					
Restricted for Subsequent Year's Expenditures				<u>\$ 42</u>	

STATISTICAL SECTION

STATISTICAL SECTION
(Unaudited)

This part of the School's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the School's overall financial health.

Contents

	<u>Exhibit</u>
<p>Financial Trends</p> <p>These schedules contain trend information to help the reader understand how the School's financial performance and well-being have changed over time.</p>	J-1 thru J-5
<p>Revenue Capacity</p> <p>These schedules contain information to help the reader assess the factors affecting the School's ability to generate its property taxes.</p>	J-6 thru J-9
<p>Debt Capacity</p> <p>These schedules present information to help the reader assess the affordability of the School's current levels of outstanding debt and the School's ability to issue additional debt in the future.</p>	J-10 thru J-13
<p>Demographic and Economic Information</p> <p>These schedules offer demographic and economic indicators to help the reader understand the environment within which the School's financial activities take place and to help make comparisons over time and with other governments.</p>	J-14 thru J-15
<p>Operating Information</p> <p>These schedules contain information about the School's operations and resources to help the reader understand how the School's financial information relates to the services the School provides and the activities it performs.</p>	J-16 thru J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

GREEN TOWNSHIP SCHOOL DISTRICT
NET POSITION BY COMPONENT,
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

	June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities:										
Net Investment in Capital Assets	\$ 4,598,327	\$ 4,337,359	\$ 4,234,319	\$ 4,308,749	\$ 4,339,184	\$ 2,255,296	\$ 2,627,158	\$ 3,043,552	\$ 3,460,465	\$ 3,597,636
Restricted	647,762	376,629	813,488	971,166	722,345	535,067	341,335	259,269	191,384	182,488
Unrestricted/(Deficit)	(49,488)	319,286	169,869	407,376	534,744	543,794	557,425	(1,187,482)	(1,392,730)	(1,448,962)
Total Governmental Activities Net Position	\$ 5,196,601	\$ 5,033,274	\$ 5,217,676	\$ 5,687,291	\$ 5,596,273	\$ 3,334,157	\$ 3,525,918	\$ 2,115,339	\$ 2,259,119	\$ 2,331,162
Business-Type Activities:										
Net Investment in Capital Assets	\$ 1,001	\$ 868	\$ 733	\$ 598	\$ 463	\$ 28,063	\$ 26,920	\$ 25,777	\$ 34,273	\$ 35,800
Unrestricted	40,386	35,414	29,588	35,431	54,187	41,911	42,621	53,896	47,655	57,661
Total Business-Type Activities Net Position	\$ 41,387	\$ 36,282	\$ 30,321	\$ 36,029	\$ 54,650	\$ 69,974	\$ 69,541	\$ 79,673	\$ 81,928	\$ 93,461
District-Wide:										
Net Investment in Capital Assets	\$ 4,599,328	\$ 4,338,227	\$ 4,235,052	\$ 4,309,347	\$ 4,339,647	\$ 2,283,359	\$ 2,654,078	\$ 3,069,329	\$ 3,494,738	\$ 3,633,436
Restricted	647,762	376,629	813,488	971,166	722,345	535,067	341,335	259,269	191,384	182,488
Unrestricted/(Deficit)	(9,102)	354,700	199,457	442,807	588,931	585,705	600,046	(1,133,586)	(1,345,075)	(1,391,301)
Total District Net Position	\$ 5,237,988	\$ 5,069,556	\$ 5,247,997	\$ 5,723,320	\$ 5,650,923	\$ 3,404,131	\$ 3,595,459	\$ 2,195,012	\$ 2,341,047	\$ 2,424,623

GREEN TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 3,358,857	\$ 3,187,349	\$ 3,189,497	\$ 3,383,107	\$ 3,021,928	\$ 3,423,279	\$ 3,389,110	\$ 3,466,876	\$ 4,032,605	\$ 4,455,637
Special Education	861,361	989,433	957,812	901,388	1,181,568	840,624	981,253	950,904	1,119,365	1,130,280
Other Special Education	99,782	182,583	100,477	177,248	142,637	229,627	401,781	412,852	380,830	487,118
Other Instruction	41,696	53,974	57,212	55,206	40,342	55,831	55,403	68,388	76,533	88,130
Support Services:										
Tuition	2,120,223	2,471,472	2,490,399	2,238,138	2,734,597	2,574,660	2,705,287	3,238,432	3,670,664	4,184,839
Student and Instruction Related Services	756,501	695,503	865,417	900,556	933,144	914,442	900,629	836,578	907,645	894,438
General Administrative Services	224,567	252,932	252,814	267,253	256,108	276,075	281,580	297,102	410,911	448,654
School Administrative Services	273,763	427,801	262,840	310,965	287,176	278,437	283,864	292,679	211,359	207,182
Central Services	242,895	164,575	241,694	245,996	272,540	269,344	271,019	276,633	288,090	281,302
Administrative Information Technology			27,206	47,055	22,685	27,025	40,049	29,467	39,687	28,114
Plant Operations and Maintenance	625,741	653,984	561,734	604,551	628,107	746,412	654,718	668,681	610,865	729,776
Pupil Transportation	605,144	572,193	518,642	547,934	546,535	563,462	619,490	640,458	572,565	531,781
Capital Outlay		105,913								63,475
Appraisal Revaluation						2,667,474				
Charter Schools		29,027	38,508	51,910	42,616	38,926	29,849	30,366	23,702	30,614
Interest on Long-Term Debt	228,065	214,952	200,401	202,712	183,023	90,377	118,713	89,454	72,100	51,573
Unallocated Depreciation	530,871	522,955	522,952	550,620	551,860	229,816	229,816	229,816	229,099	225,402
Total Governmental Activities Expenses	<u>9,969,466</u>	<u>10,524,646</u>	<u>10,287,605</u>	<u>10,484,639</u>	<u>10,844,866</u>	<u>13,225,811</u>	<u>10,962,561</u>	<u>11,528,686</u>	<u>12,646,020</u>	<u>13,838,315</u>
Business-Type Activities:										
Food Service	153,275	164,502	157,058	143,538	124,759	116,724	103,439	95,374	97,649	87,948
Child Care	48,685	50,385	61,322	63,429	68,639	87,276	117,550	126,204	129,781	148,758
Total Business-Type Activities Expense	<u>201,960</u>	<u>214,887</u>	<u>218,380</u>	<u>206,967</u>	<u>193,398</u>	<u>204,000</u>	<u>220,989</u>	<u>221,578</u>	<u>227,430</u>	<u>236,706</u>
Total District Expenses	<u>10,171,426</u>	<u>10,739,533</u>	<u>10,505,985</u>	<u>10,691,606</u>	<u>11,038,264</u>	<u>13,429,811</u>	<u>11,183,550</u>	<u>11,750,264</u>	<u>12,873,450</u>	<u>14,075,021</u>

GREEN TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED
(CONTINUED)

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Regular Instruction							\$ 3,793			
Pupil transportation				\$ 17,154						
Operating Grants and Contributions	\$ 1,610,332	\$ 2,928,288	\$ 1,423,755	1,661,672	\$ 1,608,066	\$ 1,533,653	1,775,914	\$ 1,684,694	\$ 1,716,777	\$ 1,855,008
Capital Grants and Contributions					48,576	32,234				
Total Governmental Activities Program Revenues	<u>1,610,332</u>	<u>2,928,288</u>	<u>1,423,755</u>	<u>1,678,826</u>	<u>1,656,642</u>	<u>1,565,887</u>	<u>1,779,707</u>	<u>1,684,694</u>	<u>1,716,777</u>	<u>1,855,008</u>
Business-Type Activities:										
Charges for Services:										
Food Service	110,388	111,032	116,679	110,386	100,576	93,491	77,330	73,512	72,334	75,857
Child Care	55,787	61,435	70,687	79,228	90,031	100,559	119,997	135,275	135,049	150,475
Operating Grants and Contributions	21,894	21,900	24,958	22,965	21,336	25,196	23,188	22,904	22,282	21,884
Total Business-Type Activities Program Revenues	<u>188,069</u>	<u>194,367</u>	<u>212,324</u>	<u>212,579</u>	<u>211,943</u>	<u>219,246</u>	<u>220,515</u>	<u>231,691</u>	<u>229,665</u>	<u>248,216</u>
Total District Program Revenues	<u>1,798,401</u>	<u>3,122,655</u>	<u>1,636,079</u>	<u>1,891,405</u>	<u>1,868,585</u>	<u>1,785,133</u>	<u>2,000,222</u>	<u>1,916,385</u>	<u>1,946,442</u>	<u>2,103,224</u>
Net (Expense)/Revenue:										
Governmental Activities	(8,359,134)	(7,596,358)	(8,863,850)	(8,805,813)	(9,188,224)	(11,659,924)	(9,182,854)	(9,843,992)	(10,929,243)	(11,983,307)
Business-Type Activities	(13,891)	(20,520)	(6,056)	5,612	18,545	15,246	(474)	10,113	2,235	11,510
Total District-Wide Net Expense	<u>(8,373,025)</u>	<u>(7,616,878)</u>	<u>(8,869,906)</u>	<u>(8,800,201)</u>	<u>(9,169,679)</u>	<u>(11,644,678)</u>	<u>(9,183,328)</u>	<u>(9,833,879)</u>	<u>(10,927,008)</u>	<u>(11,971,797)</u>

GREEN TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED
(CONTINUED)

	Fiscal Year Ending June 30,									
	2007	2008	2008	2010	2011	2012	2013	2014	2015	2016
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 6,070,009	\$ 6,558,526	\$ 6,912,475	\$ 7,149,733	\$ 7,363,305	\$ 7,510,571	\$ 7,660,782	\$ 7,813,998	\$ 8,204,698	\$ 8,657,422
Taxes Levied for Debt Service	530,621	549,944	571,331	624,539	616,483	557,363	591,280	619,657	607,682	631,841
Tuition from Other LEAs			57,311							
Federal and State Aid not Restricted	1,550,230	288,010	1,480,187	1,480,966	1,097,941	1,217,371	1,134,050	1,529,572	2,208,496	2,675,522
Investment Earnings	80,286	1,701	100	493						
Transportation Fees from Other LEAs							2,480	2,178	371	
Miscellaneous Income	27,853	49,850	26,848	19,697	19,477	112,503	66,178	71,990	49,969	90,194
Transfers	(10,000)	(15,000)								
Total Governmental Activities	<u>8,248,999</u>	<u>7,433,031</u>	<u>9,048,252</u>	<u>9,275,428</u>	<u>9,097,206</u>	<u>9,397,808</u>	<u>9,452,290</u>	<u>10,037,697</u>	<u>11,073,023</u>	<u>12,055,350</u>
Business-Type Activities:										
Investment Earnings	1,490	415	95	96	76	78	41	19	20	23
Total Business-Type Activities	<u>1,490</u>	<u>15,415</u>	<u>95</u>	<u>96</u>	<u>76</u>	<u>78</u>	<u>41</u>	<u>19</u>	<u>20</u>	<u>23</u>
Total District-Wide	<u>8,250,489</u>	<u>7,448,446</u>	<u>9,048,347</u>	<u>9,275,524</u>	<u>9,097,282</u>	<u>9,397,886</u>	<u>9,452,331</u>	<u>10,037,716</u>	<u>11,073,043</u>	<u>12,055,373</u>
Change in Net Position:										
Governmental Activities	(110,135)	(163,327)	184,402	469,615	(91,018)	(2,262,116)	269,436	193,705	143,780	72,043
Business-Type Activities	(12,401)	(5,105)	(5,961)	5,708	18,621	15,324	(433)	10,132	2,255	11,533
Total District	<u>\$ (122,536)</u>	<u>\$ (168,432)</u>	<u>\$ 178,441</u>	<u>\$ 475,323</u>	<u>\$ (72,397)</u>	<u>\$ (2,246,792)</u>	<u>\$ 269,003</u>	<u>\$ 203,837</u>	<u>\$ 146,035</u>	<u>\$ 83,576</u>

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

	June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund:										
Reserved	\$ 522,515	\$ 462,256	\$ 808,124	\$ 868,314						
Unreserved	158,812	373,455	214,386	462,635						
Restricted					\$ 514,397	\$ 502,017	\$ 310,812	\$ 233,465	\$ 191,384	\$ 61,554
Assigned					444,685	654,167	692,521	593,380	429,142	513,939
Unassigned					207,457	123,681	181,208	126,226	99,994	10,302
Total General Fund	<u>\$ 681,327</u>	<u>\$ 835,711</u>	<u>\$ 1,022,510</u>	<u>\$ 1,330,949</u>	<u>\$ 1,166,539</u>	<u>\$ 1,279,865</u>	<u>\$ 1,184,541</u>	<u>\$ 953,071</u>	<u>\$ 720,520</u>	<u>\$ 585,795</u>
All Other Governmental Funds:										
Reserved	\$ 105,914		\$ 78,586							
Unreserved, Reported In:										
Capital Projects Fund/(Deficit)	(85,628)	\$ (85,627)	(73,222)							
Debt Service Fund				\$ 102,852						
Restricted					\$ 84,052	\$ 33,050	\$ 30,523	\$ 25,804		\$ 120,934
Committed					74,136	25,784				
Total All Other Governmental Funds	<u>\$ 20,286</u>	<u>\$ (85,627)</u>	<u>\$ 5,364</u>	<u>\$ 102,852</u>	<u>\$ 158,188</u>	<u>\$ 58,834</u>	<u>\$ 30,523</u>	<u>\$ 25,804</u>	<u>\$ -0-</u>	<u>\$ 120,934</u>

Source: School District Financial Reports

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

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues:										
Tax Levy	\$ 6,600,630	\$ 7,108,470	\$ 7,483,806	\$ 7,774,272	\$ 7,979,788	\$ 8,067,934	\$ 8,252,062	\$ 8,433,655	\$ 8,812,380	\$ 9,289,263
Tuition Charges			57,311				3,793			
Transportation Charges				17,154				2,480	2,178	371
Interest Earnings	80,286	1,701	100							
Miscellaneous	27,853	49,850	26,848	20,190	27,907	114,073	66,178	71,990	49,969	90,194
State Sources	2,926,843	2,997,549	2,718,169	2,609,479	2,433,283	2,471,968	2,681,186	2,994,215	3,012,438	3,338,465
Federal Sources	233,719	218,749	185,773	533,159	312,870	309,720	228,778	220,051	187,511	203,173
Total Revenue	9,869,331	10,376,319	10,472,007	10,954,254	10,753,848	10,963,695	11,231,997	11,722,391	12,064,476	12,921,466
Expenditures:										
Instruction:										
Regular Instruction	2,456,040	2,272,177	2,431,546	2,440,074	2,253,974	2,609,301	2,435,338	2,574,341	2,539,706	2,644,071
Special Education Instruction	667,023	762,643	769,194	675,424	918,532	660,817	742,214	735,824	749,456	713,168
Other Special Instruction	69,309	125,717	75,363	122,537	103,459	170,662	275,452	303,628	236,640	286,236
Other Instruction	35,604	47,574	46,102	39,552	29,502	42,496	40,231	51,232	49,126	52,747
Support Services:										
Tuition	2,120,223	2,471,472	2,490,399	2,238,138	2,734,597	2,574,660	2,705,287	3,238,432	3,670,664	4,184,839
Student and Instruction Related Services	564,470	591,205	706,818	690,216	745,310	753,224	725,884	676,688	706,744	675,361
General Administrative Services	260,995	251,182	213,570	214,788	212,161	220,515	209,576	225,958	322,009	356,225
School Administrative Services	182,568	177,486	174,537	191,212	186,734	184,185	175,446	181,294	107,107	110,461
Central Services	213,060	164,575	170,785	167,325	171,873	179,394	182,221	181,684	183,188	193,135
Administration Information Technology			22,000	36,026	17,834	22,852	32,520	24,460	35,937	23,160
Plant Operations and Maintenance	583,857	616,314	520,095	543,929	573,773	691,774	601,675	582,903	654,554	661,981
Pupil Transportation	599,538	572,193	513,677	549,393	546,704	570,725	627,291	648,855	568,095	526,985
Unallocated Benefits	1,489,941	1,556,102	1,383,836	1,756,205	1,526,250	1,482,794	1,785,432	1,684,624	1,796,711	1,926,758
Debt Service:										
Principal	315,000	330,000	365,000	415,000	445,000	505,000	495,000	515,000	540,000	560,000
Interest and Other Charges	232,938	219,944	206,331	205,175	190,283	108,081	124,611	109,376	93,486	71,841
Capital Outlay	216,405	125,237	66,456	688,523	164,320	134,317	167,605	193,915	45,706	63,475
Transfer of Funds to Charter Schools	11,569	29,027	38,508	51,910	42,616	38,926	29,849	30,366	23,702	30,614
Total Expenditures	10,018,540	10,312,848	10,194,217	11,025,427	10,862,922	10,949,723	11,355,632	11,958,580	12,322,831	13,081,057
Excess (Deficiency) of revenues over (under) expenditures	(149,209)	63,471	277,790	(71,173)	(109,074)	13,972	(123,635)	(236,189)	(258,355)	(159,591)

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

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Other Financing sources (uses)										
Proceeds from Bonds				\$ 416,000						\$ 145,800
Capital Leases				61,100						
Bonds Defeased						\$ 3,055,000				
Refunded Bonds Issued						(3,055,000)				
Bond Costs						82,838				
Bond Premium						(221,080)				
Deferred Amount on Refunding						138,242				
Transfers in		\$ 5,711	\$ 43,783	98,488	\$ 147,000		\$ 25,804			
Transfers out	\$ (10,000)	(20,711)	(43,783)	(98,488)	(147,000)		(25,804)			
Total other financing sources (uses)	(10,000)	(15,000)		477,100						145,800
Net Change in Fund Balances	\$ (159,209)	\$ 48,471	\$ 277,790	\$ 405,927	\$ (109,074)	\$ 13,972	\$ (123,635)	\$ (236,189)	\$ (258,355)	\$ (13,791)
Debt Service as a Percentage of Noncapital Expenditures	5.59 %	5.40 %	5.64 %	6.00 %	5.94 %	5.67 %	5.54 %	5.31 %	5.16 %	4.85 %

Source: School District Financial Reports

GREEN TOWNSHIP SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

Fiscal Year Ending June 30,	Tuition	Transportation	Interest on Investments	Rental Income	Prior Year Refunds	Miscellaneous	Total
2007	\$ 719		\$ 64,909		\$ 18,328	\$ 8,806	\$ 92,762
2008			40,456			5,384	45,840
2009	57,311		9,921		1,026	15,328	83,586
2010		\$ 17,154	5,440		1,575	12,682	36,851
2011			3,632			15,845	19,477
2012			2,109		442	105,236	107,787
2013	3,793		1,938		3,500	60,720	69,951
2014		2,480	1,836	\$ 25,000		45,154	74,470
2015		2,178	2,368	19,840	2,851	24,910	52,147
2016		371	1,966	35,000	596	52,590	90,523

Source: Green Township School District records

GREEN TOWNSHIP SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
UNAUDITED

Year Ended December 31,	Vacant Land	Residential	Farm Regular	Qualified Farm	Commercial	Industrial	Total Assessed Value	Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2006	\$ 14,948,200	\$ 444,867,500	\$ 40,661,800	\$ 1,651,700	\$ 17,278,100	\$ 6,142,000	\$ 525,549,300	\$ 43,803,100	\$ 947,450	\$ 526,496,750	\$ 1.23	\$ 525,971,726
2007	16,190,190	455,212,900	40,252,600	1,551,800	17,278,100	6,142,000	536,627,590	43,803,100	856,694	537,484,284	1.27	565,653,846
2008	13,574,000	464,033,800	41,132,600	1,618,000	17,347,900	6,142,000	543,848,300	43,691,200	837,782	544,686,082	1.34	569,636,089
2009	11,867,000	472,343,200	40,302,300	1,651,802	17,718,900	8,587,100	552,470,302	43,691,200	788,189	553,258,491	1.37	579,774,786
2010	10,607,200	475,641,700	40,357,100	1,653,200	17,598,100	8,587,100	554,444,400	44,125,900	691,024	555,135,424	1.42	569,716,075
2011	9,950,100	472,382,900	43,173,500	1,653,400	19,317,700	8,587,100	555,064,700	44,424,000	633,063	555,697,763	1.45	544,502,374
2012	9,708,800	472,928,000	42,179,500	1,648,200	19,782,700	8,587,100	554,834,300	44,177,600	660,983	555,495,283	1.46	509,667,498
2013 *	5,752,000	353,640,700	32,591,400	1,630,300	17,180,500	7,771,100	418,566,000	40,754,200	616,930	419,182,930	1.99	445,936,535
2014	5,176,300	355,526,900	31,275,000	1,633,100	16,341,000	7,771,100	417,723,400	41,079,900	476,549	418,199,949	2.06	464,134,730
2015	5,175,900	357,107,400	30,861,700	1,590,400	16,341,000	7,150,000	418,226,400	41,034,500	476,549	418,702,949	2.16	465,554,626

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 ordered by the County Board of Taxation

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

^b Tax rates are per \$100

* Revaluation Year

Source: Municipal Tax Assessor

Exhibit J-7

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

<u>Year Ended</u> <u>December 31,</u>	<u>Green Township School District Direct Rate</u>			<u>Overlapping Rates</u>		<u>Total Direct</u> <u>and</u> <u>Overlapping</u> <u>Tax Rate</u>
	<u>Basic Rate</u> ^a	<u>General</u> <u>Obligation</u> <u>Debt Service</u> ^b	<u>Total</u> <u>Direct</u>	<u>Green</u> <u>Township</u>	<u>Sussex</u> <u>County</u>	
2006	\$ 1.128	\$ 0.103	\$ 1.231	\$ 0.378	\$ 0.411	\$ 2.020
2007	1.174	0.098	1.272	0.416	0.406	2.094
2008	1.236	0.100	1.336	0.452	0.405	2.193
2009	1.264	0.110	1.374	0.463	0.398	2.235
2010	1.308	0.110	1.418	0.463	0.414	2.295
2011	1.348	0.100	1.448	0.463	0.424	2.335
2012	1.357	0.105	1.462	0.463	0.425	2.350
2013	* 1.839	0.146	1.985	0.612	0.522	3.119
2014	1.915	0.146	2.061	0.612	0.580	3.254
2015	2.012	0.147	2.159	0.597	0.574	3.330

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy .

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

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

* Revaluation Year.

Source: Municipal Tax Collector and School Business Administrator

Exhibit J-8

GREEN TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS,
LAST YEAR AND NINE YEARS AGO
UNAUDITED

<u>Taxpayer</u>	2015	
	<u>Taxable Assessed Value</u>	<u>% of Total District Net Assessed Value</u>
Individual Taxpayer #1	\$ 7,150,300	1.71 %
Reilly Realty, LLC	3,498,700	0.84 %
Brighton Realty	1,738,500	0.42 %
TAB Microfilm Services, Inc.	1,703,900	0.41 %
Forest Knoll, LLC	1,671,800	0.40 %
Sonick Realty, LLC	1,456,900	0.35 %
Individual Taxpayer #2	1,284,100	0.31 %
Individual Taxpayer #3	1,275,600	0.31 %
Individual Taxpayer #4	1,273,400	0.30 %
New Jersey 7th Day Adventists	1,146,400	0.27 %
Total	<u>\$ 22,199,600</u>	<u>5.32 %</u>

<u>Taxpayer</u>	2006	
	<u>Taxable Assessed Value</u>	<u>% of Total District Net Assessed Value</u>
Individual Taxpayer #1	\$ 6,304,300	1.17 %
Forest Knoll, LLC	5,305,900	0.99 %
Reilly Realty, LLC	4,031,000	0.75 %
NJ Conf 7th Day Adventists	3,314,600	0.62 %
Toll Land XXV, LP	2,136,800	0.40 %
TAB Microfilm Services, Inc.	1,908,500	0.36 %
Individual Taxpayer #2	1,700,000	0.32 %
Individual Taxpayer #3	1,373,700	0.26 %
Individual Taxpayer #4	1,320,900	0.25 %
Brighton Realty	1,252,900	0.23 %
Total	<u>\$ 28,648,600</u>	<u>5.35 %</u>

Note: Individual taxpayers may be different in 2015 and 2006.

Source: Municipal Tax Assessor

Exhibit J-9

GREEN TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS,
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2007	\$ 6,600,630	\$ 6,600,630	100.00 %	-0-
2008	7,108,470	7,108,470	100.00 %	-0-
2009	7,483,806	7,483,806	100.00 %	-0-
2010	7,774,272	7,774,272	100.00 %	-0-
2011	7,979,788	7,979,788	100.00 %	-0-
2012	8,067,934	8,067,934	100.00 %	-0-
2013	8,252,062	8,252,062	100.00 %	-0-
2014	8,433,655	8,433,655	100.00 %	-0-
2015	8,812,380	8,812,380	100.00 %	-0-
2016	9,289,263	9,289,263	100.00 %	-0-

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

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

Exhibit J-10

GREEN TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities General Obligation Bonds	Capital Leases	Total District	Percentage of Personal Income ^a	Per Capita ^a
2007	\$ 4,985,000		\$ 4,985,000	2.91 %	\$ 1,423
2008	4,655,000		4,655,000	2.64 %	1,306
2009	4,290,000		4,290,000	2.49 %	1,201
2010	4,291,000	\$ 47,562	4,338,562	2.46 %	1,206
2011	3,846,000	36,593	3,882,593	2.14 %	1,086
2012	3,341,000	25,031	3,366,031	1.80 %	947
2013	2,846,000	12,186	2,858,186	1.53 %	811
2014	2,331,000		2,331,000	1.26 %	664
2015	1,791,000		1,791,000	0.97 %	511
2016	1,376,800		1,376,800	0.74 %	393

Note: Details regarding the District's Outstanding Debt can be found in the Notes to the Financial Statements.

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

Source: School District Financial Reports

Exhibit J-11

GREEN TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2007	\$ 4,985,000	-0-	\$ 4,985,000	0.95 %	\$ 1,423
2008	4,655,000	-0-	4,655,000	0.87 %	1,306
2009	4,290,000	-0-	4,290,000	0.79 %	1,201
2010	4,291,000	-0-	4,291,000	0.78 %	1,193
2011	3,846,000	-0-	3,846,000	0.69 %	1,076
2012	3,341,000	-0-	3,341,000	0.60 %	940
2013	2,846,000	-0-	2,846,000	0.51 %	808
2014	2,331,000	-0-	2,331,000	0.56 %	664
2015	1,791,000	-0-	1,791,000	0.43 %	511
2016	1,376,800	-0-	1,376,800	0.33 %	393

Note: Details regarding the District's Outstanding Debt can be found in the Notes to the Financial Statements.

^a See J-6 for property tax data. This ratio is calculated using valuation data for the prior calendar year.

^b Population data can be found in J-14. This ratio is calculated using valuation data for the prior calendar year.

Source: School District Financial Reports

Exhibit J-12

GREEN TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2015
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
Green Township	\$ 2,414,232	100.00 %	\$ 2,414,232
Sussex County General Obligation Debt	112,567,826	2.67 %	<u>3,002,880</u>
Subtotal, Overlapping Debt			5,417,112
Green Township School District Direct Debt			<u>1,231,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 6,648,112</u></u>

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 Green. This process recognizes that, when considering the District's ability to issue and repay long-term, 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 unit.

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

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

Exhibit J-13

GREEN TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION,
LAST TEN FISCAL YEARS
UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2016

	<u>Equalized Valuation Basis</u>	
	2015	\$ 460,165,581
	2014	465,493,607
	2013	480,168,371
		<u>\$1,405,827,559</u>
Average Equalized Valuation of Taxable Property		<u>\$ 468,609,186</u>
Debt Limit (3% of Average Equalization Value)		\$ 14,058,276 ^a
Net Bonded School Debt		1,376,800
Legal Debt Margin		<u>\$ 12,681,476</u>

	<u>Fiscal Year</u>				
	2007	2008	2009	2010	2011
Debt Limit	\$ 10,070,425	\$ 15,717,955	\$ 16,585,373	\$ 16,993,367	\$ 16,767,216
Total Net Debt Applicable to Limit	4,985,000	4,655,000	4,290,000	4,291,000	3,846,000
Legal Debt Margin	<u>\$ 5,085,425</u>	<u>\$ 11,062,955</u>	<u>\$ 12,295,373</u>	<u>\$ 12,702,367</u>	<u>\$ 12,921,216</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	49.50 %	29.62 %	25.87 %	25.25 %	22.94 %

	<u>Fiscal Year</u>				
	2012	2013	2014	2015	2016
Debt Limit	\$ 16,161,230	\$ 15,189,093	\$ 14,569,398	\$ 14,142,720	\$ 14,058,276
Total Net Debt Applicable to Limit	3,341,000	2,846,000	2,331,000	1,791,000	1,376,800
Legal Debt Margin	<u>\$ 12,820,230</u>	<u>\$ 12,343,093</u>	<u>\$ 12,238,398</u>	<u>\$ 12,351,720</u>	<u>\$ 12,681,476</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	20.67 %	18.74 %	16.00 %	12.66 %	9.79 %

^a Limit set by NJSA 18A:24-19 for a K through 8 district; other % limits would be applicable for other districts

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

Exhibit J-14

GREEN TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

<u>Year Ended</u>	<u>Population^a</u>	<u>Per Capita Personal Income^b</u>	<u>Personal Income^c</u>	<u>Unemployment Rate^d</u>
2007	3,502	\$ 48,898	\$ 171,240,796	3.60 %
2008	3,563	49,575	176,635,725	4.70 %
2009	3,571	48,261	172,340,031	7.80 %
2010	3,597	49,042	176,404,074	8.30 %
2011	3,576	50,800	181,660,800	8.10 %
2012	3,554	52,592	186,911,968	8.00 %
2013	3,523	52,958	186,571,034	5.60 %
2014	3,512	52,851	185,612,712	5.70 %
2015	3,506	52,851 **	185,295,606 ***	4.20 %
2016	3,506 *	52,851 **	185,295,606 ***	N/A

* - Latest population data available (2015) was used for calculation purposes.

** - Latest Sussex County per capita personal income available (2014) was used for calculation purposes.

*** - Latest Sussex County personal income (2014) was used for calculation purposes.

N/A - Information unavailable.

Source: ^a Population information provided by the US Bureau of the Census, Population Division

^b Per Capita Personal Income provided by the NJ Dept of Labor and Workforce Development

^c Personal income has been estimated based upon the municipal population and per capita personal income presented

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

GREEN TOWNSHIP SCHOOL DISTRICT
PRINCIPAL EMPLOYERS - COUNTY OF SUSSEX
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

2015			2006		
Employer	Employees	Percentage of Total Employment	Employer	Employees	Percentage of Total Employment
Newton Memorial Hosptial	5,000	6.80%	Mountain Creek Resort	1,247	1.54%
Selective Insurance	5,000	6.80%	Crystal Springs Golf and Spa Resort	1,154	1.43%
Mountain Creek Resort	1,000	1.36%	Newton Memorial Hosptial	1,109	1.37%
Thor Labs	1,000	1.36%	Selective Insurance	954	1.18%
County of Sussex	1,000	1.36%	County of Sussex	770	0.95%
Ames Rubber Corp.	500	0.68%	Andover Subacute & Rehab Center	700	0.86%
Raider Express of Andover	500	0.68%	Ronetco Supermarkets	672	0.83%
Sussex County Community College	500	0.68%	Vernon Township Board of Education	664	0.82%
Mountain Creek Waterpark	250	0.34%	Sparta Board of Education	557	0.69%
A&P Food Store	250	0.34%	Sussex County Community College	516	0.64%
Total	<u>15,000</u>	<u>20.41%</u>	Total	<u>8,343</u>	<u>10.31%</u>
Total Employment	<u>73,505</u>		Total Employment	<u>80,951</u>	

Source: Sussex County Area Chamber of Commerce

GREEN TOWNSHIP SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM,
LAST TEN 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	34.5	37.5	38.5	36.5	33.6	35.4	34.7	34.7	36.2	36.0
Special Education	5.5	5.5	7.5	9.0	4.4	8.2	8.3	8.3	8.2	8.0
Support Services:										
Student & Instruction Related Services	15.0	17.5	16.9	16.1	15.9	15.5	17.8	16.8	19.8	15.3
School Administrative Services	3.0	3.0	3.0	3.0	3.0	1.0	1.5	1.5	1.5	1.5
General Administrative Services	2.5	2.0	2.2	1.5	1.5	2.0	1.5	1.5	1.0	1.0
Plant Operations and Maintenance	4.5	4.0	4.0	4.5	4.5	5.1	5.0	5.0	5.2	5.2
Pupil Transportation	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Business and Other Support Services	1.0	4.0	3.0	3.0	3.0	4.6	4.6	4.6	4.4	4.4
Enterprise Fund	0.5	0.5	1.0	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Total	<u>67.0</u>	<u>74.5</u>	<u>76.6</u>	<u>74.6</u>	<u>66.9</u>	<u>72.8</u>	<u>74.4</u>	<u>73.4</u>	<u>77.3</u>	<u>72.4</u>

Source: District Personnel Records

GREEN TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS,
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^d	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio Elementary	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2007	513	\$ 9,254,197	\$ 18,039	7.07 %	40	1:13	513	513	0.20 %	100.00 %
2008	528	9,637,667	18,253	1.19 %	44	1:12	489	466	-4.68 %	95.30 %
2009	502	9,556,430	19,037	4.29 %	40	1:13	500	480	2.25 %	96.00 %
2010	491	9,716,729	19,790	3.96 %	42	1:12	491	480	-1.80 %	97.76 %
2011	493	10,063,319	20,412	3.15 %	42	1:12	490	471	-0.20 %	96.12 %
2012	481	10,202,325	21,211	3.91 %	42	1:11	475	459	-3.06 %	96.63 %
2013	489	10,568,416	21,612	1.89 %	40	1:12	484	465	1.91 %	96.15 %
2014	478	11,140,289	23,306	7.84 %	41	1:12	481	464	-0.63 %	96.51 %
2015	473	11,643,639	24,617	5.62 %	43	1:11	466	449	-3.12 %	96.35 %
2016	473	12,385,741	26,185	6.37 %	44	1:11	469	448	0.69 %	95.48 %

Note: Enrollment based on annual October District count.

^a Operating expenditures equal total expenditures less debt service and capital outlay.

^b Teaching staff includes only full-time equivalents of certificated staff.

^c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

^d The cost per pupil calculated above is the sum of operating expenditures divided by enrollment. This cost per pupil may be different from other cost per pupil calculations.

Source: Green Township School District records

GREEN TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<u>District Buildings</u>										
Green Hills Elementary School (1964)										
Square Feet	106,501	106,501	106,501	106,501	106,501	106,501	106,501	106,501	106,501	106,501
Capacity (students)	713	713	713	713	713	713	713	713	713	713
Enrollment	513	528	502	491	493	481	489	478	473	473
Number of Schools at June 30, 2016										
Elementary = 1										

Note: Year of original construction is shown in parentheses. Enrollment is based on the annual October district count.

Source: Green Township School District Facilities Office

GREEN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS
UNAUDITED

Undistributed Expenditures - Required Maintenance for School Facilities
 11-000-261-xxx

School Facilities	Fiscal Year Ended June 30,				
	2007	2008	2009	2010	2011
Green Hills Elementary School	\$ 71,077	\$ 88,703	\$ 56,788	\$ 57,317	\$ 47,850

School Facilities	Fiscal Year Ended June 30,				
	2012	2013	2014	2015	2016
Green Hills Elementary School	\$ 78,375	\$ 45,686	\$ 82,118	\$ 60,506	\$ 64,758

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

Source: Green Township School District records

Exhibit J-20

GREEN TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
AS OF JUNE 30, 2016
UNAUDITED

	<u>Coverage</u>		<u>Deductible</u>
School Alliance Insurance Fund (SAIF):			
Property - Blanket Building and Contents Including Boiler and Building and Personal Property Inland Marine - Auto Physical Damage	\$ 250,000,000		\$ 2,500
General Liability including Auto, Employee Benefits Each Occurance	5,000,000		
General Aggregate	100,000	Fund Aggregate	
Product Completed Ops			
Personal Injury			
Fire Damage	2,500,000		
Medical Expenses (Excluding Students Taking Part in Athletics)	10,000		
Automobile Coverage Combined Single Limit Hired/Non Owned			
Environmental Impairment Liability	1,000,000/25,000,000	Fund Aggregate	10,000
Crime Coverage	50,000	Inside/Outside	1,000
Blanket Dishonesty Bond	500,000		1,000
Boiler and Machinery	100,000,000		2,500
Excess Liability (AL/GL)	5,000,000		
School Board Legal	5,000,000/5,000,000		5,000
Workers' Compensation	Statutory		
Employer's Liability	5,000,000		
Supplemental Indemnity	Statutory		
Bond for School Business Administrator	250,000	Selective Insurance	
Bond for Treasurer of School Monies	250,000	Selective Insurance	
Student Accident	Bollinger Voluntary Coverage Only 5,000,000		

Source: Township of Green School District records.

SINGLE AUDIT SECTION



Mount Arlington Corporate Center
 200 Valley Road, Suite 300
 Mt. Arlington, NJ 07856
 973-328-1825 | 973-328-0507 Fax
 Lawrence Business Center
 11 Lawrence Road
 Newton, NJ 07860
 973-383-6699 | 973-383-6555 Fax

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

Independent Auditors' Report

The Honorable President and Members
 of the Board of Education
 Green Township School District
 County of Sussex, 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 the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Green Township School District, in the County of Sussex (the "District") as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 4, 2016.

Internal Control Over Financial Reporting

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

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

Our consideration of the 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.

The Honorable President and Members
of the Board of Education
Green Township School District
Page 2

Compliance and Other Matters

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

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

November 4, 2016
Mount Arlington, New Jersey

NISIVOCCIA LLP



William F. Schroeder
Licensed Public School Accountant #2112
Certified Public Accountant



Mount Arlington Corporate Center
 200 Valley Road, Suite 300
 Mt. Arlington, NJ 07856
 973-328-1825 | 973-328-0507 Fax

Lawrence Business Center
 11 Lawrence Road
 Newton, NJ 07860
 973-383-6699 | 973-383-6555 Fax

Report on Compliance For Each Major State Program;
 Report on Internal Control Over Compliance

Independent Auditors' Report

The Honorable President and Members
 of the Board of Education
 Green Township School District
 County of Sussex, New Jersey

Report on Compliance for Each Major State Program

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

Management's Responsibility

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

Auditors' Responsibility

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

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

The Honorable President and Members
of the Board of Education
Green Township School District
Page 2

Opinion on Each Major State Program

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

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major 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 state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and NJOMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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

November 4, 2016
Mount Arlington, New Jersey

NISIVOCCIA LLP



William F. Schroeder
Licensed Public School Accountant #2112
Certified Public Accountant

GREEN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Federal Grantor/Pass Through Grantor Program Title/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2015		Cash Received	Budgetary Expenditures	Balance at June 30, 2016		Amount Provided to Subrecipients	
					Budgetary Accounts Receivable	Budgetary Unearned Revenue			Budgetary Accounts Receivable	Budgetary Unearned Revenue		
U.S. Department of Education Passed-through State Department of Education:												
Special Revenue Fund:												
IDEA Special Education Cluster:												
I.D.E.A. Part B, Basic	84.027	IDEA180015	7/1/14-6/30/15	\$ 127,060	\$ (1,350)		\$ 1,350					
I.D.E.A. Part B, Basic	84.027	IDEA180016	7/1/15-6/30/16	128,716			126,438	\$ (126,438)				
I.D.E.A. Part B, Preschool	84.173	IDEA180016	7/1/15-6/30/16	5,776			5,776	(5,776)				
Total IDEA Special Education Cluster						(1,350)	133,564	(132,214)				
No Child Left Behind Consolidated Grant:												
Title I	84.010A	NCLB180016	7/1/15-6/30/16	20,883				(18,795)	\$ (18,795)			
Small Rural School Achievement Program	84.358A	S358A115808	7/1/15-6/30/16	52,164			52,164	(52,164)				
Total U.S. Department of Education						(1,350)	185,728	(203,173)	(18,795)			
U.S. Department of Agriculture:												
Passed-through State Department of Agriculture:												
Child Nutrition Cluster:												
Food Distribution Program	10.555	N/A	7/1/14-6/30/15	6,754		\$ 3,409		(3,409)				
Food Distribution Program	10.555	N/A	7/1/15-6/30/16	6,684			6,684	(1,801)	\$ 4,883			
National School Lunch Program	10.555	N/A	7/1/14-6/30/15	14,567	(4,351)		4,351					
National School Lunch Program	10.555	N/A	7/1/15-6/30/16	15,856			15,260	(15,856)	(596)			
Total Child Nutrition Cluster						(4,351)	3,409	26,295	(21,066)	(596)	4,883	
Total U.S. Department of Agriculture						(4,351)	3,409	26,295	(21,066)	(596)	4,883	
Total Federal Awards						\$ (5,701)	\$ 3,409	\$ 212,023	\$ (224,239)	\$ (19,391)	\$ 4,883	\$ -0-

N/A - Not Applicable

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

GREEN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2015		Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2016		MEMO	
				Budgetary Accounts Receivable	Due to Grantor				GAAP Accounts Receivable	Due to Grantor	Budgetary Accounts Receivable	Cumulative Total Expenditures
New Jersey Department of Education												
General Fund:												
Special Education Categorical Aid	16-495-034-5120-089	7/1/15 - 6/30/16	\$ 351,368			\$ 317,195	\$ (351,368)			\$ (34,173)	\$ 351,368	
Equalization Aid	16-495-034-5120-078	7/1/15 - 6/30/16	693,970			626,476	(693,970)			(67,494)	693,970	
Security Aid	16-495-034-5120-084	7/1/15 - 6/30/16	44,047			39,763	(44,047)			(4,284)	44,047	
Adjustment Aid	16-495-034-5120-085	7/1/15 - 6/30/16	437,219			394,696	(437,219)			(42,523)	437,219	
PARCC Readiness Aid	16-495-034-5120-085	7/1/15 - 6/30/16	6,810			6,148	(6,810)			(662)	6,810	
Per Pupil Growth Aid	16-495-034-5120-085	7/1/15 - 6/30/16	6,810			6,148	(6,810)			(662)	6,810	
Transportation Aid	16-495-035-5120-014	7/1/15 - 6/30/16	403,821			364,546	(403,821)			(39,275)	403,821	
School Choice Aid	16-495-034-5120-068	7/1/15 - 6/30/16	520,520			469,895	(520,520)			(50,625)	520,520	
Additional Nonpublic Transportation Aid	16-495-035-5120-014	7/1/15 - 6/30/16	6,406					\$ (6,406)		(6,406)	6,406	
Extraordinary Special Education Aid	16-495-034-5120-444	7/1/15 - 6/30/16	59,781				(59,781)		(59,781)	(59,781)	59,781	
Reimbursed TPAF Social Security Contributions	16-495-034-5094-013	7/1/15 - 6/30/16	236,410			213,084	(236,410)		(23,326)	(23,326)	236,410	
Special Education Categorical Aid	15-495-034-5120-089	7/1/14 - 6/30/15	351,368	\$ (34,237)		34,237					351,368	
Equalization Aid	15-495-034-5120-078	7/1/14 - 6/30/15	693,970	(67,618)		67,618					693,970	
Security Aid	15-495-034-5120-084	7/1/14 - 6/30/15	44,047	(4,292)		4,292					44,047	
Adjustment Aid	15-495-034-5120-085	7/1/14 - 6/30/15	437,219	(42,601)		42,601					437,219	
PARCC Readiness Aid	15-495-034-5120-085	7/1/14 - 6/30/15	6,810	(644)		644					6,810	
Per Pupil Growth Aid	15-495-034-5120-085	7/1/14 - 6/30/15	6,810	(644)		644					6,810	
Transportation Aid	15-495-035-5120-014	7/1/14 - 6/30/15	403,821	(39,347)		39,347					403,821	
School Choice Aid	15-495-034-5120-068	7/1/14 - 6/30/15	283,920	(27,665)		27,665					283,920	
Additional Nonpublic Transportation Aid	15-495-035-5120-014	7/1/14 - 6/30/15	11,515	(11,515)		11,515					11,515	
Extraordinary Special Education Aid	15-100-034-5120-473	7/1/14 - 6/30/15	55,567	(55,567)		55,567					55,567	
Reimbursed TPAF Social Security Contributions	15-495-034-5095-002	7/1/14 - 6/30/15	241,472	(12,050)		12,050					241,472	
Total General Fund State Aid				(296,180)		2,734,131	(2,767,162)		(89,513)		(329,211)	5,303,681
Special Revenue Fund:												
New Jersey Nonpublic Aid:												
Technology	16-100-034-5120-373	7/1/15 - 6/30/16	416			416			\$ 416			
Nursing Services	16-100-034-5120-070	7/1/15 - 6/30/16	1,440			1,440	(1,440)				1,440	
Textbook	16-100-034-5120-064	7/1/15 - 6/30/16	914			914	(729)			185	729	
Security	16-100-034-5120-509	7/1/15 - 6/30/16	400			400				400		
Handicapped Services:												
Examination & Classification	16-100-034-5120-066	7/1/15 - 6/30/16	3,067			3,067				3,067		
Corrective Speech	16-100-034-5120-066	7/1/15 - 6/30/16	836			836				836		
Supplementary Instruction	16-100-034-5120-066	7/1/15 - 6/30/16	743			743				743		
Auxiliary Services:												
Compensatory Education	16-100-034-5120-067	7/1/15 - 6/30/16	9,306			9,306				9,306		
E.S.L.	16-100-034-5120-067	7/1/15 - 6/30/16	2,588			2,588	(2,329)			259	2,329	
Technology	15-100-034-5120-373	7/1/14 - 6/30/15	576		\$ 576			\$ (576)				
Textbook	15-100-034-5120-064	7/1/14 - 6/30/15	1,072		1,072			(1,072)				
Handicapped Services:												
Examination & Classification	15-100-034-5120-066	7/1/14 - 6/30/15	3,242		2,881			(2,881)			361	
Corrective Speech	15-100-034-5120-066	7/1/14 - 6/30/15	884		884			(884)				
Supplementary Instruction	15-100-034-5120-066	7/1/14 - 6/30/15	785		79			(79)			706	
Auxiliary Services:												
Compensatory Education	15-100-034-5120-067	7/1/14 - 6/30/15	8,062		3,224			(3,224)			4,838	
English as a Second Language	15-100-034-5120-067	7/1/14 - 6/30/15	3,106		1,462			(1,462)			1,644	
Total Special Revenue Fund State Aid					10,178	19,710	(4,498)	(10,178)		15,212	12,047	

GREEN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2015			Repayment of Prior Years' Balances	Balance at June 30, 2016		MEMO		
				Budgetary Accounts Receivable	Due to Grantor	Cash Received		Budgetary Expenditures	GAAP Accounts Receivable	Due to Grantor	Budgetary Accounts Receivable	Cumulative Total Expenditures
Enterprise Fund:												
State School Lunch Program	16-100-010-3350-023	7/1/15 - 6/30/16	\$ 818			\$ 790	\$ (818)	\$ (28)		\$ (28)	\$ 818	
State School Lunch Program	15-100-010-3350-023	7/1/14 - 6/30/15	793	(241)		241					793	
Total Enterprise Fund				(241)		1,031	(818)	(28)		(28)	1,611	
Total State Awards				\$ (296,421)	\$ 10,178	\$ 2,754,872	\$ (2,772,478)	\$ (10,178)	\$ (89,541)	\$ 15,212	\$ (329,239)	\$ 5,317,339

GREEN TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of the Board of Education, Green Township School District under programs of the federal and state governments for the fiscal year ended June 30, 2016. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented on the accrual basis of accounting. These bases of accounting are described in Note 1 to the District's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3. INDIRECT COST RATE

The District has elected to use the 10 percent minimus indirect cost rate as allowed under the Uniform Guidance.

NOTE 4. 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 state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes those payments are not recognized until the subsequent budget year due to the state deferral and recording of the last two 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 revenue, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$22,610) for the general fund and \$-0- for the special revenue fund. See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general, special revenue and capital projects funds. Additionally, the schedule of expenditures of state awards does not include the on-behalf TPAF Pension Contributions and Post Retirement Contributions revenue of \$269,050 and \$320,365 respectively. Awards and financial assistance revenue are reported on the Board's basic financial statements on a GAAP basis as on the following page:

GREEN TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 3,333,967	\$ 3,333,967
Special Revenue Fund	\$ 203,173	4,498	207,671
Enterprise Fund	21,066	818	21,884
Total Financial Awards	<u>\$ 224,239</u>	<u>\$ 3,339,283</u>	<u>\$ 3,563,522</u>

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 6. OTHER

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

NOTE 7. NJ SCHOOLS DEVELOPMENT AUTHORITY (SDA) GRANTS

The District has an active grant award in the amount of \$97,200 from the Schools Development Authority (SDA) under the Educational Facilities Construction and Financing Act. As of June 30, 2016, \$-0- has been expended and submitted for reimbursement and \$-0- has been drawn down and received. The District realizes grant revenue in Capital Projects Fund on the GAAP basis as it is expended and submitted for reimbursement.

GREEN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major State Program; Report on Internal Control Over Compliance*.
- The auditor's report on compliance for the major state programs for the District expresses an unmodified opinion on all major state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District was not subject to the single audit provisions of the Uniform Guidance for fiscal year end June 30, 2016 as federal grant expenditures were less than the single audit threshold of \$750,000 identified in the Uniform Guidance.
- The District's programs tested as major state programs for the current fiscal year consisted of the following state aid:

<u>General Fund State Aid:</u>	<u>State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
<u>State:</u>				
Special Education Categorical Aid	16-495-034-5120-089	7/1/15 - 6/30/16	\$ 351,368	\$ 351,368
Equalization Aid	16-495-034-5120-078	7/1/15 - 6/30/16	693,970	693,970
Security Aid	16-495-034-5120-084	7/1/15 - 6/30/16	44,047	44,047
Adjustment Aid	16-495-034-5120-085	7/1/15 - 6/30/16	437,219	437,219
PARCC Readiness Aid	16-495-034-5120-085	7/1/15 - 6/30/16	6,810	6,810
Per Pupil Growth Aid	16-495-034-5120-085	7/1/15 - 6/30/16	6,810	6,810
School Choice Aid	16-495-034-5120-068	7/1/15 - 6/30/16	520,520	520,520

- The threshold used for distinguishing between Type A and Type B state programs was \$750,000.
- The District was determined to be a "low-risk" auditee for state programs.

GREEN TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

Findings and Questioned Costs for Federal Awards:

- Not applicable since federal expenditures were below the single audit threshold.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in 2 CFR 200.516(a) of the Uniform Guidance or NJ OMB 15-08.

GREEN TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2016

Status of Prior Year Findings:

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