

Comprehensive Annual Financial Report

of the

**Township of Greenwich
School District**

Gibbstown, New Jersey

**For The Fiscal Year Ended
June 30, 2016**

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
Table of Contents

INTRODUCTORY SECTION	<u>Page</u>
Letter of Transmittal	2
Organizational Chart	6
Roster of Officials	7
Consultants and Advisors	8
 FINANCIAL SECTION 	
Independent Auditor's Report	10
Required Supplementary Information - Part I Management's Discussion and Analysis	16
Basic Financial Statements	
A. Government-Wide Financial Statements:	
A-1 Statement of Net Position	23
A-2 Statement of Activities	24
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	27
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	28
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	29
Proprietary Funds:	
B-4 Statement of Net Position	30
B-5 Statement of Revenues, Expenses and Changes in Fund Net Position	31
B-6 Statement of Cash Flows	32
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	33
B-8 Statement of Changes in Fiduciary Net Position	N/A
Notes to the Financial Statements	34
Required Supplementary Information - Part II	
C. Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule - General Fund	66
C-1a Combining Schedule of Revenues, Expenditures and Changes In Fund Balance - Budget and Actual	N/A
C-1b Community Development Block Grant - Budget and Actual	N/A
C-2 Budgetary Comparison Schedule - Special Revenue Fund	71
C-3 Notes to Required Supplementary Information - Part II Budget-to-GAAP Reconciliation	72

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
Table of Contents (Cont'd)

	Page
Required Supplementary Information - Part III	
L. Schedules Related to Accounting and Reporting for Pensions	
L-1 Schedule of the School District's Proportionate Share of the Net Pension Liability – PERS	74
L-2 Schedule of the School District's Contributions – PERS	75
L-3 Schedule of the School District's Proportionate Share of the Net Pension Liability – TPAF	76
L-4 Schedule of the School District's Contributions – TPAF	77
L-5 Notes to the Required Supplementary Information - Part III GASB 68 Pension Changes	78
Required Supplementary Information - Part IV	
L-6 Schedule of Funding Progress for Health Benefits Plan	80
L-7 Notes to the Required Supplementary Information - Part IV	81
Other Supplementary Information	
D. School Based Budget Schedules:	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type – Actual	N/A
D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget and Actual	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis	84
E-2 Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis	N/A
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	N/A
F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balances	N/A
F-2a Schedule(s) of Project Revenues, Expenditures, Project Balance and Project Status	N/A
F-2b Statement of Project Revenues, Expenditures, Project Balance and Project Status	N/A

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
Table of Contents (Cont'd)

	Page
Other Supplementary Information (Cont'd)	
G. Proprietary Funds:	
Enterprise Fund:	
G-1 Combining Statement of Net Position	87
G-2 Combining Statement of Revenues, Expenses and Changes in Fund Net Position	88
G-3 Combining Statement of Cash Flows	89
Internal Service Fund:	
G-4 Combining Statement of Net Position	N/A
G-5 Combining Statement of Revenues, Expenses and Changes in Fund Net Position	N/A
G-6 Combining Statement of Cash Flows	N/A
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	91
H-2 Combining Statement of Changes in Fiduciary Net Position	N/A
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	92
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	93
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	N/A
I-2 Schedule of Obligations under Capital Leases	N/A
I-3 Debt Service Fund Budgetary Comparison Schedule	N/A

STATISTICAL SECTION (Unaudited)

Introduction to the Statistical Section

Financial Trends

J-1 Net Position by Component	96
J-2 Changes in Net Position	97
J-3 Fund Balances - Governmental Funds	99
J-4 Changes in Fund Balances - Governmental Funds	100
J-5 General Fund Other Local Revenue by Source	101

Revenue Capacity

J-6 Assessed Value and Estimated Actual Value of Taxable Property	103
J-7 Direct and Overlapping Property Tax Rates	104
J-8 Principal Property Taxpayers	105
J-9 Property Tax Levies and Collections	106

Debt Capacity

J-10 Ratios of Outstanding Debt by Type	108
J-11 Ratios of General Bonded Debt Outstanding	109
J-12 Direct and Overlapping Governmental Activities Debt	110
J-13 Legal Debt Margin Information	111

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
Table of Contents (Cont'd)

	Page
STATISTICAL SECTION (Unaudited) (Cont'd)	
Demographic and Economic Information	
J-14 Demographic and Economic Statistics	113
J-15 Principal Employers	114
Operating Information	
J-16 Full-time Equivalent District Employees by Function/Program	116
J-17 Operating Statistics	117
J-18 School Building Information	118
J-19 Schedule of Required Maintenance Expenditures by School Facility	119
J-20 Insurance Schedule	120
SINGLE AUDIT SECTION	
K-1 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	13
K-2 Report on Compliance for Each Major Program and Report on Internal Control Over Compliance Required By the Uniform Guidance and State of New Jersey Circular 15-08-OMB	122
K-3 Schedule of Expenditures of Federal Awards, Schedule A	124
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	126
K-5 Notes to the Schedules of Awards and Financial Assistance	128
K-6 Schedule of Findings and Questioned Costs	130
K-7 Summary Schedule of Prior Audit Findings	135
APPRECIATION	136

INTRODUCTORY SECTION

TOWNSHIP OF GREENWICH BOARD OF EDUCATION
415 SWEDESBORO ROAD, GIBBSTOWN, NEW JERSEY 08027



Scott A. Campbell
School Business Administrator/Board Secretary

Phone: (856) 224-4910 x2120
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December 2, 2016

Honorable President and
Members of the Board of Education and
Township of Greenwich School District
Gloucester County, New Jersey

Dear Board Members and Constituents of Greenwich Township:

The comprehensive annual financial report of the Township of Greenwich School District for the fiscal year ended June 30, 2016, is hereby submitted. Responsibility for both accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge, and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various fund and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section is presented in accordance with Governmental Accounting Standards Board Statement No. 34 and includes the Report of Independent Auditors, the Management and Discussion Analysis, the basic financial statements, required supplementary information, and the combining and individual fund financial statements. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the State Treasury Circular 15-08-OMB, "*Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.*" Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES:

Township of Greenwich School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by NCGA Statement No. 3. All funds of the district are included in this report. The Township of Greenwich Board of Education and all its schools constitute the District's reporting entity.

The District provides a wide range of educational services appropriate to grade levels Pre-School Disabled/Kindergarten through Eight. These include regular, vocational special area enrichment as well as

special education for the children with "special needs". Township of Greenwich has a sending/receiving relationship for students of high school age that are transported to Paulsboro High School.

The District completed the 2015-2016 fiscal year with an enrollment of 455 students, an additional 87 students are contracted to Paulsboro High School and also an additional 95 students are contracted to the Gloucester County Institute of Technology on a tuition basis for grades 9-12. The following details the changes in the student enrollment of the District over the last thirteen years:

Fiscal Year	Enrollment	Change
2015-2016	455	-4.61%
2014-2015	477	0.21%
2013-2014	476	-7.39%
2012-2013	514	-1.92%
2011-2012	517	3.40%
2010-2011	500	-3.66%
2009-2010	519	-2.63%
2008-2009	533	-1.30%
2007-2008	540	-0.18%
2006-2007	541	2.85%
2005-2006	526	-1.13%
2004-2005	532	1.53%
2003-2004	524	4.59%

2) ECONOMIC CONDITION AND OUTLOOK:

Greenwich Township is approximately 12.03 square miles with a current estimated population of approximately 4,900 persons. The Township has been known for its large scale employment centers, which include Paulsboro Refinery Company LLC, Exxon-Mobil Oil Corporation, the E.I. DuPont De Nemours & Co., NJ Distribution Center LLC, Hercules Inc., Air Products, and Shop Rite. In recent years, some of these corporations have experienced reductions in employment or have ceased operations. Recent history has shown that the ratable base supplied by these corporations has severely fluctuated. The placement and type of development trends will be important considerations for the future. The trends in housing in Greenwich Township have remained stagnant since the eighties. The future will depend on a balance of potential new residential and employment opportunities in the coming years.

3) MAJOR INITIATIVES:

The Greenwich Township School District has undertaken several initiatives in the 2016-2016 school year designed to strengthen our overall program and support high achievement for all students. Among these initiatives is a focus on increased PARCC scores through an emphasis on data analysis and teacher use of data to inform instruction. A review of curriculum and a revision of all courses of study have also been ongoing through this school year. We have altered the master schedule in both buildings to increase content time and allow students greater access to student-selected electives in our middle school. We continue to review Special Education placement and have restructured our approach to placing students in the least restrictive environment.

4) INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining an internal control designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Internal control 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 awards and state financial assistance, the District also is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. The internal control structure is also subject to periodic evaluation by District management.

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

5) BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund and the special revenue fund. 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 canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as assignments of fund balance at June 30, 2016.

6) ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds.

7) DEBT ADMINISTRATION:

As of June 30, 2016, the Township of Greenwich School District had no outstanding bonded debt.

8) CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 2. 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.

9) RISK MANAGEMENT:

The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, fidelity bonds, worker's compensation, and student insurance.

10) OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants. The accounting firm of Bowman and Company LLP, was selected by the Township of Greenwich Board of Education. 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 (Uniform Guidance); and the State Treasury Circular 15-08-OMB, “*Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.*” The auditor’s report on the basic financial statements is included in the financial section of this report. The auditor’s reports related specifically to the single audit are included in the single audit section of this report.

11) ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Township of Greenwich School Board for the concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our Business Office Staff.

Respectfully submitted,



Scott A. Campbell
School Business Administrator/Board Secretary

**TOWNSHIP OF GREENWICH SCHOOL DISTRICT
GIBBSTOWN, NEW JERSEY**

ROSTER OF OFFICIALS

JUNE 30, 2016

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Andrew Chapkowski, President	2018
Susan Vernacchio, Vice President	2016
Chad Kent	2016
Roseanne Lombardo	2016
Gerald Michael	2018
Duane Sarmiento	2017
John Hughes	2018

Other Officials

Dr. Jennifer Foley-Hindman, Chief School Administrator

Scott A. Campbell, School Business Administrator/Board Secretary

Merrie Schmidt, Treasurer of School Monies

**TOWNSHIP OF GREENWICH SCHOOL DISTRICT
GIBBSTOWN, NEW JERSEY**

CONSULTANTS AND ADVISORS

Audit Firm

Bowman & Company LLP
6 N. Broad Street, Suite 201
Woodbury, New Jersey 08096

Attorneys

Board Solicitor
John J. Armano, Jr.
Trimble & Armano
900 Route 168, Suites B1-B2
Turnersville, New Jersey 08012

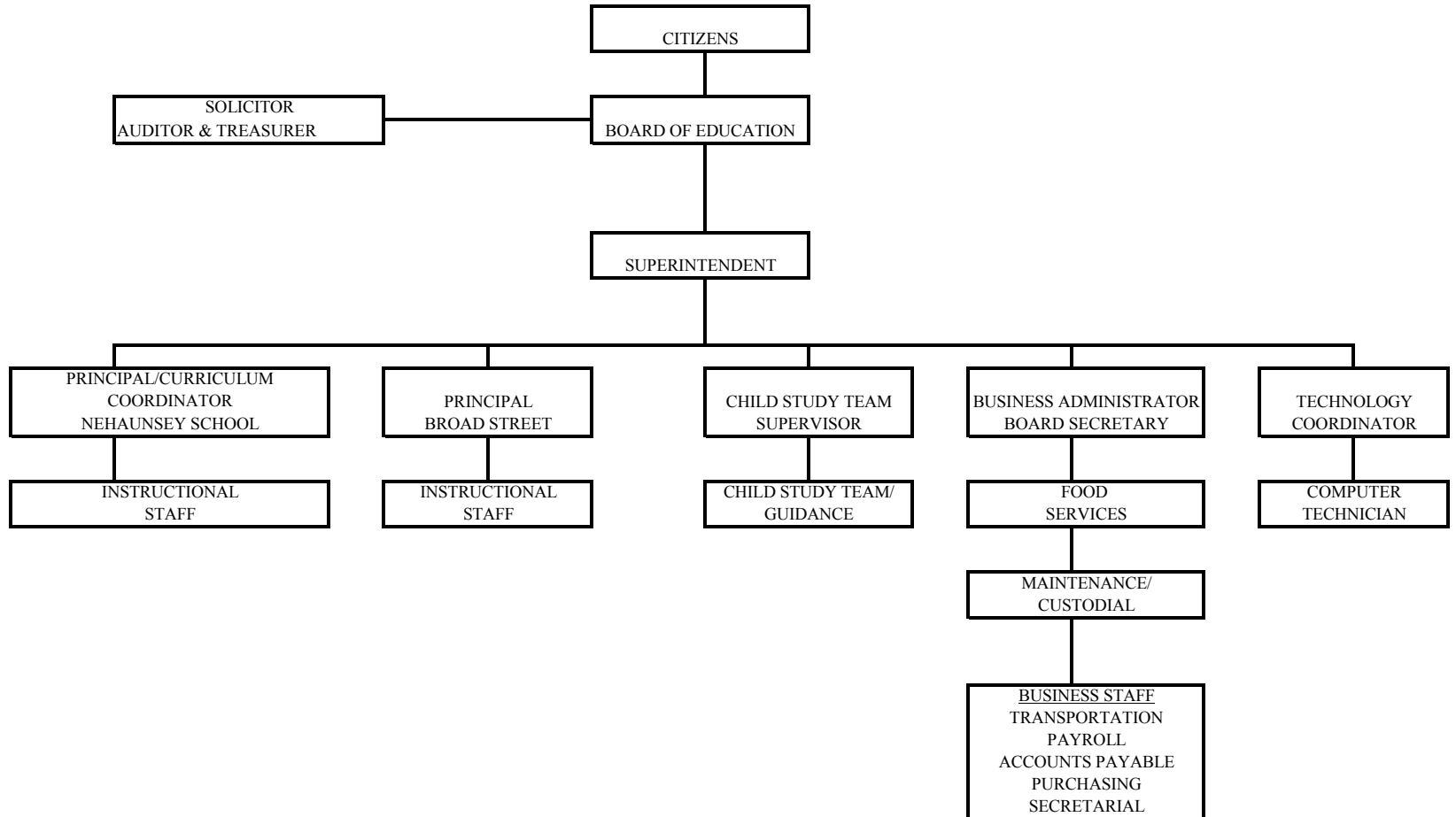
Official Depositories

Cape Bank
201 Shore Road
Linwood, New Jersey 08221

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
GIBBSTOWN, NEW JERSEY

ORGANIZATIONAL CHART

JUNE 30, 2016



FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Greenwich School District
Gibbstown, 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 Township of Greenwich School District, in the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express 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 in compliance with audit requirements as prescribed by the Division of Administration and 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 School 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 School District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Greenwich School District, in the County of Gloucester, State of New Jersey, 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, budgetary comparison information, schedule of the School District's proportionate share of the net pension liability, schedule of the School District's contributions, and schedule of funding progress for the health benefits plan as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Greenwich School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, statistical section, and schedule of expenditures of federal awards are presented for purposes of additional analysis, as required by the Division of Administration and Finance Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedule of state financial assistance, as required by State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2016 on our consideration of the Township of Greenwich School 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 Township of Greenwich School District's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Michael J. Welding
Certified Public Accountant
Public School Accountant No. CS 00886

Woodbury, New Jersey
December 2, 2016

**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 AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Greenwich School District
Gibbstown, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Greenwich School District, in the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated December 2, 2016.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Michael J. Welding
Certified Public Accountant
Public School Accountant No. CS 00886

Woodbury, New Jersey
December 2, 2016

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

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

The discussion and analysis of the Greenwich Township School District's (the School District) 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 review the District's financial performance as a whole; readers are advised to read it in conjunction with the basic financial statements and the notes to the financial statements to enhance their understanding of the District's performance.

The Management's Discussion and Analysis (MD&A) section of the Comprehensive Annual Financial Report ("CAFR") is an element of Required Supplementary Information specified in the Governmental Accounting Standard's Board's (GASB) Statement Number 34 – Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments that was issued in June 1999. Certain comparative information between the current year (2015-2016) and the prior year (2014-2015) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year 2015-2016 are as follows:

- The total assets and deferred outflows of resources of the School District exceeded its total liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$134,910.81 (net position).
- The District's net position decreased by a total of \$664,877.64 as a result of this year's operations. Net position of our business-type activities decreased by \$6,187.13. Net position of our governmental activities decreased by \$658,690.51.
- During the year, the District generated \$11,094,783.23 in revenues from governmental activities, a decrease from the previous fiscal year of \$62,611.91 (approximately .6%).
- In the District's business-type activities, operating revenues increased by \$6,349.44 while operating expenses increased by \$25,243.91.

USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. These statements are organized so the reader can first understand the District as a financial whole. The statements then proceed to provide an increasingly detailed look at specific financial activities.

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on the District's most significant funds, reporting on the District's operations in *more detail* than the government-wide financial 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.
 - *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

USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) (CONT'D)

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.

Reporting the School District as a Whole

The Statement of Net Position includes all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources and uses the accrual basis of accounting similar to the accounting used by most private-sector businesses. 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. These statements report the District's *net position* and how it has changed. Net position is the difference between the District's assets, deferred outflows, liabilities, and deferred inflows represents one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, additional non-financial factors such as changes in the District's property tax base, current laws and policies affecting school districts in New Jersey, educational programs offered, the condition of school buildings and other facilities, and other factors must be considered.

In the government-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities:* Most of the District's basic services are included here, such as alternative and special education. State Aid, the County tax levy and, to a lesser degree, tuition, finance most of these activities.
- *Business-type activities:* The District charges fees to help it cover the costs of certain services it provides. The District's enterprise funds are included here.

Reporting the District's Most Significant Funds

The *fund financial statements* focus on the District's most significant funds, reporting on the District's operations in *more detail* than the government-wide financial statements. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

- May distinguish state or federal grants.
- Funds for capital projects and long-term debt.

The School District has three kinds of funds:

- *Governmental funds:* Most of the District's basic services are included in governmental funds, which generally focus on how cash and other financial assets that can be converted to cash flow in and out, and the balances left at year-end that are available for future spending. Consequently, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that are available for spending in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information provided at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- *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 government-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.

USING THIS COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) (CONT'D)

- *Fiduciary funds:* The District is the trustee, or *fiduciary*, for assets that belong to others, such as student activity funds. The District acts solely as a *trustee* or *agent* for the benefit of others to whom the resources belong. The District is responsible for ensuring that 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 government-wide financial statements because it may not use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Table 1 provides a summary of the School District’s net position for fiscal years 2016 and 2015.

TABLE 1
Net Position

	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>Change</u>	<u>% Change</u>
Current and Other Assets	\$ 1,823,686.12	\$ 2,728,032.43	\$ (904,346.31)	-33.15%
Capital Assets	1,752,223.00	1,804,954.70	(52,731.70)	-2.92%
Total Assets	<u>3,575,909.12</u>	<u>4,532,987.13</u>	<u>(957,078.01)</u>	<u>-21.11%</u>
Deferred Outflow of Resources - Related to Pensions	556,601.00	219,677.00	336,924.00	153.37%
Long-Term Liabilities	3,473,514.20	3,219,790.26	253,723.94	7.88%
Other Liabilities	177,532.11	157,686.34	19,845.77	12.59%
Total Liabilities	<u>3,651,046.31</u>	<u>3,377,476.60</u>	<u>273,569.71</u>	<u>8.10%</u>
Deferred Inflow of Resources - Related to Pensions	346,553.00	234,730.00	111,823.00	47.64%
Net Position:				
Net Investment in Capital Assets	1,752,223.00	2,145,623.78	(393,400.78)	-18.34%
Restricted	1,340,411.85	1,917,261.92	(576,850.07)	-30.09%
Unrestricted (Deficit)	<u>(2,957,724.04)</u>	<u>(2,922,428.17)</u>	<u>(35,295.87)</u>	<u>1.21%</u>
	134,910.81	1,140,457.53	(1,005,546.72)	-88.17%
Cumulative Effect of Prior Period Adjustment	-	(340,669.08)	340,669.08	-100.00%
Total Net Position	<u>\$ 134,910.81</u>	<u>\$ 799,788.45</u>	<u>\$ (664,877.64)</u>	<u>-83.13%</u>

Table 2 provides an illustration of the impact of the School District’s Net Position for the implementation of GASB 68.

TABLE 2
Statement of Net Position - Effect of Pension Related Items

	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>Change</u>	<u>% Change</u>
Deferred Outflows Related to Pensions	\$ 556,601.00	\$ 219,677.00	\$ 336,924.00	153.37%
Less: Net Pension Liability	(3,261,380.00)	(3,013,791.00)	(247,589.00)	8.22%
Less: Deferred Inflows Related to Pensions	<u>(346,553.00)</u>	<u>(234,730.00)</u>	<u>(111,823.00)</u>	<u>47.64%</u>
	<u>\$ (3,051,332.00)</u>	<u>\$ (3,028,844.00)</u>	<u>\$ (22,488.00)</u>	<u>0.74%</u>

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE (CONT'D)

Table 3 reflects changes in net position for fiscal years 2016 and 2015.

TABLE 3
Change in Net Position

Revenues:	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>Change</u>	<u>% Change</u>
Program Revenues:				
Charges for Services	\$ 92,707.23	\$ 86,357.79	\$ 6,349.44	7.35%
Federal & State Categorical Grants	2,586,348.57	2,143,668.72	442,679.85	20.65%
General Revenues:				
Property Taxes	9,697,131.00	9,757,131.00	(60,000.00)	-0.61%
Federal & State Grants	1,246,679.61	1,248,801.76	(2,122.15)	-0.17%
Other	160,977.69	179,408.85	(18,431.16)	-10.27%
Total Revenues	<u>13,783,844.10</u>	<u>13,415,368.12</u>	<u>368,475.98</u>	<u>2.75%</u>
Expenses:				
Instruction:				
Regular	3,044,884.18	2,926,615.18	118,269.00	4.04%
Special Education	1,029,439.58	1,012,238.35	17,201.23	1.70%
Other Instruction	148,458.71	146,281.89	2,176.82	1.49%
Student Services:				
Tuition	2,322,603.74	2,215,229.60	107,374.14	4.85%
Student and Instruction Related	1,351,796.03	1,240,547.05	111,248.98	8.97%
General Administrative Services	353,671.56	466,576.97	(112,905.41)	-24.20%
School Administrative Services	161,114.94	201,231.20	(40,116.26)	-19.94%
Central Services	207,744.36	191,261.46	16,482.90	8.62%
Plant Operations and Maintenance	1,005,515.72	1,056,051.96	(50,536.24)	-4.79%
Student Transportation Services	692,946.86	564,718.84	128,228.02	22.71%
Transfer to cover Deficit - Food Service	10,000.00	27,946.47	(17,946.47)	-64.22%
Unallocated Benefits	3,815,823.80	3,324,073.94	491,749.86	14.79%
Support Services	65,275.79	71,657.75	(6,381.96)	-8.91%
Food Service	239,446.47	214,202.56	25,243.91	11.79%
Total Expenses	<u>14,448,721.74</u>	<u>13,658,633.22</u>	<u>790,088.52</u>	<u>5.78%</u>
Increase (Decrease) in Net Position	(664,877.64)	(243,265.10)	(421,612.54)	1.73
Beginning Net Position	<u>799,788.45</u>	<u>1,383,722.63</u>	<u>(583,934.18)</u>	<u>-42.20%</u>
Ending Net Position, Prior to Restatement	134,910.81	1,140,457.53	(1,005,546.72)	-88.17%
Cumulative Effect of Prior Period Adjustment	<u>-</u>	<u>(340,669.08)</u>	<u>340,669.08</u>	<u>-100.00%</u>
Ending Net Position	<u>\$ 134,910.81</u>	<u>\$ 799,788.45</u>	<u>\$ (664,877.64)</u>	<u>-83.13%</u>

CAPITAL ASSETS

At the end of fiscal year 2016 and 2015, the School District had \$1,752,223.00 and \$1,804,955.00, respectively, in capital assets less accumulated depreciation. Net Investment in Capital Assets was \$1,752,223.00 at June 30, 2016 and \$1,804,955.00 at June 30, 2015. Table 4 reflects the capital assets.

TABLE 4
Capital Assets

	<u>June 30, 2016</u>	(Restated) <u>June 30, 2015</u>
Capital Assets (Net of Depreciation):		
Governmental Activities:		
Land	\$ 91,391	\$ 91,391
Equipment	253,912	226,375
Building and Improvements	<u>1,358,947</u>	<u>1,432,795</u>
Total Capital Assets Governmental Activities	<u>\$ 1,704,250</u>	<u>\$ 1,750,561</u>
Business-type Activities:		
Equipment	<u>\$ 47,973</u>	<u>\$ 54,394</u>
Total Capital Assets	<u><u>\$ 1,752,223</u></u>	<u><u>\$ 1,804,955</u></u>

Depreciation expense was \$122,002.00 for fiscal year ended 2016 and \$160,865.00 for fiscal year ended 2015.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Like the rest of the United States, the State of New Jersey was heavily impacted by the failing economy. For that reason, there is no assurance that state funding can be maintained at current levels. The Township of Greenwich has continued to maintain adequate funding for the District to ensure that the Board of Education and administration could continue to carry out the District's mission. We strive to be a community center and will continue to offer facilities and services that will be a source of pride for our community. Looking toward next fiscal year, there remains a concern with the lack of enrollment growth in the district and the continual reliance on local property taxes. The need to upgrade our facilities continues to be a concern to the Board and Administration. We are being proactive with facilities that are aged, financial resources, and personnel in an effort to stay fiscally responsible.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide New Jersey citizens and taxpayers and our customers with a general overview of the District's finances and to demonstrate the District's accountability for the appropriations and grants that it receives. If you have questions about this report or need additional financial information, contact Scott A. Campbell, Business Administrator/Board Secretary at the address below or visit our website at www.greenwich.k12.nj.us.

Greenwich Township Board of Education
415 Swedesboro Road
Gibbstown, New Jersey 08027
(856) 224-4920, x2120

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
Statement of Net Position
June 30, 2016

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 1,081,933.31		\$ 1,081,933.31
Receivables, net	131,331.31	\$ 6,261.67	137,592.98
Inventory		3,999.73	3,999.73
Restricted Assets:			
Capital Reserve Account - Cash	464,783.09		464,783.09
Maintenance Reserve Account - Cash	135,377.01		135,377.01
Capital Assets, net (Note 6)	<u>1,704,250.00</u>	<u>47,973.00</u>	<u>1,752,223.00</u>
Total Assets	<u>3,517,674.72</u>	<u>58,234.40</u>	<u>3,575,909.12</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions (Note 9)	<u>556,601.00</u>		<u>556,601.00</u>
LIABILITIES:			
Cash Overdraft		2,464.99	2,464.99
Accounts Payable	3,680.15		3,680.15
Accounts Payable - Related to Pensions	128,550.00		128,550.00
Payable to State Government	34,400.82		34,400.82
Unearned Revenue	5,999.78	2,436.37	8,436.15
Noncurrent Liabilities (Note 7):			
Due within One Year	11,895.33		11,895.33
Due beyond One Year	<u>3,461,618.87</u>		<u>3,461,618.87</u>
Total Liabilities	<u>3,646,144.95</u>	<u>4,901.36</u>	<u>3,651,046.31</u>
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions (Note 9)	<u>346,553.00</u>		<u>346,553.00</u>
NET POSITION:			
Net Investment in Capital Assets	1,704,250.00	47,973.00	1,752,223.00
Restricted for:			
Other Purposes	1,340,411.85		1,340,411.85
Unrestricted (Deficit)	<u>(2,963,084.08)</u>	<u>5,360.04</u>	<u>(2,957,724.04)</u>
Total Net Position	<u>\$ 81,577.77</u>	<u>\$ 53,333.04</u>	<u>\$ 134,910.81</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ending June 30, 2016

Functions / Programs	Expenses	Program Revenues			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	\$ 3,044,884.18		\$ 326,331.48		\$ (2,718,552.70)		\$ (2,718,552.70)
Special Instruction	1,029,439.58				(1,029,439.58)		(1,029,439.58)
Other Special Instruction	133,305.21				(133,305.21)		(133,305.21)
Other Instruction	1,013.50				(1,013.50)		(1,013.50)
School Sponsored Cocurricular Activities	14,140.00				(14,140.00)		(14,140.00)
Undistributed Expenditures and Support Services:							
Tuition	2,322,603.74				(2,322,603.74)		(2,322,603.74)
Attendance and Social Work	6,750.00				(6,750.00)		(6,750.00)
Health Services	200,943.65				(200,943.65)		(200,943.65)
Students - Related Services	276,646.98				(276,646.98)		(276,646.98)
Child Study Team and Guidance Services	392,232.93				(392,232.93)		(392,232.93)
Improvement of Instruction Services	124,898.25				(124,898.25)		(124,898.25)
Educational Media Services/School Library	338,510.32				(338,510.32)		(338,510.32)
Instructional Staff Training Services	11,813.90				(11,813.90)		(11,813.90)
General Administration	353,671.56				(353,671.56)		(353,671.56)
School Administration	161,114.94				(161,114.94)		(161,114.94)
Central Services	207,744.36				(207,744.36)		(207,744.36)
Operation and Maintenance of Plant Services	1,005,515.72				(1,005,515.72)		(1,005,515.72)
Student Transportation Services	692,946.86				(692,946.86)		(692,946.86)
Transfer to Cover Deficit - Food Service	10,000.00				(10,000.00)		(10,000.00)
Unallocated Benefits	3,815,823.80		2,050,313.26		(1,765,510.54)		(1,765,510.54)
Support Services	65,275.79		65,275.79		-		-
Total Governmental Activities	14,209,275.27	-	2,441,920.53	-	(11,767,354.74)	-	(11,767,354.74)
Business-Type Activities:							
Food Service	239,446.47	\$ 92,707.23	130,547.04			\$ (16,192.20)	(16,192.20)
Total Business-Type Activities	239,446.47	92,707.23	130,547.04	-	-	(16,192.20)	(16,192.20)
Total Primary Government	\$ 14,448,721.74	\$ 92,707.23	\$ 2,572,467.57	\$ -	(11,767,354.74)	(16,192.20)	(11,783,546.94)

(Continued)

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ending June 30, 2016

	Net (Expense) Revenue and Changes in Net Position		
	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
General Revenues:			
Local Tax Levy	\$ 9,697,131.00		\$ 9,697,131.00
Federal and State Aid not Restricted	1,260,560.61		1,260,560.61
Federal, State, and Local Aid Restricted			
Tuition Received	125,489.05		125,489.05
Miscellaneous Income	25,483.57	\$ 5.07	25,488.64
Transfer to Food Service Fund - Board Contribution		10,000.00	10,000.00
Total General Revenues and Transfers	<u>11,108,664.23</u>	<u>10,005.07</u>	<u>11,118,669.30</u>
Change in Net Position	(658,690.51)	(6,187.13)	(664,877.64)
Net Position -- July 1 (Restated)	<u>740,268.28</u>	<u>59,520.17</u>	<u>799,788.45</u>
Net Position -- June 30	<u>\$ 81,577.77</u>	<u>\$ 53,333.04</u>	<u>\$ 134,910.81</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS:				
Cash and Cash Equivalents	\$ 1,056,929.71	\$ 25,003.60		\$ 1,081,933.31
Due from Other Funds	8,363.04			8,363.04
Receivables from Other Governments	107,571.27	11,397.00		118,968.27
Receivables from Other		4,000.00		4,000.00
Restricted Cash and Cash Equivalents:				
Capital Reserve Account	464,783.09			464,783.09
Maintenance Reserve Account	135,377.01			135,377.01
Total Assets	\$ 1,773,024.12	\$ 40,400.60	\$ -	\$ 1,813,424.72
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts Payable	\$ 3,680.15			\$ 3,680.15
Payable to State Government		\$ 34,400.82		34,400.82
Unearned Revenue		5,999.78		5,999.78
Total Liabilities	3,680.15	40,400.60	\$ -	44,080.75
Fund Balances:				
Restricted:				
Capital Reserve Account	466,783.09			466,783.09
Maintenance Reserve Account	135,877.01			135,877.01
Excess Surplus	313,788.04			313,788.04
Excess Surplus - Subsequent Year's Expenditures	423,963.71			423,963.71
Assigned				
Subsequent Year's Expenditures				
General Fund Balance	126,638.29			126,638.29
2017-18 SEMI--Settlement	8,413.16			8,413.16
Other Purposes	52,342.67			52,342.67
Unassigned:				
General Fund	241,538.00			241,538.00
Total Fund Balances	1,769,343.97	-	-	1,769,343.97
Total Liabilities and Fund Balances	\$ 1,773,024.12	\$ 40,400.60	\$ -	

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 \$9,587,391.00 and the accumulated depreciation is \$7,883,141.00.

1,704,250.00

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.

(212,134.20)

Net Pension Liability

(3,261,380.00)

Accounts Payable related to the April 1, 2017 Required PERS pension contribution that is not to be liquidated with current financial resources.

(128,550.00)

Deferred Outflows of Resources - Related to Pensions

556,601.00

Deferred Inflows of Resources - Related to Pensions

(346,553.00)

Net position of governmental activities

\$ 81,577.77

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
 Governmental Funds
 Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Fiscal Year Ending June 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
REVENUES:				
Local Tax Levy	\$ 9,697,131.00			\$ 9,697,131.00
Tuition Charges	125,489.05			125,489.05
Other Restricted Miscellaneous Revenues		\$ 12,686.37		12,686.37
Unrestricted Miscellaneous Revenues	25,483.57			25,483.57
State Sources	2,131,864.26	54,990.18		2,186,854.44
Federal Sources	21,177.61	338,930.72		360,108.33
Total Revenues	<u>12,001,145.49</u>	<u>406,607.27</u>	<u>-</u>	<u>12,407,752.76</u>
EXPENDITURES:				
Current:				
Regular Instruction	2,694,144.70	326,331.48		3,020,476.18
Special Instruction	1,029,439.58			1,029,439.58
Other Special Instruction	133,305.21			133,305.21
Other Instruction	1,013.50			1,013.50
School Sponsored Cocurricular Activities	14,140.00			14,140.00
Undistributed Expenditures and Support Services:				
Tuition	2,322,603.74			2,322,603.74
Attendance and Social Work	6,750.00			6,750.00
Health Services	200,943.65			200,943.65
Student - Related Services	276,646.98			276,646.98
Child Study Team and Guidance Services	392,232.93			392,232.93
Improvement of Instruction Services	124,898.25			124,898.25
Educational Media Services/School Library	338,510.32			338,510.32
Instructional Staff Training Services	11,813.90			11,813.90
General Administration	278,771.56			278,771.56
School Administration	153,829.94			153,829.94
Central Services	207,744.36			207,744.36
Operation and Maintenance of Plant Services	994,430.72			994,430.72
Student Transportation Services	692,946.86			692,946.86
Transfer to Cover Deficit - Food Service	10,000.00			10,000.00
Unallocated Benefits	1,719,363.60			1,719,363.60
On-Behalf Pension Contributions	640,869.00			640,869.00
Reimbursed TPAF Social Security Contributions	280,493.26			280,493.26
Support Services		65,275.79		65,275.79
Capital Outlay	56,367.30	15,000.00		71,367.30
Total Expenditures	<u>12,581,259.36</u>	<u>406,607.27</u>	<u>-</u>	<u>12,987,866.63</u>
Excess (Deficiency) of Revenues over Expenditures	(580,113.87)	-	-	(580,113.87)
Fund Balance -- July 1	2,349,457.84	-	-	2,349,457.84
Fund Balance -- June 30	<u>\$ 1,769,343.97</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,769,343.97</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
 Reconciliation of the Statement of Revenues, Expenditures
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Fiscal Year Ending June 30, 2016

Total Net Change in Fund Balances - Governmental Funds	\$	(580,113.87)		
<p>Amounts reported for governmental activities in the statement of activities (A-2) are different because:</p> <p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>				
Depreciation Expense	\$	(115,581.00)		
Capital Outlays		<table style="margin-left: auto; margin-right: 0;"> <tr> <td style="text-align: right;">69,270.30</td> <td style="border-top: 1px solid black; border-bottom: 3px double black;"></td> </tr> </table>	69,270.30	
69,270.30				
		(46,310.70)		
<p>In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).</p>				
		(6,134.94)		
<p>Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.</p>				
		<table style="margin-left: auto; margin-right: 0;"> <tr> <td style="text-align: right;">(26,131.00)</td> <td style="border-top: 1px solid black; border-bottom: 3px double black;"></td> </tr> </table>	(26,131.00)	
(26,131.00)				
Change in Net Position of Governmental Activities	\$	<u><u>(658,690.51)</u></u>		

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
 Proprietary Funds
 Statement of Net Position
 June 30, 2016

	<u>Business-Type Activities - Enterprise Funds</u> <u>Food Service</u>
ASSETS:	
Current Assets:	
Accounts Receivable:	
State	\$ 100.63
Federal	6,148.54
Other	12.50
Inventory	<u>3,999.73</u>
Total Current Assets	<u>10,261.40</u>
Noncurrent Assets:	
Equipment	189,492.00
Less Accumulated Depreciation	<u>(141,519.00)</u>
Total Noncurrent Assets	<u>47,973.00</u>
Total Assets	<u>58,234.40</u>
LIABILITIES :	
Current Liabilities:	
Cash Overdraft	2,464.99
Unearned Revenue	<u>2,436.37</u>
Total Liabilities	<u>4,901.36</u>
NET POSITION:	
Net Investment in Capital Assets	47,973.00
Unrestricted	<u>5,360.04</u>
Total Net Position	<u>\$ 53,333.04</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
Proprietary Funds
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ending June 30, 2016

	<u>Business-Type Activities Enterprise Funds</u>
	<u>Food Service</u>
OPERATING REVENUES:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 58,580.80
Daily Sales - Non-Reimbursable Programs	27,251.71
Other Revenue	<u>6,874.72</u>
Total Operating Revenues	<u>92,707.23</u>
OPERATING EXPENSES:	
Cost of Goods Sold - Reimbursable Programs	85,733.06
Cost of Goods Sold - Non-Reimbursable Programs	13,151.67
Purchased Professional Services	108,546.24
Other Purchased Services	17,822.79
General Supplies	7,771.71
Depreciation	<u>6,421.00</u>
Total Operating Expenses	<u>239,446.47</u>
Operating Income (Loss)	<u>(146,739.24)</u>
NONOPERATING REVENUES (EXPENSES):	
State Sources:	
State School Lunch Program	1,947.25
Federal Sources:	
National School Lunch Program	74,427.97
National School Breakfast Program	35,321.19
Food Distribution Program	18,850.63
Interest	<u>5.07</u>
Total Non Operating Revenues (Expenses)	<u>130,552.11</u>
Income (Loss) before Contributions and Transfers	(16,187.13)
Transfer from General Fund - Board Contribution	<u>10,000.00</u>
Change in Net Position	(6,187.13)
Net Position -- July 1 (Restated)	<u>59,520.17</u>
Total Net Position -- June 30	<u>\$ 53,333.04</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ending June 30, 2016

	<u>Business-Type Activities Enterprise Funds</u>
	<u>Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers	\$ 93,776.95
Payments to Suppliers	<u>(230,512.38)</u>
Net Cash Used for Operating Activities	<u>(136,735.43)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
State Sources	1,942.17
Federal Sources	128,701.12
Transfer from General Fund - Board Contribution	<u>10,000.00</u>
Net Cash Provided by Non-Capital Financing Activities	<u>140,643.29</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest and Dividends	<u>5.07</u>
Net Cash Provided by Investing Activities	<u>5.07</u>
Net Increase in Cash and Cash Equivalents	3,912.93
Cash and Cash Equivalents -- July 1	<u>(6,377.92)</u>
Cash and Cash Equivalents -- June 30	<u>\$ (2,464.99)</u>
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:	
Operating Loss	\$ (146,739.24)
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	6,421.00
Decrease in Other Accounts Receivable	20.00
Decrease in Inventory	2,513.09
Increase in Unearned Revenue	<u>1,049.72</u>
Total Adjustments	<u>10,003.81</u>
Net Cash Used for Operating Activities	<u>\$ (136,735.43)</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
 Fiduciary Funds
 Statement of Fiduciary Net Position
 June 30, 2016

	Agency Funds	
	Student Activity	Payroll
ASSETS:		
Cash and Cash Equivalents	\$ <u>16,812.67</u>	\$ <u>31,583.78</u>
Total Assets	\$ <u><u>16,812.67</u></u>	\$ <u><u>31,583.78</u></u>
LIABILITIES:		
Interfund Accounts Payable:		
Due General Fund		\$ 8,363.04
Payable to Student Groups	\$ 16,812.67	
Payroll Deductions and Withholdings	<u> </u>	<u>23,220.74</u>
Total Liabilities	\$ <u><u>16,812.67</u></u>	\$ <u><u>31,583.78</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2016

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Township of Greenwich School District (the "School District") have been prepared to conform with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant of these policies.

Description of the Financial Reporting Entity

The School District is a Type II district located in the County of Gloucester, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of seven members elected to three-year terms. These terms are staggered so that at least two member's terms expire each year. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students in grades K through 8 at its two schools and send students in grades 9 through 12 to Paulsboro High School on a tuition basis. The School District has an approximate enrollment at June 30, 2016 of 455 at the District's two schools.

The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board *Codification of Governmental Accounting and Financial Reporting Standards*, is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the School District over which the Board exercises operating control.

Component Units

In evaluating how to define the School District for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. Blended component units, although legally separate entities, are in-substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and / or its citizens.

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Component Units (Cont'd)**

Based upon the application of these criteria, the School District has no component units, and is not a component unit of another governmental agency.

Government-wide and Fund Financial Statements

The School District's basic financial statements consist of government-wide statements, and fund financial statements which provide a more detailed level of financial information.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. It is the policy of the School District to not allocate indirect expenses to functions in the statement of activities. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes and other items not properly included among program revenues are reported instead as general revenues.

In regards to the fund financial statements, the School District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Fund financial statements report detailed information about the School District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a single column. Fiduciary funds are reported by fund type.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Property taxes are recognized as revenues in the year for which they are levied. The Gloucester County Board of Taxation is responsible for the assessment of properties, and the respective municipal tax collector is responsible for the collection of property taxes. Assessments are certified and property taxes are levied on January 1. Property tax payments are due February 1, May 1, August 1 and November 1. Unpaid property taxes are considered delinquent the following January 1 and are then subject to municipal lien. In accordance with New Jersey State Statute, the School District is entitled to receive moneys under an established payment schedule, and any unpaid amount is considered as an accounts receivable. The governing body of each municipality is required to pay over to the School District, within forty (40) days after the beginning of the school year, twenty percent (20%) of the moneys from school tax due. Thereafter, but prior to the last day of the school year, the municipality must pay the balance of moneys from school tax due for school purposes in such amounts as requested, with certain limitations, from time to time by the School District, within thirty days after each request.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are deemed both available and measurable. Available means when revenues are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal year. Measurable means that the amount of revenue can be determined. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, tuition, reimbursable-type grants, and interest associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the School District.

The School District reports the following major governmental funds:

General Fund - The general fund is the primary operating fund of the School District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment classified in the capital outlay sub-fund.

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

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, ad valorem tax revenues, and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to, or remodeling of buildings, and the purchase of built-in equipment.

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 expenditures for specified purposes other than debt service or capital projects.

Proprietary funds are used to account for the School District's ongoing organizations and activities, which are operated and financed in a manner similar to those found in the private sector. The measurement focus is upon the determination of net income. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All items not meeting this definition are reported as nonoperating revenues and expenses.

The School District reports the following major proprietary funds:

Food Service Fund - This fund accounts for the financial transactions related to the food service operations of the School District.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

Additionally, the School District reports the following fund types:

Fiduciary funds are used to account for assets held by the School District on behalf of outside related organizations or on behalf of other funds within the School District. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds.

The School District maintains the following fiduciary funds:

Agency Funds - Agency funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governments, and / or other funds (i.e., payroll and student activities). The School District retains no equity interest in these funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District maintains the following agency funds: student activity fund and payroll fund.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes.

Budgets / Budgetary Control

Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds, and are submitted to the county office of education. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012, to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. 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. 6A:23A-16.2(f)1. Transfers of appropriations may be made by school board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only, and the special revenue fund. N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments 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. 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 budgetary basis. The budgetary basis differs from GAAP in that the budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Budgets / Budgetary Control (Cont'd)**

The budget, as detailed on exhibit C-1 and exhibit C-2 includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting, as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule, to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances - governmental funds. Note that the School District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows the modified accrual basis of accounting, with the exception of the aforementioned revenue recognition policy for the one or more June state aid payments.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to assign a portion of the applicable appropriation, is utilized for budgetary control purposes. Encumbrances are a component of fund balance 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 governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, are reflected on the balance sheet as unearned revenues at fiscal year-end.

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

Cash, Cash Equivalents and Investments

Cash and cash equivalents, for all funds, include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. U.S. treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

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

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Inventories**

Inventories are valued at cost, which approximates market. The costs are determined on a first-in, first-out method.

The cost of inventories in the governmental fund financial statements is recorded as expenditures when purchased rather than when consumed.

Inventories recorded on the government-wide financial statements and in the proprietary fund types are recorded as expenses when consumed rather than when purchased.

Tuition Receivable

Tuition charges were established by the School District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

Prepaid Expenses

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2016.

In the governmental fund financial statements, however, payments for prepaid items are fully recognized as expenditures in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required (*non-allocation method*). This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

Short-Term Interfund Receivables / Payables

Short-term interfund receivables / payables (internal balances) represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund within the School District, and that are due within one year. Such balances are eliminated in the statement of net position to minimize the grossing up of internal balances, thus leaving a net amount due between the governmental and business-type activities that are eliminated in the total government column. Balances with fiduciary activities are not considered to be internal balances; therefore, such balances appear on the statement of net position as accounts receivable.

Capital Assets

Capital assets represent the cumulative amount of capital assets owned by the School District. Purchased capital assets are recorded as expenditures in the governmental fund financial statements and are capitalized at cost on the government-wide statement of net position and proprietary fund statement of net position. In the case of gifts or contributions, such capital assets are recorded at acquisition value at the time received.

The School District's capitalization threshold is \$2,000.00. Other costs incurred for repairs and maintenance is expensed as incurred. All reported capital assets, except land and construction in progress, are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	15 - 50 Years
Equipment	5 - 10 Years

The School District does not possess any infrastructure assets.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Deferred Outflows and Deferred Inflows of Resources**

The statement of net position reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources, reported after total assets, represents a reduction of net position that applies to a future period(s) and will be recognized as an outflow of resources (expense) at that time. Deferred inflows of resources, reported after total liabilities, represents an acquisition of net position that applies to a future period(s) and will be recognized as an inflow of resources (revenue) at that time.

Transactions are classified as deferred outflows of resources and deferred inflows of resources only when specifically prescribed by the Governmental Accounting Standards Board (GASB) standards. The School District is required to report the following as deferred outflows of resources and deferred inflows of resources:

Defined Benefit Pension Plans - The difference between expected (actuarial) and actual experience, changes in actuarial assumptions, net difference between projected (actuarial) and actual earnings on pension plan investments, changes in the School District's proportion of expenses and liabilities to the pension as a whole, differences between the School District's pension contribution and its proportionate share of contributions, and the School District's pension contributions subsequent to the pension valuation measurement date.

Tuition Payable

Tuition charges for the fiscal years ended June 30, 2016 and 2015 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measurable and the School District is eligible to realize the revenue.

Accrued Salaries and Wages

Certain School District employees who provide services to the School District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account.

Compensated Absences

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

The School District uses the termination method to calculate the compensated absences amount. The entire compensated absence liability, including the employer's share of applicable taxes, is reported on the government-wide financial statements. The portion related to employees in the proprietary funds is recorded at the fund level. The current portion is the amount estimated to be used in the following fiscal year. Expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of employee resignations and retirements. Compensated absences not recorded at the fund level represent a reconciling item between the fund level and government-wide presentations.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner, and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the governmental fund financial statements when due.

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 Teachers' Pension and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), and additions to/deductions from TPAF's and PERS's fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position

Net position represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified into the following three components:

Net Investment in Capital Assets - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

Restricted - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Unrestricted - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Balance

The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Fund Balance (Cont'd)**

Restricted - The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

Assigned - The assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. Such authority of the business administrator is established by way of a formal job description for the position and standard operating procedures, approved by the Board of Education.

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

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the School District to spend restricted fund balances first. Moreover, when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures / expenses in the purchaser funds. 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 proprietary funds. Reimbursements from funds responsible for particular expenditures / expenses to the funds that initially paid for them are not presented on the financial statements.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Impact of Recently Issued Accounting Principles****Recently Issued and Adopted Accounting Pronouncements**

The following GASB Statements became effective for the fiscal year ended June 30, 2016:

Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The adoption of this Statement had no impact on the basic financial statements of the School District.

Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. The adoption of this Statement had no impact on the basic financial statements of the School District.

Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify, in the context of the current governmental financial reporting environment, the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The adoption of this Statement had no impact on the basic financial statements of the School District.

Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. The adoption of this Statement had no impact on the basic financial statements of the School District.

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements during the fiscal year ended June 30, 2016 which will become effective in future fiscal years as shown below:

Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. The Statement will become effective for the School District in fiscal year 2017. Management does not expect this Statement will have an impact on the basic financial statements of the School District.

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The Statement will become effective for the School District in fiscal year 2018. Management has not yet determined the impact of this Statement on the basic financial statements of the School District.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Impact of Recently Issued Accounting Principles (Cont'd)****Recently Issued Accounting Pronouncements**

Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose certain information about the agreements. The Statement will become effective for the School District in fiscal year 2017. Management does not expect this Statement will have an impact on the basic financial statements of the School District.

Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. The Statement will become effective for the School District in fiscal year 2017. Management does not expect this Statement will have an impact on the basic financial statements of the School District.

Statement No. 80, *Blending Requirements for Certain Component Units an amendment of GASB Statement No. 14*. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. The Statement will become effective for the School District in fiscal year 2017. Management does not expect this Statement will have an impact on the basic financial statements of the School District.

Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The Statement will become effective for the School District in fiscal year 2018. Management does not expect this Statement will have an impact on the basic financial statements of the School District.

Statement No. 82, *Pension Issues and amendment of GASB Statements No. 67, No. 68, and No. 73*. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The Statement will become effective for the School District in fiscal year 2017. Management does not expect this Statement will have a material impact on the basic financial statements of the School District.

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, and student activity funds, or funds that may pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of June 30, 2016, none of the School District's bank balances of \$2,079,157.30 were exposed to custodial credit risk.

Note 3: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District by inclusion of \$1,000,000.00 on October 16, 2001 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 School District's approved Long Range Facilities Plan ("LRFP"). Upon submission of the LRFP to the Department, a school 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 fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A school district may also appropriate additional amounts when the express approval of the voters has been obtained by either a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

Beginning Balance, July 1, 2015		\$ 414,783.09
Increased by:		
Interest Earnings	\$ 2,000.00	
Deposits:		
Approved at April Election	<u>50,000.00</u>	
		<u>52,000.00</u>
Ending Balance, June 30, 2016		<u>\$ 466,783.09</u>

The June 30, 2016 LRFP balance of local support costs of uncompleted projects at June 30, 2016 is \$466,783.09.

Note 4: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2016 consisted of accounts (fees for services), intergovernmental awards / grants. All receivables are considered collectible in full due to the stable condition of federal and state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey.

Accounts receivable as of fiscal year end for the School District's individual major and fiduciary funds, in the aggregate, are as follows:

<u>Description</u>	<u>Governmental Funds</u>		<u>Proprietary Funds</u>			<u>Total</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Activities</u>	<u>Food Service Fund</u>	<u>Total Business-Type Activities</u>	
Federal Awards	\$ 8,413.16	\$ 11,397.00	\$ 19,810.16	\$ 6,148.54	\$ 6,148.54	\$ 25,958.70
State Awards	99,158.11		99,158.11	100.63	100.63	99,258.74
Local Awards		4,000.00	4,000.00			4,000.00
Fiduciary Fund	8,363.04		8,363.04			8,363.04
Provided Services				12.50	12.50	12.50
	<u>\$ 115,934.31</u>	<u>\$ 15,397.00</u>	<u>\$ 131,331.31</u>	<u>\$ 6,261.67</u>	<u>\$ 6,261.67</u>	<u>\$ 137,592.98</u>

Note 5: INVENTORY

Inventory recorded at June 30, 2016 in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, consisted of the following:

Food	\$	2,159.78
Supplies		<u>1,839.95</u>
	\$	<u>3,999.73</u>

Note 6: CAPITAL ASSETS

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

	(Restated) Balance <u>July 1, 2015</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>June 30, 2016</u>
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	\$ 91,391.00			\$ 91,391.00
Capital Assets, being Depreciated:				
Equipment	1,039,581.70	\$ 69,270.30		1,108,852.00
Buildings and Improvements	8,387,148.00			8,387,148.00
Total Capital Assets, being Depreciated	<u>9,426,729.70</u>	<u>69,270.30</u>	-	<u>9,496,000.00</u>
Total Capital Assets, Cost	<u>9,518,120.70</u>	<u>69,270.30</u>	-	<u>9,587,391.00</u>
Less Accumulated Depreciation for:				
Equipment	(813,207.00)	(41,733.00)		(854,940.00)
Buildings and Improvements	(6,954,353.00)	(73,848.00)		(7,028,201.00)
Total Accumulated Depreciation	<u>(7,767,560.00)</u>	<u>(115,581.00)</u>	-	<u>(7,883,141.00)</u>
Total Capital Assets, being Depreciated, Net	<u>1,659,169.70</u>	<u>(46,310.70)</u>	-	<u>1,612,859.00</u>
Governmental Activities Capital Assets, Net	<u>\$ 1,750,560.70</u>	<u>\$ (46,310.70)</u>	-	<u>\$ 1,704,250.00</u>
	(Restated) Balance <u>July 1, 2015</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>June 30, 2016</u>
Business-Type Activities:				
Capital Assets, being Depreciated:				
Equipment	\$ 189,492.00			\$ 189,492.00
Less Accumulated Depreciation for:				
Equipment	(135,098.00)	\$ (6,421.00)		(141,519.00)
Business-Type Activities Capital Assets, Net	<u>\$ 54,394.00</u>	<u>\$ (6,421.00)</u>	-	<u>\$ 47,973.00</u>

Note 6: CAPITAL ASSETS (CONT'D)

Depreciation expense was charged to functions / programs of the School District as follows:

Governmental Activities:	
Regular Instruction	\$ 24,408.00
General Administration	74,900.00
Support Administration	7,285.00
Plant Operations and Maintenance	<u>8,988.00</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 115,581.00</u>
Business-Type Activities:	
Food Service	<u>\$ 6,421.00</u>
Total Depreciation Expense - Business-Type Activities	<u>\$ 6,421.00</u>

Note 7: LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2016, the following changes occurred in long-term obligations for governmental activities:

	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2016</u>	<u>Due within One Year</u>
Governmental Activities:					
Other Liabilities:					
Compensated Absences	\$ 58,634.26	\$ 19,322.07	\$ (13,187.13)	\$ 64,769.20	\$ 11,895.33
Net Pension Liability (note 9)	3,013,791.00	813,819.00	(566,230.00)	3,261,380.00	
Postemployment Benefits (note 11)	147,365.00			147,365.00	
Total Other Liabilities	<u>3,219,790.26</u>	<u>833,141.07</u>	<u>(579,417.13)</u>	<u>3,473,514.20</u>	<u>11,895.33</u>
Governmental Activity Long-Term Liabilities	<u>\$ 3,219,790.26</u>	<u>\$ 833,141.07</u>	<u>\$ (579,417.13)</u>	<u>\$ 3,473,514.20</u>	<u>\$ 11,895.33</u>

Compensated Absences - As previously stated, compensated absences will be paid from the fund from which the employees' salaries are paid. Refer to note 14 for a description of the School District's policy.

Net Pension Liability - For details on the net pension liability, refer to note 9. The School District's annual required contribution to the Public Employees' Retirement System are budgeted and paid from the general fund on an annual basis.

Note 8: OPERATING LEASES

At June 30, 2016, the School District had operating lease agreements in effect for copy machines. The present value of the future minimum rental payments under the operating lease agreements are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2017	\$ 24,019.44
2018	24,019.44
2019	24,019.44
2020	24,019.44
2021	<u>15,593.76</u>
	<u>\$ 111,671.52</u>

Rental payments under operating leases for the fiscal year ended June 30, 2016 were \$25,173.24.

Note 9: PENSION PLANS

A substantial number of the School District's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), which are administered by the New Jersey Division of Pensions and Benefits (the "Division"). In addition, several School District employees participate in the Defined Contribution Retirement Program, which is a defined contribution pension plan. This plan is administered by Prudential Financial for the Division. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<http://www.nj.gov/treasury/pensions>

General Information about the Pension Plans**Plan Descriptions**

Teachers' Pension and Annuity Fund - The Teachers' Pension and Annuity Fund is a cost-sharing multiple-employer defined benefit pension plan, with a special funding situation, which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. 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's designated purpose is to provide retirement benefits, death, disability and medical benefits to certain qualified members. Membership in the TPAF is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, who have titles that are unclassified, professional and certified. The TPAF's Board of Trustees is primarily responsible for the administration of the TPAF.

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the School District, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS's Board of Trustees is primarily responsible for the administration of the PERS.

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in SPRS or PFRS after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions**

Teachers' Pension and Annuity Fund - 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:

Tier Definition

- 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 21, 2010
- 4 Members who were eligible to enroll after May 21, 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 tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 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 member 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.

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. The PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

The membership tiers for PERS are the same as previously noted for TPAF.

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

Note 9: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

Defined Contribution Retirement Program - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and nonforfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and nonforfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Contributions

Teachers' Pension and Annuity Fund - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.06% in State fiscal year 2016. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2015, the State's pension contribution was less than the actuarial determined amount.

Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the School District has been required over several preceding fiscal years. These on-behalf contributions by the State of New Jersey are considered a special funding situation, under the definition of GASB 68, *Accounting and Financial Reporting for Pensions*.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2016 was 5.27% of the School District's covered payroll, of which 0.00% of payroll was required from the School District and 100.00% of payroll was required from the State of New Jersey. The School District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2016 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2015, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2016 was \$199,888.00, and was paid by April 1, 2016. School District employee contributions to the pension plan during the fiscal year ended June 30, 2016 were \$3,792,476.00.

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.06% in State fiscal year 2016. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contribution amounts are based on an actuarially determined rate. The School District's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

Note 9: PENSION PLANS (CONT'D)**General Information About the Pension Plans (Cont'd)****Contributions (Cont'd)**

Public Employees' Retirement System (Cont'd) - The School District's contractually required contribution rate for the fiscal year ended June 30, 2016 was 12.52% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2015, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2016 was \$128,550.00, and was paid by April 1, 2016. School District employee contributions to the pension plan during the fiscal year ended June 30, 2016 were \$1,026,998.00.

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

For the fiscal year ended June 30, 2016, employee contributions totaled \$9,330.77, and the School District recognized pension expense of \$5,089.49. There were no forfeitures during the fiscal year.

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

Teachers' Pension and Annuity Fund - At June 30, 2016, the School District was not required to report a liability for its proportionate share of the net pension liability because of a 100% special funding situation by the State of New Jersey.

The State's proportionate share of net pension liability, attributable to the School District is as follows:

School District's Proportionate Share of Net Pension Liability	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the School District	<u>23,507,918.00</u>
	<u>\$ 23,507,918.00</u>

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. For the June 30, 2015 measurement date, the School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At June 30, 2015, the School District proportion was 0.00% due to the 100% special funding situation with the State of New Jersey. For the June 30, 2015 measurement date, the State's proportionate share of the TPAF net pension liability associated with the School District was .0371935603%, which was an increase of .0010671250% from its proportion measured as of June 30, 2014.

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Teachers' Pension and Annuity Fund (Cont'd) - For the fiscal year ended June 30, 2016, the School District recognized \$1,435,370.00 in pension expense and revenue, in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2015 measurement date.

Public Employees' Retirement System - At June 30, 2016, the School District reported a liability of \$3,261,380.00 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. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2015 measurement date, the School District's proportion was .01452586006%, which was a decrease of .0015683574% from its proportion measured as of June 30, 2014.

For the fiscal year ended June 30, 2016, the School District recognized pension expense of \$151,032.00, in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2015 measurement date.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 77,805.00	\$ -
Changes of Assumptions	350,246.00	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	52,437.00
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	-	294,116.00
School District Contributions Subsequent to the Measurement Date	128,550.00	-
	<u>\$ 556,601.00</u>	<u>\$ 346,553.00</u>

Note 9: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Public Employees' Retirement System (Cont'd) – \$128,550.00 included in deferred outflows of resources, will be included as a reduction of the net pension liability in the fiscal year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2017	\$ 6,071.00
2018	6,071.00
2019	6,069.00
2020	50,972.00
2021	12,315.00
	<u>81,498.00</u>
	<u>\$ 81,498.00</u>

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72

Note 9: PENSION PLANS (CONT'D)**Actuarial Assumptions**

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. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>TPAF</u>	<u>PERS</u>
Inflation	2.50%	3.04%
Salary Increases:		
2012-2021	Varies Based on Experience	2.15% - 4.40% Based on Age
Thereafter	Varies Based on Experience	3.15% - 5.40% Based on Age
Investment Rate of Return	7.90%	7.90%
Mortality Rate Table	RP-2000	RP-2000
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2009 - June 30, 2012	July 1, 2008 - June 30, 2011

For TPAF, mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements were 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.

For PERS, mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former 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 1 year for females) are used to value disabled retirees.

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

Note 9: PENSION PLANS (CONT'D)Actuarial Assumptions (Cont'd)

<u>Asset Class</u>	<u>TPAF</u>		<u>Asset Class</u>	<u>PERS</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>		<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.53%	Cash	5.00%	1.04%
US Government Bonds	1.75%	1.39%	U.S. Treasuries	1.75%	1.64%
US Credit Bonds	13.50%	2.72%	Investment Grade Credit	10.00%	1.79%
US Mortgages	2.10%	2.54%	Mortgages	2.10%	1.62%
US Inflation-Indexed Bonds	1.50%	1.47%	High Yield Bonds	2.00%	4.03%
US High Yield Bonds	2.00%	4.57%	Inflation-Indexed Bonds	1.50%	3.25%
US Equity Market	27.25%	5.63%	Broad U.S. Equities	27.25%	8.52%
Foreign-Developed Equity	12.00%	6.22%	Developed Foreign Equities	12.00%	6.88%
Emerging Markets Equity	6.40%	8.46%	Emerging Market Equities	6.40%	10.00%
Private Real Estate Property	4.25%	3.97%	Private Equity	9.25%	12.41%
Timber	1.00%	4.09%	Hedge Funds/Absolute Return	12.00%	4.72%
Farmland	1.00%	4.61%	Real Estate (Property)	2.00%	6.83%
Private Equity	9.25%	9.15%	Commodities	1.00%	5.32%
Commodities	1.00%	3.58%	Global Debt ex U.S.	3.50%	-0.40%
Hedge Funds - MultiStrategy	4.00%	4.59%	REIT	4.25%	5.12%
Hedge Funds - Equity Hedge	4.00%	5.68%			
Hedge Funds - Distressed	4.00%	4.30%			
	<u>100.00%</u>			<u>100.00%</u>	

Discount Rate - The discount rates used to measure the total pension liability were 4.13% and 4.68% for TPAF as of June 30, 2015 and 2014, respectively, and 4.90% and 5.39% for PERS as of June 30, 2015 and 2014, respectively. For TPAF and PERS, the respective single blended discount rates were 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 rates for TPAF and PERS assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years 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 2027 for TPAF and 2033 for PERS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027 for TPAF and 2033 for PERS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Note 9: PENSION PLANS (CONT'D)**Sensitivity of School District's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

Teachers' Pension and Annuity Fund (TPAF) - As previously mentioned, TPAF, has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2015, the pension plans measurement date, attributable to the School District is \$0, and the State of New Jersey's proportionate share of the net pension liability, attributable to the School District, using a discount rate of 4.13%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	TPAF		
	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	<u>27,938,282.00</u>	<u>23,507,918.00</u>	<u>19,690,894.00</u>
	<u>\$ 27,938,282.00</u>	<u>\$ 23,507,918.00</u>	<u>\$ 19,690,894.00</u>

Public Employees' Retirement System (PERS) - The following presents the School District's proportionate share of the net pension liability at June 30, 2015, the plans measurement date, calculated using a discount rate of 4.90%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	PERS		
	1% Decrease (3.90%)	Current Discount Rate (4.90%)	1% Increase (5.90%)
School District's Proportionate Share of the Net Pension Liability	<u>\$ 4,053,496.00</u>	<u>\$ 3,261,380.00</u>	<u>\$ 2,597,275.00</u>

Pension Plan Fiduciary Net Position

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 respective fiduciary net position of the TPAF and PERS and additions to/deductions from TPAF and PERS' respective fiduciary net position have been determined on the same basis as they are reported by TPAF and PERS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about TPAF and PERS, please refer to the plan's Comprehensive Annual Financial Report (CAFR) which can be found at www.nj.gov/treasury/pensions/annrpts.shtml.

Note 10: STATE POST-RETIREMENT MEDICAL BENEFITS

P.L. 1987, c.384 of P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund ("TPAF") and the Public Employees' Retirement System ("PERS"), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of postemployment medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of postemployment medical benefits for retired State employees and retired educational employees. As of June 30, 2015, there were 107,314 retirees receiving postemployment 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 pre-funding 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 free health benefits to members of PERS and the Alternate Benefit Program who retire 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.

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Plan Description – The School District provides certain health care (medical and dental) benefits for retired employees, where such benefits are established and amended by the School District's Board of Education. The School District's plan, which is a single-employer post-employment healthcare plan, provide coverage for eligible retirees sixty-five (65) and over receive benefits through Horizon Blue Cross and Blue Shield. The Plan is administered by the School District; therefore, premium payments are made directly by the School District to the insurance carrier.

Funding Policy - Employees become eligible for retirement benefits based on hire date and years of service. The contribution requirements of plan members and the School District are established and may be amended by the School District's Board of Education. Plan members receiving benefits are not required to contribute towards their benefits. The benefits are provided to a closed group, currently comprised of three retirees.

Retirees - The School District presently funds its current retiree postemployment benefit costs on a "pay-as-you-go" basis and as shown above, receives monthly contributions from retirees to offset a portion of the cost. The School District's contributions to the plan for the fiscal years ended June 30, 2016, 2015, and 2014 were \$18,353.28, \$16,796.58, and \$16,277.82, respectively.

Future Retirees - In accordance with Statement No. 45 of the Governmental Accounting Standards Board, the School District is required to expense the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty (30) years. The ARC includes the costs of both current and future retirees. The current ARC was determined to be \$15,573.00 at an unfunded discount rate of 5.0%. As stated above, the School District has funded the cost of existing retirees in the amount of \$18,353.28, and has accrued the benefit costs for future eligible employees, but has not yet begun funding this outstanding liability.

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

Annual OPEB Cost - For fiscal year 2016, the School District's annual OPEB cost (expense) of \$18,353.28 for the plan was equal to the ARC plus certain adjustments because the School District's actual contributions in prior years differed from the ARC.

The School District's annual required contribution (ARC), the interest on the net OPEB obligation, the adjustment to the ARC, the increase or decrease in the net OPEB obligation, the net OPEB obligation, and the percentage of annual OPEB cost contributed to the plan for fiscal years 2016, 2015, and 2014 are as follows:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual Required Contribution (ARC)	\$ 15,573.00	\$ 15,573.00	\$ 16,055.00
Interest on the Net OPEB Obligation	-	-	-
Adjustment to the ARC	<u>2,780.28</u>	<u>1,223.58</u>	<u>(25,592.18)</u>
Annual OPEB Cost	18,353.28	16,796.58	(9,537.18)
Pay-as-You Go Cost (Existing Retirees)	<u>(18,353.28)</u>	<u>(16,796.58)</u>	<u>(16,277.82)</u>
Increase (Decrease) in the Net OPEB Obligation	-	-	(25,815.00)
Net OPEB Obligation, July 1	<u>147,365.00</u>	<u>147,365.00</u>	<u>173,180.00</u>
Net OPEB Obligation, June 30	<u>\$ 147,365.00</u>	<u>\$ 147,365.00</u>	<u>\$ 147,365.00</u>
Percentage of Annual OPEB Cost Contributed	100.0%	100.0%	100.0%

Funded Status and Funding Progress - The funded status of the plan as of June 30, 2016, was as follows:

Actuarial Accrued Liability (AAL)	\$ 147,365.00
Actuarial Value of Plan Assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 147,365.00</u>
Funded Ratio (Actuarial Value of Plan Assets / AAL)	100.0%
Covered Payroll (Active Plan Members)	N/A
UAAL as a Percentage of Covered Payroll	N/A

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Note 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

Actuarial Methods and Assumptions - The projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2014 actuarial valuation, the projected unit credit actuarial cost method was used. Under this method, an actuarial accrued liability is determined as the actuarial present value of the portion of projected benefits which is allocated to service before the current plan year. In addition, a normal cost is determined as the actuarial present value of the portion of projected benefits which is allocated to service in the current plan year for each active participant under the assumed retirement age. The UAAL is being amortized (straight-line) for thirty (30) years on an open basis. The actuarial assumptions included the following:

- *Mortality.* The mortality table employee is the 1994 sex distinct Group Annuity Mortality Table.
- *Turnover.* No terminations of retirement other than for death.
- *Disability.* No terminations of employment due to disability.
- *Spousal Coverage.* Married employees will remain married.
- *Annual Discount Rate.* Future costs are discounted at the rate of 5.00% compounded annually.
- *Health Care Cost Inflation.* Health care gross costs will increase an annual rate of 7.0% for Pre-Medicare and 5% for Post-Medicare medical benefits.
- *Administration Expenses.* Annual cost to administer the retiree claims, approximately 2%, is included in the annual health care costs.

Note 12: ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2016, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, post-retirement medical costs, and non-contributory insurance were \$278,657.00, \$348,331.00, and \$13,881.00, respectively.

Note 13: RISK MANAGEMENT

The School 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.

Joint Insurance Pool - The School District is a member of the School Alliance Insurance Fund. The Fund provides its members with the following coverage:

Workers' Compensation and Employer's Liability
Liability other than Motor Vehicles
Property Damage other than Motor Vehicles
Motor Vehicles

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention, or administrative accounts to assure the payment of the Fund's obligations.

Note 13: RISK MANAGEMENT (CONT'D)

Joint Insurance Pool (Cont'd) - A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report. The Fund provides the School District with the following coverage:

Property - Blanket Building and Grounds
 General and Automobile Liability
 Boiler and Machinery
 Comprehensive Crime Coverage
 Environmental Impairment Liability
 Excess Liability
 School Leaders Professional Liability

Contributions to the Fund, are payable in an annual premium and is based on actuarial assumptions determined by the Fund's actuary. The School District's agreement with the Pool provides that the Pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund for claims in excess of \$50,000.00 to \$200,000.00 based on the line of coverage for each insured event.

The Fund publishes its own financial report for the fiscal year ended June 30, 2016, which can be obtained from:

School Alliance Insurance Fund
 51 Everett Drive, Suite B-40
 West Windsor, New Jersey 08550

Note 14: COMPENSATED ABSENCES

The School 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.

School District employees who are employed for ten months are entitled to twelve paid sick leave days per fiscal school year. School District employees who are employed for twelve months are also entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years (maximized at 23 days). School District employees are entitled to two personal days which may be carried forward to subsequent years. Vacation days not used during the year may not be accumulated and carried forward. Benefits paid in any future year will be calculated according to formulas outlined in the School Districts' agreements with the various employee unions and included in the current years' budget. Employees are not entitled to a payout for sick leave until the employee reaches 20 years of service with the District.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2016, the liability for compensated absences reported on the government-wide statement of net position was \$64,769.20.

Note 15: DEFERRED COMPENSATION

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

AXA/Equitable Life Insurance
Syracusa Benefits Program
Lincoln Investment Planning, Inc.
Great American

Note 16: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2016 is as follows:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 8,363.04	
Fiduciary		\$ 8,363.04
	<u>\$ 8,363.04</u>	<u>\$ 8,363.04</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2017, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

Interfund Transfers:

	<u>Transfer In:</u>
	<u>Food Service Fund</u>
<u>Transfer Out:</u>	
General Fund	\$ 10,000.00
Total Transfers	<u>\$ 10,000.00</u>

The transfer was the District's annual contribution to the Food Service Fund.

Note 17: CONTINGENCIES

Grantor Agencies - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the School District expects such amount, if any, to be immaterial.

Litigation - The School District is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the School District, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Note 18: CONCENTRATIONS

The School District depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the School District is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

Note 19: FUND BALANCES**NONSPENDABLE**

As stated in note 1, the nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. As of June 30, 2016, the District did not have any nonspendable fund balances.

RESTRICTED

As stated in note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District's fund balance are summarized as follows:

General Fund

For Excess Surplus - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of 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 years' budget. The excess fund balance at June 30, 2016 is \$313,788.04. Additionally, \$423,963.71 of excess fund balance generated during 2014-2015 has been restricted and designated for utilization in the 2016-2017 budget.

For Capital Reserve Account - As of June 30, 2016, the balance in the capital reserve account is \$466,783.09. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

For Maintenance Reserve Account - As of June 30, 2016, the balance in the maintenance reserve account is \$135,877.01. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701).

COMMITTED

As stated in note 1, the committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which is the Board of Education. As of June 30, 2016, the District did not have any committed balances.

Note 19: FUND BALANCES (CONT'D)**ASSIGNED**

As stated in note 1, the assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. Specific assignments of the School District's fund balance are summarized as follows:

General Fund

For Subsequent Year's Expenditures - The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2017 \$126,638.29 of general fund balance at June 30, 2016.

The School District has appropriated and included as anticipated revenue for the fiscal year ending June 30, 2017 \$8,416.16 of general fund balance at June 30, 2016, resulting from the Special Education Medicaid Initiative (SEMI) reimbursement received during the current fiscal year for reimbursement of previous fiscal year expenditures.

Other Purposes - As of June 30, 2016, the School District had \$52,342.67 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

UNASSIGNED

As stated in note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District's unassigned fund balance is summarized as follows:

General Fund - As of June 30, 2016, \$336,607.00 of general fund balance was unassigned.

Note 20: RESTATEMENT OF PRIOR PERIOD NET POSITION

The School District restated its net position as of June 30, 2015 as a result of a change in the valuation of the Districts capital assets and related depreciation. The cumulative effect on the financial statements as reported for June 30, 2015 is as follows:

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>
Beginning Net Position as Previously Reported at June 30, 2015	\$ 1,110,865.34	\$ 29,592.19
Prior Period Adjustment(s):		
Capital Assets	<u>(370,597.06)</u>	<u>29,927.98</u>
Net Position as Restated, July 1, 2015	<u>\$ 740,268.28</u>	<u>\$ 59,520.17</u>

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ending June 30, 2016

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 9,697,131.00		\$ 9,697,131.00	\$ 9,697,131.00	
Tuition	74,000.00		74,000.00	125,489.05	\$ 51,489.05
Unrestricted Miscellaneous Revenue	10,820.00		10,820.00	25,483.57	14,663.57
Interest Earned on Maintenance Reserve	500.00		500.00		(500.00)
Interest Earned on Capital Reserve Funds	2,000.00		2,000.00		(2,000.00)
Total - Local Sources	9,784,451.00	-	9,784,451.00	9,848,103.62	63,652.62
State Sources:					
Transportation Aid	272,654.00		272,654.00	272,654.00	
Special Education Aid	342,959.00		342,959.00	342,959.00	
Security Aid	84,835.00		84,835.00	84,835.00	
Adjustment Aid	410,720.00		410,720.00	410,720.00	
Extraordinary Aid				78,459.00	78,459.00
Per Pupil Growth Aid	5,670.00		5,670.00	5,670.00	
PARCC Aid	5,670.00		5,670.00	5,670.00	
Non-Public Transportation				8,148.00	8,148.00
On-Behalf T.P.A.F. Pension Contributions (non-budgeted)					
Normal Cost				278,657.00	278,657.00
Non-Contributory Insurance				13,881.00	13,881.00
Post-Retirement Medical				348,331.00	348,331.00
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				280,493.26	280,493.26
Total - State Sources	1,122,508.00	-	1,122,508.00	2,130,477.26	1,007,969.26
Federal Sources:					
Medicaid Reimbursement (SEMI)	9,516.00		9,516.00	12,764.45	3,248.45
Medicaid Reimbursement (SEMI) - Settlement				8,413.16	
Total - Federal Sources	9,516.00	-	9,516.00	21,177.61	3,248.45
Total Revenues	10,916,475.00	-	10,916,475.00	11,999,758.49	1,074,870.33
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Kindergarten	215,972.00	\$ (952.88)	215,019.12	215,019.12	
Grades 1-5	991,526.00	(6,484.51)	985,041.49	979,719.07	5,322.42
Grades 6-8	916,788.00	(3,969.79)	912,818.21	912,438.29	379.92
Home Instruction:					
Salaries of Teachers	2,500.00	(617.30)	1,882.70	1,327.50	555.20
Purchased Professional/Educational Services	2,000.00	617.30	2,617.30	2,617.30	
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	293,640.62	12,537.82	306,178.44	305,686.94	491.50
Purchased Professional/Educational Services	58,914.00	6,681.64	65,595.64	65,595.64	
Cleaning/Repair/Main	4,989.00	499.04	5,488.04	5,488.04	
Rentals	20,409.00	(10.95)	20,398.05	18,668.23	1,729.82
Other Purchased Services (400-500 series)	48,300.00		48,300.00	40,851.39	7,448.61
General Supplies	84,169.06	(8,497.60)	75,671.46	66,040.32	9,631.14
Textbooks	73,141.00	(96.26)	73,044.74	73,044.74	
Misc.	11,540.00	20.30	11,560.30	7,648.12	3,912.18
Total - Regular Programs	2,723,888.68	(273.19)	2,723,615.49	2,694,144.70	29,470.79
Special Education - Learning and/or Language Disabilities:					
Salaries of Teachers	119,716.00		119,716.00	119,716.00	
Other Salaries for Instruction	61,275.76	75.00	61,350.76	61,350.76	
Purchased Professional/Educational Services	2,813.00	(339.51)	2,473.49	2,473.49	
General Supplies	935.00	(93.87)	841.13	841.13	
Total - Special Education Learning and/or Language Disabilities	184,739.76	(358.38)	184,381.38	184,381.38	
Special Education Instruction - Multiple Disabilities:					
Salaries of Teachers	62,184.00	(1,646.28)	60,537.72	45,061.78	15,475.94
Other Salaries for Instruction	30,685.88	(139.00)	30,546.88	30,546.88	
Purchased Professional/Educational Services	163,168.00	51,584.64	214,752.64	214,752.64	
General Supplies	935.00	(42.30)	892.70	892.70	
Total Special Education Instruction - Multiple Disabilities	256,972.88	49,757.06	306,729.94	291,254.00	15,475.94
Special Education Instruction - Resource Room/Resource Center:					
Salaries of Teachers	469,870.00	1,517.90	471,387.90	471,387.90	
Purchased Professional/Educational Services	5,562.00	1,048.85	6,610.85	6,610.85	
General Supplies	3,212.00		3,212.00	3,212.00	
Total Special Education Instruction - Resource Room/Resource Center	478,644.00	2,566.75	481,210.75	481,210.75	-

(Continued)

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ending June 30, 2016

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Expenditures (Cont'd):					
Current Expense (Cont'd):					
Special Education Instruction - Preschool Disabilities - Part Time:					
Salaries of Teachers	\$ 50,686.00	\$ 686.00	\$ 51,372.00	\$ 51,372.00	
Other Salaries for Instruction	18,579.91	(104.31)	18,475.60	18,475.60	
Purchased Professional/Educational Services	2,159.00	(411.49)	1,747.51	1,747.51	
General Supplies	500.00	498.34	998.34	998.34	
Total - Special Education Instruction - Preschool Disabilities - Part Time	71,924.91	668.54	72,593.45	72,593.45	
Total - Special Education	992,281.55	52,633.97	1,044,915.52	1,029,439.58	\$ 15,475.94
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	138,808.00	(6,867.96)	131,940.04	131,388.00	552.04
Purchased Professional/Educational Services	1,636.00	(327.29)	1,308.71	1,308.71	
General Supplies	1,435.00	(485.00)	950.00	608.50	341.50
Total - Basic Skills/Remedial - Instruction	141,879.00	(7,680.25)	134,198.75	133,305.21	893.54
School-Sponsored Co/Extra-Curricular Activities - Instruction:					
Salaries	16,350.00		16,350.00	14,140.00	2,210.00
Supplies and Materials	750.00		750.00	750.00	
Total - School-sponsored Co/Extra-curricular Activities - Instruction	17,100.00	-	17,100.00	14,140.00	2,960.00
Community Services Programs/Operations:					
Salaries	1,000.00		1,000.00	462.50	537.50
Professional/Tech Service	2,110.00		2,110.00	551.00	1,559.00
Total - Community Service Programs/Operations	3,110.00	-	3,110.00	1,013.50	2,096.50
TOTAL INSTRUCTION	3,878,259.23	44,680.53	3,922,939.76	3,872,042.99	50,896.77
Undistributed Expenditures - Instruction:					
Tuition to Other LEA's Within the State - Regular	1,409,628.00	44,327.56	1,453,955.56	1,453,955.56	
Tuition to Other LEA's Within the State - Special	163,386.00	4,171.50	167,557.50	167,557.50	
Tuition to County Vocational School	198,450.00	10,804.50	209,254.50	209,254.50	
Tuition to County Special Services and Regional Day Schools	116,800.00	39,600.00	156,400.00	156,400.00	
Tuition to Private Schools for the Disabled within the State	344,831.00	(9,394.82)	335,436.18	335,436.18	
Total - Undistributed Expenditures - Instruction	2,233,095.00	89,508.74	2,322,603.74	2,322,603.74	
Undistributed Expenditures - Attendance and Social Work Services:					
Salaries	20,000.00	(13,250.00)	6,750.00	6,750.00	
Undistributed Expenditures - Health Services:					
Other Professional Salaries	136,610.00	(12,752.92)	123,857.08	117,955.38	5,901.70
Purchased Professional and Technical Services	9,845.00	68,114.50	77,959.50	77,959.50	
Rentals	791.00	31.13	822.13	822.13	
Travel	709.00	(42.92)	666.08	666.08	
Supplies and Materials	4,444.00	(323.87)	4,120.13	3,249.06	871.07
Misc.	335.00	3.25	338.25	291.50	46.75
Total - Undistributed Expenditures - Health Services	152,734.00	55,029.17	207,763.17	200,943.65	6,819.52
Undistributed Expenditures - Speech, Occupational Therapy, Physical Therapy, and Related Services:					
Salaries	178,584.50	4,370.20	182,954.70	182,954.70	
Purchased Professional Educational Services	82,682.00	10,118.00	92,800.00	92,800.00	
Supplies and Materials	792.00	100.28	892.28	892.28	
Total - Undistributed Expenditures - Speech, Occupational Therapy, Physical Therapy, and Related Services	262,058.50	14,588.48	276,646.98	276,646.98	
Undistributed Expenditures - Guidance					
Salaries of Other Professional Staff	85,758.00	15.00	85,773.00	85,773.00	
Undistributed Expenditures - Child Study Teams					
Salaries of Other Professional Staff	241,491.00	688.75	242,179.75	242,179.75	
Salaries of Secretarial and Clerical Assistants	39,233.00		39,233.00	39,083.00	150.00
Purchased Professional Educational Services	7,750.00	6,241.27	13,991.27	13,991.27	
Other Purchased Professional and Technical Services	8,786.00	(1,672.10)	7,113.90	7,113.90	
Miscellaneous Purchased Services	1,862.00	(9.18)	1,852.82	1,740.65	112.17
Supplies and Materials	2,746.00	(57.57)	2,688.43	2,351.36	337.07
Total Undistributed Expenditures - Child Study Team	301,868.00	5,191.17	307,059.17	306,459.93	599.24

(Continued)

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ending June 30, 2016

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Expenditures (Cont'd):					
Current Expense (Cont'd):					
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Other Professional Staff	\$ 3,000.00	\$ (611.90)	\$ 2,388.10	\$ 2,255.86	\$ 132.24
Salaries of Secretarial and Clerical Assistants	44,395.00	(281.93)	44,113.07	42,363.76	1,749.31
Other Salaries	72,454.00		72,454.00	72,454.00	
Purchased Professional Educational Services	2,500.00	(2,500.00)			
Other Purchased Services (400-500)	8,853.00	(33.68)	8,819.32	7,724.63	1,094.69
Supplies and Materials	500.00		500.00	100.00	400.00
Misc.	254.00		254.00		254.00
Total Undistributed Expenditures- Improvement of Instruction Services	131,956.00	(3,427.51)	128,528.49	124,898.25	3,630.24
Undistributed Expenditures - Educational Media Services/School Library:					
Salaries of Other Professional Staff	107,254.00	80.22	107,334.22	106,646.62	687.60
Other Purchased Services	74,056.00	(4,805.54)	69,250.46	67,180.84	2,069.62
Travel		12.00	12.00	12.00	
General Supplies	167,220.00		167,220.00	164,670.86	2,549.14
Total Undistributed Expenditures - Educational Media Services/School Library	348,530.00	(4,713.32)	343,816.68	338,510.32	5,306.36
Undistributed Expenditures - Instructional Staff Training Services:					
Purchased Professional Educational Services	6,000.00	(6,000.00)			
Other Purchased Services	8,665.00	3,542.08	12,207.08	11,539.15	667.93
General Supplies		274.75	274.75	274.75	
Total - Undistributed Expenditures - Instructional Staff Training Services:	14,665.00	(2,183.17)	12,481.83	11,813.90	667.93
Undistributed Expenditures - Support Services - General Administration:					
Salaries-Other Professional Services	81,000.00	(1,282.70)	79,717.30	79,717.30	
Salaries-Secretary/Clerk	31,989.00	(1,462.47)	30,526.53	27,867.84	2,658.69
Other Salaries	3,162.00		3,162.00	3,162.00	
Legal Services	15,000.00	(363.10)	14,636.90	13,949.17	687.73
Audit Fees	21,000.00	3,000.00	24,000.00	24,000.00	
Other Purchased Professional Services	31,385.00	(2,202.03)	29,182.97	22,187.50	6,995.47
Purchased Technical Services	4,343.00	2,499.50	6,842.50	6,592.50	250.00
Rentals	518.00	1.92	519.92	519.92	
Communications / Telephone	96,959.00	(6,473.78)	90,485.22	67,578.27	22,906.95
Travel	400.00	352.83	752.83	752.83	
BOE Other Purchased Services	2,685.00	(775.91)	1,909.09	1,909.09	
Other Purchased Services	14,973.00	433.24	15,406.24	14,604.28	801.96
General Supplies	1,140.00	1,192.74	2,332.74	2,332.74	
BOE In-House Training/Meeting Supplies	345.00	(166.29)	178.71	178.71	
Miscellaneous Expenditures	365.00	6,868.96	7,233.96	7,233.96	
BOE Membership Dues and Fees	6,185.00	0.45	6,185.45	6,185.45	
Total Undistributed Expenditures - Support Services - General Administration:	311,449.00	1,623.36	313,072.36	278,771.56	34,300.80
Undistributed Expenditures - Support Services - School Administration:					
Salaries of Principals / Assistant Principals	102,304.00	(2,017.90)	100,286.10	94,948.58	5,337.52
Salaries of Secretarial and Clerical Assistants	53,308.00		53,308.00	53,000.22	307.78
Rentals	1,143.00		1,143.00	803.31	339.69
Travel	200.00	639.00	839.00	839.00	
Supplies and Materials	3,246.00	225.31	3,471.31	3,368.36	102.95
Other Objects	1,120.00		1,120.00	870.47	249.53
Total Undistributed Expenditures- Support Services - School Administration	161,321.00	(1,153.59)	160,167.41	153,829.94	6,337.47
Undistributed Expenditures - Central Services:					
Salaries-Other Professional Services	107,285.00	4,385.33	111,670.33	111,670.33	
Salaries-Secretary/Clerk	70,393.00	(404.29)	69,988.71	69,591.67	397.04
Purchased Professional Services	3,795.00	1,035.18	4,830.18	2,985.18	1,845.00
Purchased Technical Services	16,202.00	(45.20)	16,156.80	16,156.80	
Miscellaneous Purchased Services	2,489.00	(498.50)	1,990.50	1,894.75	95.75
Supplies and Materials	3,926.00	(9.37)	3,916.63	3,916.63	
Miscellaneous Expenditures	1,719.00	(190.00)	1,529.00	1,529.00	
Total Undistributed Expenditures - Central Services	205,809.00	4,273.15	210,082.15	207,744.36	2,337.79
Undistributed Expenditures - Required Maintenance for School Facilities:					
Cleaning, Repair, and Maintenance Services	179,292.20	(2,228.61)	177,063.59	104,722.46	72,341.13
Total Undistributed Expenditures - Required Maintenance for School Facilities	179,292.20	(2,228.61)	177,063.59	104,722.46	72,341.13

(Continued)

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ending June 30, 2016

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Expenditures (Cont'd):					
Current Expense (Cont'd):					
Undistributed Expenditures - Custodial Services:					
Salaries-Secretary/Clerk	\$ 21,090.00		\$ 21,090.00	\$ 21,090.00	
Salaries-Non-Instructional Aides	33,827.32	\$ (1,528.32)	32,299.00	18,470.02	\$ 13,828.98
Other Salaries	457,677.01		457,677.01	445,976.29	11,700.72
Purchased Professional and Technical Services	6,078.00	2,755.61	8,833.61	7,633.61	1,200.00
Cleaning, Repair, and Maintenance	20,150.00	14.61	20,164.61	20,164.61	
Other Purchased Property Services	2,753.00	(14.61)	2,738.39	1,892.23	846.16
Insurance	40,429.00	(527.00)	39,902.00	38,924.00	978.00
Miscellaneous Purchased Services	540.00		540.00	-	540.00
General Supplies	85,232.52	18,973.67	104,206.19	104,206.19	
Natural Gas	85,899.00	(35,540.92)	50,358.08	38,434.27	11,923.81
Energy (Heat and Electricity)	219,785.00	(18,621.10)	201,163.90	192,649.04	8,514.86
Miscellaneous Expenditures	358.00		358.00	268.00	90.00
Total Undistributed Expenditures - Custodial Services:	973,818.85	(34,488.06)	939,330.79	889,708.26	49,622.53
Undistributed Expenditures - Security:					
Other Salaries	10,375.00	(10,375.00)			
Total Undistributed Expenditures - Security	10,375.00	(10,375.00)	-	-	-
Undistributed Expenditures - Student Transportation Services:					
Salaries for Pupil Transportation (Between Home and School) - Regular	7,909.00		7,909.00	7,909.00	
Salaries for Pupil Transportation (Between Home and School) - Special Ed.	7,909.00		7,909.00	7,909.00	
Aid in Lieu - Non-Public	46,852.00	(10,578.64)	36,273.36	36,273.36	
Aid in Lieu - School Choice	12,376.00	(7,514.00)	4,862.00	4,862.00	
Contracted Services (Between Home and School) - Vendors	317,386.00	(24,423.28)	292,962.72	292,962.72	
Contracted Services (Other Than Between Home and School) - Vendors	7,000.00	754.00	7,754.00	7,754.00	
Contracted Services (Special Education) - Vendors	241,878.00	83,630.03	325,508.03	325,508.03	
Contracted Services (Special Education) - Joint Agreements	6,500.00	68.75	6,568.75	6,568.75	
Miscellaneous Purchased Services - Transportation	6,894.00	(3,919.18)	2,974.82	2,974.82	
General Supplies	400.00	(374.82)	25.18	25.18	
Miscellaneous Expenditures	150.00	50.00	200.00	200.00	
Total Undistributed Expenditures - Student Transportation Services:	655,254.00	37,692.86	692,946.86	692,946.86	
Unallocated Benefits - Employee Benefits:					
Group Insurance	2,455.00		2,455.00	2,114.74	340.26
Social Security Contributions	117,345.00		117,345.00	106,515.92	10,829.08
Other Retirement Contributions - Regular	204,154.00	(32,032.94)	172,121.06	170,829.49	1,291.57
Unemployment Compensation	22,226.00		22,226.00	21,411.81	814.19
Worker's Compensation	57,951.00	-	57,951.00	55,047.50	2,903.50
Health Benefits	1,538,744.00	(148,750.26)	1,389,993.74	1,341,529.35	48,464.39
Tuition Reimbursement	21,000.00	(16.49)	20,983.51	16,589.30	4,394.21
Other Employee Benefits	5,309.00	16.49	5,325.49	5,325.49	
Total Unallocated Benefits - Employee Benefits:	1,969,184.00	(180,783.20)	1,788,400.80	1,719,363.60	69,037.20
Undistributed Expenditures - Food Services					
Transfers to Cover Deficits - Food Services	10,000.00		10,000.00	10,000.00	
Total Undistributed Expenditures - Food Services	10,000.00	-	10,000.00	10,000.00	-
On-Behalf T.P.A.F. Pension Contributions (Non-Budgeted)					
Normal Cost				278,657.00	(278,657.00)
Non-Contributory Insurance				13,881.00	(13,881.00)
Post-Retirement Medical				348,331.00	(348,331.00)
Reimbursed T.P.A.F. Social Security Contributions (Non-Budgeted)				280,493.26	(280,493.26)
Total On-Behalf T.P.A.F. Social Security/Pension Contributions	-	-	-	921,362.26	(921,362.26)
Total Undistributed Expenditures	8,027,167.55	(44,680.53)	7,982,487.02	8,652,849.07	(670,362.05)
Other Current Expense					
Interest Earned on Maintenance Reserve	500.00		500.00		500.00
Increase in Maintenance Reserve	50,000.00		50,000.00		50,000.00
Total Other Current Expense	50,500.00	-	50,500.00	-	50,500.00
Total Current Expense	11,955,926.78	-	11,955,926.78	12,524,892.06	(568,965.28)

(Continued)

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
 General Fund
 Budgetary Comparison Schedule
 For the Fiscal Year Ending June 30, 2016

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Expenditures (Cont'd):					
Capital Expenditures:					
Increase in Capital Reserve	\$ 50,000.00		\$ 50,000.00		\$ 50,000.00
Interest Deposit to Capital Reserve	2,000.00		2,000.00		2,000.00
Equipment	56,228.00		56,228.00	\$ 54,270.30	1,957.70
Assessment for Debt Service on SDA Funding	43,030.00		43,030.00	2,097.00	40,933.00
Total Capital Expenditures	<u>151,258.00</u>	-	<u>151,258.00</u>	<u>56,367.30</u>	<u>94,890.70</u>
Total Capital Outlay	<u>151,258.00</u>	-	<u>151,258.00</u>	<u>56,367.30</u>	<u>94,890.70</u>
Special Schools:					
Summer School - Instruction					
Salaries of Teachers	4,242.00		4,242.00		4,242.00
Other Salaries for Instruction	2,700.00		2,700.00		2,700.00
Total Special Schools	<u>6,942.00</u>	-	<u>6,942.00</u>	-	<u>6,942.00</u>
Total Expenditures	<u>12,114,126.78</u>	-	<u>12,114,126.78</u>	<u>12,581,259.36</u>	<u>(467,132.58)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,197,651.78)</u>	-	<u>(1,197,651.78)</u>	<u>(581,500.87)</u>	<u>607,737.75</u>
Fund Balances, July 1	<u>2,445,913.84</u>	-	<u>2,445,913.84</u>	<u>2,445,913.84</u>	
Fund Balances, June 30	<u>\$ 1,248,262.06</u>	<u>\$ -</u>	<u>\$ 1,248,262.06</u>	<u>\$ 1,864,412.97</u>	<u>\$ 607,737.75</u>
Recapitulation:					
Restricted:					
Capital Reserve				\$ 466,783.09	
Maintenance Reserve				135,877.01	
Excess Surplus				313,788.04	
Excess Surplus Designated for Subsequent Year's Expenditures				423,963.71	
Assigned:					
Designated for Subsequent Year's Expenditures:					
General Fund Balance				126,638.29	
2017-18 SEMI--Settlement				8,413.16	
Encumbrances				52,342.67	
Unassigned Fund Balance				<u>336,607.00</u>	
				1,864,412.97	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				<u>95,069.00</u>	
				<u>\$ 1,769,343.97</u>	

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ending June 30, 2016

	Original/ Final <u>Budget</u>	<u>Actual</u>	Variance Positive (Negative) <u>Final to Actual</u>
REVENUES:			
State Sources	\$ 89,391.00	\$ 54,990.18	\$ (34,400.82)
Federal Sources	328,415.58	328,415.58	
Other Sources	<u>12,363.00</u>	<u>10,491.57</u>	<u>(1,871.43)</u>
Total Revenues	<u>430,169.58</u>	<u>393,897.33</u>	<u>(36,272.25)</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	44,063.75	44,063.75	
Salaries for Other Instruction	4,615.00	4,615.00	
Tuition	209,364.00	174,987.30	34,376.70
Supplies and Materials	76,549.00	76,549.00	
General Supplies	<u>14,235.75</u>	<u>14,211.63</u>	<u>24.12</u>
Total Instruction	<u>348,827.50</u>	<u>314,426.68</u>	<u>34,400.82</u>
Support Services:			
Other Employee Benefits	10,890.10	10,890.10	
Purchased Educational Services	8,550.00	8,550.00	
Purchased Technical Services	39,755.00	39,755.00	
Supplies and Materials	2,363.00	2,363.00	
General Supplies	<u>4,783.98</u>	<u>2,912.55</u>	<u>1,871.43</u>
Total Support Services	<u>66,342.08</u>	<u>64,470.65</u>	<u>1,871.43</u>
Facilities Acquisition and Construction Services:			
Instructional Equipment	<u>15,000.00</u>	<u>15,000.00</u>	
Total Facilities Acquisition and Construction Services	<u>15,000.00</u>	<u>15,000.00</u>	<u>-</u>
Total Expenditures	<u>430,169.58</u>	<u>393,897.33</u>	<u>36,272.25</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
 Required Supplementary Information
 Budgetary Comparison Schedule
 Note to RSI
 For the Fiscal Year Ending June 30, 2016

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources / Inflows of Resources:		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-series)	\$ 11,999,758.49	\$ 393,897.33
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current Year		(1,732.03)
Prior Year		14,441.97
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July 2015.	96,456.00	
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July 2016.	<u>(95,069.00)</u>	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ <u>12,001,145.49</u>	\$ <u>406,607.27</u>
Uses / Outflows of Resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 12,581,259.36	\$ 393,897.33
Difference - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Current Year		(1,732.03)
Prior Year		14,441.97
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	\$ <u>12,581,259.36</u>	\$ <u>406,607.27</u>

**REQUIRED SUPPLEMENTARY INFORMATION
PART III**

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of the School District's Proportionate Share of the Net Pension Liability
 Public Employees' Retirement System (PERS)
 Last Three Fiscal Years

	Measurement Date Ending June 30,		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.0145286006%	0.0160969580%	0.0164384018%
School District's Proportionate Share of the Net Pension Liability	\$ 3,261,380.00	\$ 3,013,791.00	\$ 3,141,705.00
School District's Covered Payroll (Plan Measurement Period)	\$ 1,078,628.00	\$ 1,194,860.00	\$ 1,213,828.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered Payroll	302.36%	252.23%	258.83%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%	48.72%

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of the School District's Contributions
 Public Employees' Retirement System (PERS)
 Last Three Fiscal Years

	Fiscal Year Ended June 30,		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 128,550.00	\$ 124,907.00	\$ 132,701.00
Contributions in Relation to the Contractually Required Contribution	<u>(128,550.00)</u>	<u>(124,907.00)</u>	<u>(132,701.00)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll (Fiscal Year)	\$ 1,026,998.00	\$ 1,024,255.00	\$ 1,013,312.00
Contributions as a Percentage of School District's Covered Payroll	12.52%	12.19%	13.10%

Note: This schedule is presented to illustrate the requirement to show information for 10 years.
 However, until a full 10-year trend is compiled, this presentation will only include information
 for those years for which information is available.

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
 Required Supplementary Information
 Schedule of the School District's Proportionate Share of the Net Pension Liability
 Teachers' Pension and Annuity Fund (TPAF)
 Last Three Fiscal Years

	Measurement Date Ending June 30,		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
School District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability Associated with the School District	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the School District	<u>23,507,918.00</u>	<u>19,308,404.00</u>	<u>18,698,503.00</u>
	<u>\$ 23,507,918.00</u>	<u>\$ 19,308,404.00</u>	<u>\$ 18,698,503.00</u>
School District's Covered Payroll (Plan Measurement Period)	\$ 4,300,536.00	\$ 4,308,556.00	\$ 4,158,024.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered-Employee Payroll	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered Payroll	546.63%	448.14%	449.70%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	28.71%	33.64%	33.76%

Note: This schedule is presented to illustrate the requirement to show information for 10 years.
 However, until a full 10-year trend is compiled, this presentation will only include information
 for those years for which information is available.

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
Required Supplementary Information
Schedule of School District's Contributions
Teachers' Pension and Annuity Fund (TPAF)
Last 10 Fiscal Years

This schedule is not applicable.

The School District is not required to make any contributions towards TPAF.

There is a special funding situation where the State of New Jersey pays 100% of the required contributions.

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
Notes to Required Supplementary Information - Part III
For the Fiscal Year Ended June 30, 2016

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None

Changes in Assumptions - The discount rate changed from 5.39% as of June 30, 2014, to 4.90% as of June 30, 2015, in accordance with Paragraph 44 of GASB Statement No. 67.

Teachers' Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None

Changes in Assumptions - The discount rate changed from 4.68% as of June 30, 2014, to 4.13% as of June 30, 2015, in accordance with Paragraph 44 of GASB Statement No. 67.

**REQUIRED SUPPLEMENTARY INFORMATION
PART IV**

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
 Required Supplementary Information - Part IV
 Schedule of Funding Progress for Health Benefits Plan
 For the Fiscal Year Ended June 30, 2016

Actuarial Valuation Date <u>Date</u>	Actuarial Value of Assets <u>(a)</u>	Actuarial Accrued Liability (AAL) - Entry Age <u>(b)</u>	Unfunded AAL (UAAL) <u>(b-a)</u>	Funded Ratio <u>(a/b)</u>	Covered Payroll <u>(c)</u>	UAAL as a Percentage of Covered Payroll <u>[(b-a)/c]</u>
06/30/14	-	\$ 147,365.00	\$ 147,365.00	-	N/A	N/A
06/30/11	-	173,180.00	173,180.00	-	N/A	N/A

GREENWICH TOWNSHIP SCHOOL DISTRICT
Notes to Required Supplementary Information – Part IV
For the Fiscal Year Ended June 30, 2016

Other Postemployment Benefits

The information presented in the required supplementary schedule was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation is as follows:

Valuation Date	June 30, 2014
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Dollar
Remaining Amortization Period	None
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Discount Rate	5.0%
Rate of Salary Increases	N/A
Rate of Medical Increases	5.0% (post-Medicare)
Rate of Administration Expense Increases	2.0% (included in annual health care costs)

For determining the annual required contribution (ARC), the rate of employer contributions to the Plan is composed of the normal cost plus amortization of the unfunded actuarial accrued liability (UAAL), multiplied by the sum of 1 plus the discount rate, or 1.05. The normal cost is a portion of the actuarial present value of plan benefits and expenses which is allocated to a valuation year by the actuarial cost method. The actuarial accrued liability (AAL) is that portion of the present value of projected benefits that will not be paid by future employer normal costs. The difference between this liability and the funds accumulated as of the same date is the unfunded actuarial liability (UAL).

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
SPECIAL REVENUE FUND
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ending June 30, 2016

	Title I - A	Title II - A	I.D.E.A. Part B	I.D.E.A. Part B Pre-School	Speech	Non Public Nursing	Non Public Security	Total Carried Forward
REVENUES:								
State Sources					\$ 25,586.45	\$ 8,550.00	\$ 2,375.00	\$ 36,511.45
Federal Sources	\$ 109,472.73	\$ 18,902.00	\$ 187,515.49	\$ 12,525.36				328,415.58
Local Sources								-
Total Revenues	<u>109,472.73</u>	<u>18,902.00</u>	<u>187,515.49</u>	<u>12,525.36</u>	<u>25,586.45</u>	<u>8,550.00</u>	<u>2,375.00</u>	<u>364,927.03</u>
EXPENDITURES:								
Instruction:								
Salaries of Teachers	28,030.00		6,633.75	2,000.00				36,663.75
Salaries for Other Instruction			4,590.00	25.00				4,615.00
Tuition			138,793.00		25,586.45			164,379.45
Supplies & Materials	58,248.00	8,451.00		9,850.00				76,549.00
General Supplies	979.75	1,251.00	3,510.00					5,740.75
Total Instruction	<u>87,257.75</u>	<u>9,702.00</u>	<u>153,526.75</u>	<u>11,875.00</u>	<u>25,586.45</u>	<u>-</u>	<u>-</u>	<u>287,947.95</u>
Support Services:								
Employee Benefits	6,806.00		3,433.74	650.36				10,890.10
Purchased Educational Services						8,550.00		8,550.00
Purchased Technical Services		9,200.00	30,555.00					39,755.00
Supplies and Materials	-							-
General Supplies	408.98						2,375.00	2,783.98
Total Support Services	<u>7,214.98</u>	<u>9,200.00</u>	<u>33,988.74</u>	<u>650.36</u>	<u>-</u>	<u>8,550.00</u>	<u>2,375.00</u>	<u>61,979.08</u>
Facilities Acquisition & Construction Services:								
Instructional Equipment	15,000.00							15,000.00
Total Facilities Acquisition & Construction Services	<u>15,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,000.00</u>
Total Expenditures	<u>\$ 109,472.73</u>	<u>\$ 18,902.00</u>	<u>\$ 187,515.49</u>	<u>\$ 12,525.36</u>	<u>\$ 25,586.45</u>	<u>\$ 8,550.00</u>	<u>\$ 2,375.00</u>	<u>\$ 364,927.03</u>

(Continued)

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
SPECIAL REVENUE FUND
Combining Schedule of Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ending June 30, 2016

	Total Brought Forward	Non Public			Italian Heritage Grant	Whole Kids Foundation	Insurance Safety Grant	Totals
		Basic Skills	Non Public Textbooks	Non Public Technology				
REVENUES:								
State Sources	\$ 36,511.45	\$ 10,607.85	\$ 5,401.88	\$ 2,469.00				\$ 54,990.18
Federal Sources	328,415.58							328,415.58
Local Sources	-				\$ 8,000.00	\$ 128.57	\$ 2,363.00	10,491.57
Total Revenues	364,927.03	10,607.85	5,401.88	2,469.00	8,000.00	128.57	2,363.00	393,897.33
EXPENDITURES:								
Instruction:								
Salaries of Teachers	36,663.75				7,400.00			44,063.75
Salaries for Other Instruction	4,615.00							4,615.00
Tuition	164,379.45	10,607.85						174,987.30
Supplies & Materials	76,549.00							76,549.00
General Supplies	5,740.75		5,401.88	2,469.00	600.00			14,211.63
Total Instruction	287,947.95	10,607.85	5,401.88	2,469.00	8,000.00	-	-	314,426.68
Support Services:								
Other Employee Benefits	10,890.10							10,890.10
Purchased Educational Services	8,550.00							8,550.00
Purchased Technical Services	39,755.00							39,755.00
Supplies and Materials	-						2,363.00	2,363.00
General Supplies	2,783.98					128.57		2,912.55
Total Support Services	61,979.08	-	-	-	-	128.57	2,363.00	64,470.65
Facilities Acquisition & Construction Services:								
Instructional Equipment	15,000.00							15,000.00
Total Facilities Acquisition & Construction Services	15,000.00	-	-	-	-	-	-	15,000.00
Total Expenditures	\$ 364,927.03	\$ 10,607.85	\$ 5,401.88	\$ 2,469.00	\$ 8,000.00	\$ 128.57	\$ 2,363.00	\$ 393,897.33

PROPRIETARY FUNDS

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
 Proprietary Fund
 Statement of Net Position
 June 30, 2016

	<u>Food Service</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	
Accounts Receivable:	
State	\$ 100.63
Federal	6,148.54
Other	12.50
Inventory	<u>3,999.73</u>
Total Current Assets	<u>10,261.40</u>
Noncurrent Assets:	
Equipment	189,492.00
Less Accumulated Depreciation	<u>(141,519.00)</u>
Total Noncurrent Assets	<u>47,973.00</u>
Total Assets	<u>58,234.40</u>
LIABILITIES:	
Current Liabilities:	
Cash Overdraft	2,464.99
Unearned Revenue	<u>2,436.37</u>
Total Current Liabilities	<u>4,901.36</u>
NET POSITION:	
Net Investment in Capital Assets	47,973.00
Unrestricted	<u>5,360.04</u>
Total Net Position	<u>\$ 53,333.04</u>

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
Propriety Fund
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ending June 30, 2016

	<u>Food Service</u>
OPERATING REVENUES:	
Charges for Services:	
Daily Sales - Reimbursable Programs	\$ 58,580.80
Daily Sales - Non-Reimbursable Programs	27,251.71
Other Revenue	6,874.72
	92,707.23
OPERATING EXPENSES:	
Cost of Goods Sold - Reimbursable Programs	85,733.06
Cost of Goods Sold - Non-Reimbursable Programs	13,151.67
Purchased Professional Services	108,546.24
Other Purchased Services	17,822.79
General Supplies	7,771.71
Depreciation	6,421.00
	239,446.47
Total Operating Expenses	(146,739.24)
NONOPERATING REVENUES (EXPENSES):	
State Sources:	
State School Lunch Program	1,947.25
Federal Sources:	
National School Lunch Program	74,427.97
National School Breakfast Program	35,321.19
Food Distribution Program	18,850.63
Interest	5.07
	130,552.11
Total Non Operating Revenues (Expenses)	(16,187.13)
Income (Loss) Before Contributions and Transfers	10,000.00
Capital Contributions	(6,187.13)
Transfer from General Fund - Board Contribution	59,520.17
Change in Net Position	53,333.04
Net Position -- July 1 (Restated)	59,520.17
Net Position -- June 30	\$ 53,333.04

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
Propriety Fund
Statement of Cash Flows
For the Fiscal Year Ending June 30, 2016

	<u>Food Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers	\$ 93,776.95
Payments to Suppliers	<u>(230,512.38)</u>
Net Cash Used for Operating Activities	<u>(136,735.43)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
State Sources	1,942.17
Federal Sources	128,701.12
Transfer From General Fund - Board Contribution	<u>10,000.00</u>
Net Cash Provided by Non-Capital Financing Activities	<u>140,643.29</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest and Dividends	<u>5.07</u>
Net Cash Provided by Investing Activities	<u>5.07</u>
Net Increase in Cash and Cash Equivalents	3,912.93
Cash and Cash Equivalents -- July 1	<u>(6,377.92)</u>
Cash and Cash Equivalents -- June 30	<u>\$ (2,464.99)</u>
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:	
Operating Loss	\$ (146,739.24)
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	6,421.00
Decrease in Other Accounts Receivable	20.00
Decrease in Inventory	2,513.09
Increase in Unearned Revenue	<u>1,049.72</u>
Total Adjustments	<u>10,003.81</u>
Net Cash Used for Operating Activities	<u>\$ (136,735.43)</u>

FIDUCIARY FUNDS

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
 Fiduciary Funds
 Combining Statement of Fiduciary Net Position
 June 30, 2016

Agency Funds

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total</u>
ASSETS:			
Cash and Cash Equivalents	\$ <u>16,812.67</u>	\$ <u>31,583.78</u>	\$ <u>48,396.45</u>
Total Assets	\$ <u><u>16,812.67</u></u>	\$ <u><u>31,583.78</u></u>	\$ <u><u>48,396.45</u></u>
LIABILITIES:			
Interfund Accounts Payable:			
Due General Fund		\$ 8,363.04	\$ 8,363.04
Payable to Student Groups	\$ 16,812.67		16,812.67
Payroll Deductions and Withholdings		<u>23,220.74</u>	<u>23,220.74</u>
Total Liabilities	\$ <u><u>16,812.67</u></u>	\$ <u><u>31,583.78</u></u>	\$ <u><u>48,396.45</u></u>

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
 Fiduciary Funds
 Student Activity Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ending June 30, 2016

	<u>Balance</u> <u>June 30, 2015</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2016</u>
Elementary and Middle Schools:				
Dance	\$ 2,693.43			\$ 2,693.43
Grade 8	2,604.78	\$ 4,271.50	\$ 4,526.30	2,349.98
Class Gift	564.02			564.02
Graduation Award	600.00	1,700.00	1,750.00	550.00
South Country	69.06		69.06	
NMS PTA	345.42	149.71		495.13
Miscellaneous	2,998.81	3,267.48	3,495.56	2,770.73
Silvestro	473.56		50.00	423.56
Rizzo	1,222.07		50.00	1,172.07
Hutchinson	325.00		50.00	275.00
Ordille	100.00		50.00	50.00
Grade 8 End of Year	2,179.35			2,179.35
L. Muraca	650.00	100.00	50.00	700.00
Pep Club		2,041.32	1,405.48	635.84
Music	1,800.76	683.91	715.42	1,769.25
BSS	587.82	184.31	587.82	184.31
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	\$ <u>17,214.08</u>	\$ <u>12,398.23</u>	\$ <u>12,799.64</u>	\$ <u>16,812.67</u>

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
 Fiduciary Funds
 Payroll Agency Fund Schedule of Receipts and Disbursements
 For the Fiscal Year Ending June 30, 2016

	<u>Balance</u> <u>June 30, 2015</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2016</u>
ASSETS:				
Cash and Cash Equivalents	\$ <u>51,307.57</u>	\$ <u>5,907,293.14</u>	\$ <u>5,927,016.93</u>	\$ <u>31,583.78</u>
Total Assets	\$ <u><u>51,307.57</u></u>	\$ <u><u>5,907,293.14</u></u>	\$ <u><u>5,927,016.93</u></u>	\$ <u><u>31,583.78</u></u>
Payroll Deductions and Withholdings	\$ 42,973.73	\$ 2,738,531.07	\$ 2,758,284.06	\$ 23,220.74
Net Payroll		3,168,458.63	3,168,458.63	
Interfund Accounts Payable:				
Due General Fund	<u>8,333.84</u>	<u>303.44</u>	<u>274.24</u>	<u>8,363.04</u>
Total Liabilities	\$ <u><u>51,307.57</u></u>	\$ <u><u>5,907,293.14</u></u>	\$ <u><u>5,927,016.93</u></u>	\$ <u><u>31,583.78</u></u>

STATISTICAL SECTION

Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance.

Township of Greenwich School District
 Net Position by Component
 Last Ten Fiscal Years (accrual basis of accounting)
 Unaudited

	Fiscal Year Ending June 30,									
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Governmental Activities										
Net Investment in Capital Assets	\$ 1,704,250.00	\$ 2,121,157.76	\$ 2,252,288.31	\$ 2,412,452.02	\$ 2,571,392.80	\$ 2,778,382.62	\$ 2,626,132.68	\$ 2,829,585.37	\$ 2,222,393.57	\$ 2,173,549.00
Restricted	1,351,325.01	1,930,635.17	2,057,170.94	1,976,916.30	1,706,396.44	1,050,043.26	1,123,334.88	718,721.89	1,139,758.04	1,181,073.00
Unrestricted	(2,973,997.24)	(2,941,771.72)	204,845.28	175,902.90	193,430.46	52,491.89	97,855.92	40,278.14	(177,356.05)	69,710.00
Total Governmental Activities Net Position	\$ 81,577.77	\$ 1,110,021.21	\$ 4,514,304.53	\$ 4,565,271.22	\$ 4,471,219.70	\$ 3,880,917.77	\$ 3,847,323.48	\$ 3,588,585.40	\$ 3,184,795.56	\$ 3,424,332.00
Business-type Activities										
Net Investment in Capital Assets	\$ 47,973.00	\$ 24,466.02	\$ 10,428.88	\$ 9,161.81	\$ 11,969.08	\$ 16,647.35	\$ 19,972.80	\$ 25,925.41	\$ 29,662.68	\$ 35,867.00
Unrestricted	5,360.04	5,126.17	694.22	(20,590.17)	(11,313.93)	8,185.30	13,875.49	18,732.52	17,701.23	18,735.00
Total Business-type Activities Net Position	\$ 53,333.04	\$ 29,592.19	\$ 11,123.10	\$ (11,428.36)	\$ 655.15	\$ 24,832.65	\$ 33,848.29	\$ 44,657.93	\$ 47,363.91	\$ 54,602.00
Government-wide										
Net Investment in Capital Assets	\$ 1,752,223.00	\$ 2,145,623.78	\$ 2,262,717.19	\$ 2,421,613.83	\$ 2,583,361.88	\$ 2,795,029.97	\$ 2,646,105.48	\$ 2,855,510.78	\$ 2,252,056.25	\$ 2,209,416.00
Restricted	1,351,325.01	1,930,635.17	2,057,170.94	1,976,916.30	1,706,396.44	1,050,043.26	1,123,334.88	718,721.89	1,139,758.04	1,181,073.00
Unrestricted	(2,968,637.20)	(2,936,645.55)	205,539.50	155,312.73	182,116.53	60,677.19	111,731.41	59,010.66	(159,654.82)	88,445.00
Total Government-wide Net Position	\$ 134,910.81	\$ 1,139,613.40	\$ 4,525,427.63	\$ 4,553,842.86	\$ 4,471,874.85	\$ 3,905,750.42	\$ 3,881,171.77	\$ 3,633,243.33	\$ 3,232,159.47	\$ 3,478,934.00

Source: District Records

NOTES:

(1) Source: CAFR Exhibit A-1

(2) For the fiscal year ended June 30, 2015, the School District adopted GASBS No's. 68 and 71, which required the School District to record its proportionate share of the net pension liability and related deferred outflows and inflows of resources in the government-wide financial statements. Balances prior to June 30, 2015 are shown as originally reported and have not been restated for this adoption. back to the year the District implemented Statement 34.

Township of Greenwich School District
 Changes in Net Position
 Last Ten Fiscal Years (accrual basis of accounting)
 Unaudited

	Fiscal Year Ending June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Net Expenses										
Governmental Activities										
Instruction										
Regular	\$ 3,044,884.18	\$ 2,926,615.18	\$ 2,814,393.12	\$ 2,589,561.26	\$ 2,775,484.08	\$ 2,714,020.21	\$ 2,911,487.39	\$ 2,886,085.49	\$ 2,953,107.27	\$ 2,555,322.00
Special Education	1,029,439.58	1,012,238.35	1,018,773.43	1,083,654.26	1,071,386.87	1,051,797.69	951,350.65	813,305.56	722,536.09	1,018,587.00
Other Special Education	133,305.21	131,098.70	125,970.77	118,105.00	109,245.57	134,194.11	169,382.24	104,951.34	159,196.83	163,883.00
Other Instruction	1,013.50	1,571.89	2,260.50	1,844.00	2,660.00	1,957.00	840.00	7,724.50	34,986.55	38,621.00
School Sponsored Co-curricular Activities	14,140.00	13,611.30	12,733.57	12,674.09	20,096.95	29,557.82				
Support Services:										
Tuition	2,322,603.74	2,215,229.60	2,116,428.30	2,128,543.43	2,427,870.74	2,189,500.78	1,734,771.38	1,562,177.58	1,485,055.04	1,234,729.00
Student & Instruction Related Services	1,417,071.82	1,312,204.80	1,247,545.29	1,149,806.92	1,186,648.79	1,174,227.52	1,369,376.97	1,368,882.45	1,519,140.13	1,340,470.00
General Administrative Services	353,671.56	466,576.97	484,204.82	429,404.95	552,104.38	316,063.45	157,615.60	154,574.71	141,488.96	313,743.00
School Administrative Services	161,114.94	201,231.20	201,025.52	192,831.15	159,580.27	155,309.41	202,034.39	207,690.62	334,455.56	139,573.00
Central Services	207,744.36	191,261.46	187,360.65	194,326.32	214,491.53	211,185.21	206,820.00	297,820.81	218,068.40	191,306.00
Plant Operations and Maintenance	1,005,515.72	1,053,954.96	1,016,898.20	919,470.18	963,031.37	930,356.22	887,965.96	960,890.08	1,000,158.24	878,700.00
Pupil Transportation	692,946.86	564,718.84	595,637.94	640,965.27	682,971.38	674,217.69	595,587.57	502,725.26	538,303.90	502,073.00
Unallocated Benefits	3,815,823.80	3,324,918.07	2,287,958.38	2,487,755.42	2,329,846.51	2,532,870.74	2,277,647.92	2,429,680.90	2,667,016.36	2,508,900.00
Transfer to Cover School Deficit - Food Service	10,000.00	27,946.47								
Special Schools			716.00		2,032.50	750.00	2,246.50	2,696.00	1,835.01	4,429.00
Capital Outlay		2,097.00	2,097.00	5,209.00	6.00	979.00				1,586.00
Unallocated Depreciation							203,452.69	174,311.43	283,312.05	104,314.00
Total Governmental Activities Expenses	<u>14,209,275.27</u>	<u>13,445,274.79</u>	<u>12,114,003.49</u>	<u>11,954,151.25</u>	<u>12,497,456.94</u>	<u>12,116,986.85</u>	<u>11,670,579.26</u>	<u>11,473,444.73</u>	<u>12,058,660.39</u>	<u>10,996,236.00</u>
Business-type Activities:										
Food Service	<u>239,446.47</u>	<u>214,202.56</u>	<u>200,367.32</u>	<u>218,226.55</u>	<u>213,065.90</u>	<u>205,131.87</u>	<u>310,533.03</u>	<u>321,855.59</u>	<u>321,445.10</u>	<u>320,657.00</u>
Total Business-type Activities Expense	<u>239,446.47</u>	<u>214,202.56</u>	<u>200,367.32</u>	<u>218,226.55</u>	<u>213,065.90</u>	<u>205,131.87</u>	<u>310,533.03</u>	<u>321,855.59</u>	<u>321,445.10</u>	<u>320,657.00</u>
Total Government Expenses	<u>\$ 14,448,721.74</u>	<u>\$ 13,659,477.35</u>	<u>\$ 12,314,370.81</u>	<u>\$ 12,172,377.80</u>	<u>\$ 12,710,522.84</u>	<u>\$ 12,322,118.72</u>	<u>\$ 11,981,112.29</u>	<u>\$ 11,795,300.32</u>	<u>\$ 12,380,105.49</u>	<u>\$ 11,316,893.00</u>
Program Revenues										
Governmental Activities:										
Charges for Services:										
Operating Grants and Contributions	\$ 2,455,801.53	\$ 2,025,301.33	\$ 1,096,234.65	\$ 1,151,682.83	\$ 1,054,190.88	\$ 983,261.52	\$ 1,141,635.18	\$ 981,169.31	\$ 415,720.71	\$ 395,201.00
Total Governmental Activities Program Revenues	<u>2,455,801.53</u>	<u>2,025,301.33</u>	<u>1,096,234.65</u>	<u>1,186,979.98</u>	<u>1,171,499.88</u>	<u>1,110,491.08</u>	<u>1,301,032.84</u>	<u>1,073,417.30</u>	<u>502,203.37</u>	<u>440,246.00</u>
Business-type activities:										
Charges for services										
Food Service	92,707.23	86,357.79	85,372.71	92,458.01	101,913.47	111,227.87	87,825.54	110,376.52	108,549.03	114,356.00
Operating Grants and Contributions	130,547.04	118,367.39	104,572.45	113,685.03	86,974.93	73,989.50	71,587.46	60,030.84	60,667.41	57,529.00
Total Business-type Activities Program Revenues	<u>223,254.27</u>	<u>204,725.18</u>	<u>189,945.16</u>	<u>206,143.04</u>	<u>188,888.40</u>	<u>185,217.37</u>	<u>159,413.00</u>	<u>170,407.36</u>	<u>169,216.44</u>	<u>171,885.00</u>
Total Government Program Revenues	<u>\$ 2,679,055.80</u>	<u>\$ 2,230,026.51</u>	<u>\$ 1,286,179.81</u>	<u>\$ 1,393,123.02</u>	<u>\$ 1,360,388.28</u>	<u>\$ 1,295,708.45</u>	<u>\$ 1,460,445.84</u>	<u>\$ 1,243,824.66</u>	<u>\$ 671,419.81</u>	<u>\$ 612,131.00</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (11,753,473.74)	\$ (11,419,973.46)	\$ (11,017,768.84)	\$ (10,767,171.27)	\$ (11,325,957.06)	\$ (11,006,495.77)	\$ (10,369,546.42)	\$ (10,400,027.43)	\$ (11,556,457.02)	\$ (10,555,990.00)
Business-type Activities	<u>(16,192.20)</u>	<u>(9,477.38)</u>	<u>(10,422.16)</u>	<u>(12,083.51)</u>	<u>(24,177.50)</u>	<u>(19,914.50)</u>	<u>(151,120.03)</u>	<u>(151,448.23)</u>	<u>(152,228.66)</u>	<u>(148,772.00)</u>
Total Government-wide Net Expense	<u>\$ (11,769,665.94)</u>	<u>\$ (11,429,450.84)</u>	<u>\$ (11,028,191.00)</u>	<u>\$ (10,779,254.78)</u>	<u>\$ (11,350,134.56)</u>	<u>\$ (11,026,410.27)</u>	<u>\$ (10,520,666.45)</u>	<u>\$ (10,551,475.66)</u>	<u>\$ (11,708,685.68)</u>	<u>\$ (10,704,762.00)</u>

Township of Greenwich School District
Changes in Net Position
Last Ten Fiscal Years (accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Net Property Taxes Levied for General Purposes	\$ 9,697,131.00	\$ 9,757,131.00	\$ 9,565,815.00	\$ 9,447,453.00	\$ 9,965,604.00	\$ 9,770,201.00	\$ 9,394,424.00	\$ 9,033,100.00	\$ 8,685,673.00	\$ 8,376,849.00
Unrestricted Grants and Contributions	1,246,679.61	1,248,801.76	1,178,104.49	1,155,499.34	1,323,388.28	1,050,200.96	1,160,902.21	1,381,900.90	2,535,950.91	2,465,180.00
Tuition	125,489.05	118,173.09	206,400.00	217,680.00	256,295.00	215,231.16	153,386.02	83,655.80	74,070.00	54,788.00
Transportation Charges										
Investment Earnings							3,171.24	1,382.42	55,787.04	83,854.00
Miscellaneous Income	25,483.57	33,289.29	49,456.28	40,590.45	344,871.71	55,119.01	36,643.25	62,515.78	31,885.62	9,822.00
Transfers			(32,973.62)			(11,402.21)	(139,996.00)	(145,641.81)	(144,634.53)	(140,655.00)
Other					26,100.00	(39,259.86)	19,753.78	386,904.18	78,189.39	93,626.00
Total Governmental Activities	<u>11,094,783.23</u>	<u>11,157,395.14</u>	<u>10,966,802.15</u>	<u>10,861,222.79</u>	<u>11,916,258.99</u>	<u>11,040,090.06</u>	<u>10,628,284.50</u>	<u>10,803,817.27</u>	<u>11,316,921.43</u>	<u>10,943,464.00</u>
Business-type Activities:										
Investment Earnings							249.46	89.32	352.84	563.00
Miscellaneous Income	5.07						74.93	51.12	3.20	
Other						(503.35)		2,960.00		
Transfers	10,000.00	27,946.47	32,973.62			11,402.21	139,996.00	145,641.81	144,634.53	140,655.00
Total Business-type Activities	<u>10,005.07</u>	<u>27,946.47</u>	<u>32,973.62</u>	<u>-</u>	<u>-</u>	<u>10,898.86</u>	<u>140,320.39</u>	<u>148,742.25</u>	<u>144,990.57</u>	<u>141,218.00</u>
Total Government-wide	<u>\$ 11,104,788.30</u>	<u>\$ 11,185,341.61</u>	<u>\$ 10,999,775.77</u>	<u>\$ 10,861,222.79</u>	<u>\$ 11,916,258.99</u>	<u>\$ 11,050,988.92</u>	<u>\$ 10,768,604.89</u>	<u>\$ 10,952,559.52</u>	<u>\$ 11,461,912.00</u>	<u>\$ 11,084,682.00</u>
Change in Net Position										
Governmental Activities	\$ (658,690.51)	\$ (262,578.32)	\$ (50,966.69)	\$ 94,051.52	\$ 590,301.93	\$ 33,594.29	\$ 258,738.08	\$ 403,789.84	\$ (239,535.59)	\$ 387,474.00
Business-type Activities	(6,187.13)	18,469.09	22,551.46	(12,083.51)	(24,177.50)	(9,015.64)	(10,799.64)	(2,705.98)	(7,238.09)	(7,554.00)
Total Government	<u>\$ (664,877.64)</u>	<u>\$ (244,109.23)</u>	<u>\$ (28,415.23)</u>	<u>\$ 81,968.01</u>	<u>\$ 566,124.43</u>	<u>\$ 24,578.65</u>	<u>\$ 247,938.44</u>	<u>\$ 401,083.86</u>	<u>\$ (246,773.68)</u>	<u>\$ 379,920.00</u>
Source: District Records										

NOTES:

(1) Source: CAFR Exhibit A-2

(2) For the fiscal year ended June 30, 2015, the School District adopted GASBS No's. 68 and 71, which required the School District to record its proportionate share of the net pension liability and related deferred outflows and inflows of resources in the government-wide financial statements. Balances prior to June 30, 2015 are shown as originally reported and have not been restated for this adoption.

Township of Greenwich School District
Fund Balances, Governmental Funds
Last Ten Fiscal Years (modified accrual basis of accounting)
Unaudited

	<u>Fiscal Year Ending June 30,</u>									
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011(1)</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General Fund										
Reserved							\$ 1,122,884.88	\$ 718,721.89	\$ 1,139,758.04	\$ 1,240,448.00
Unreserved							164,572.00	126,748.00	(94,781.64)	209,684.00
Restricted	\$ 1,340,411.85	\$ 1,930,635.17	\$ 2,057,170.94	\$ 1,976,916.30	\$ 1,706,396.44	\$ 1,050,043.26				
Assigned	187,394.63	204,513.67	226,677.38	230,368.83	189,925.55	90,367.25				
Unassigned	241,538.00	214,309.00	197,914.00	202,089.00	211,106.00	183,478.00				
Total General Fund	<u>\$ 1,769,344.48</u>	<u>\$ 2,349,457.84</u>	<u>\$ 2,481,762.32</u>	<u>\$ 2,409,374.13</u>	<u>\$ 2,107,427.99</u>	<u>\$ 1,323,888.51</u>	<u>\$ 1,287,456.88</u>	<u>\$ 845,469.89</u>	<u>\$ 1,044,976.40</u>	<u>\$ 1,450,132.00</u>
All Other Governmental Funds										
Unreserved, Reported in:										
Special Revenue Fund									(916.50)	(1,068.00)
Total All Other Governmental Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (916.50)</u>	<u>\$ (1,068.00)</u>

(1) - GASB Statement No. 54 effective for the fiscal year ending June 30, 2011. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. See the Notes to Financial Statements.

Source: District Records

Township of Greenwich School District
 Changes in Fund Balances, Governmental Funds
 Last Ten Fiscal Years (modified accrual basis of accounting)
 Unaudited

	Fiscal Year Ending June 30.									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Revenues										
Local Tax Levy	\$ 9,697,131.00	\$ 9,757,131.00	\$ 9,565,815.00	\$ 9,447,453.00	\$ 9,965,604.00	\$ 9,770,201.00	\$ 9,394,424.00	\$ 9,033,100.00	\$ 8,685,673.00	\$ 8,376,849.00
Tuition Charges	125,489.05	118,173.09	206,400.00	217,680.00	256,295.00	215,231.16	153,386.02	83,655.80	74,070.00	54,788.00
Transportation					2,563.24					
Interest			14,214.66	4,518.84	2,563.24	109.51	559.29	1,382.42	55,787.04	83,854.00
Miscellaneous	38,169.94	53,568.40	44,091.31	41,879.92	352,371.47	67,913.50	39,255.20	62,515.78	31,885.62	9,822.00
State Sources	2,186,854.44	2,107,773.28	1,931,218.92	2,004,885.34	2,020,336.82	1,673,071.17	1,854,077.73	2,101,681.64	2,680,427.67	2,603,531.00
Federal Sources	360,108.33	308,159.70	334,270.53	296,488.52	347,179.34	347,487.31	448,459.66	261,388.57	271,243.95	256,850.00
Total Revenue	12,407,752.76	12,344,805.47	12,096,010.42	12,012,905.62	12,944,349.87	12,074,013.65	11,890,161.90	11,543,724.21	11,799,087.28	11,385,694.00
Expenditures										
Instruction										
Regular Instruction	3,020,476.18	2,922,128.73	2,809,731.67	2,584,656.97	2,758,196.10	2,710,789.89	2,911,487.39	2,886,085.49	2,953,107.27	2,503,502.00
Special Education Instruction	1,029,439.58	1,012,238.35	1,018,773.43	1,048,357.11	954,077.87	935,604.50	834,822.46	813,305.56	722,536.09	1,018,587.00
Other Special Instruction	133,305.21	131,098.70	125,970.77	118,105.00	109,245.57	134,194.11	169,382.24	104,951.34	159,196.83	163,883.00
Other Instruction	1,013.50	1,571.89	2,260.50	1,844.00	2,660.00	1,957.00	840.00	7,724.50	34,986.55	38,621.00
School Sponsored Co-curricular Activities	14,140.00	13,611.30	12,733.57	12,674.09	20,096.95	29,557.82				
Support Services:										
Tuition	2,322,603.74	2,215,229.60	2,116,428.30	2,128,543.43	2,427,870.74	2,189,500.78	1,734,771.38	1,562,177.58	1,485,055.04	1,234,729.00
Student & Instruction Related Services	1,351,796.03	1,240,547.05	1,194,964.60	1,084,436.61	1,114,344.77	1,109,830.24	1,349,810.29	1,306,931.67	1,471,917.99	1,318,238.00
General Administrative Services	278,771.56	324,474.84	336,056.48	280,757.36	349,765.51	218,552.30	157,615.60	154,574.71	141,488.96	313,294.00
Central Services	207,744.36	191,261.46	187,360.65	194,326.32	214,491.53	200,148.84	202,034.39	207,690.62	334,455.56	191,306.00
School Administrative Services	153,829.94	195,574.00	195,253.32	186,943.95	153,596.40	148,647.98	206,820.00	297,820.81	218,068.40	141,816.00
Plant Operations and Maintenance	994,430.72	1,048,112.93	1,012,851.48	915,274.48	958,781.98	927,373.30	887,965.96	960,890.08	1,000,158.24	876,695.00
Pupil Transportation	692,946.86	564,718.84	595,637.94	640,965.27	666,476.17	645,353.95	572,284.78	500,487.86	518,769.90	605,119.00
Other Support Services	65,275.79	71,657.75	52,580.69	70,064.31	72,304.02	64,397.28				
Unallocated Employee Benefits	1,719,363.60	1,684,424.66	1,645,930.68	1,654,147.68	1,693,419.35	1,837,671.91	2,277,647.92	2,401,549.09	2,647,289.84	2,503,587.00
Transfer to Cover School Deficit - Food Service	10,000.00	27,946.47								
On-Behalf Pension Contributions	640,869.00	520,300.00	403,413.00	509,385.00	375,459.00	265,499.00				
Reimbursed TPAF Social Security	280,493.26	283,159.19	275,423.46	275,268.90	274,720.43	275,062.55				
Capital Outlay	71,367.30	29,054.26	4,562.00	5,209.00	13,271.50	103,832.00		389,787.10	369,565.96	436,919.00
Special Schools			716.00		2,032.50	750.00	2,246.50	2,696.00	1,835.01	4,429.00
Total Expenditures	12,987,866.63	12,477,110.02	11,990,648.54	11,710,959.48	12,160,810.39	11,798,723.45	11,307,728.91	11,596,672.41	12,058,431.64	11,350,725.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	(580,113.87)	(132,304.55)	105,361.88	301,946.14	783,539.48	275,290.20	582,432.99	(52,948.20)	(259,344.36)	34,969.00
Other Financing Sources (Uses)										
Transfers In/(Out)			(32,973.62)			(11,402.21)	(139,996.00)	(145,641.81)	(144,634.53)	(140,655.00)
Prior Period Adjustment(s)						(227,906.36)			(1,024.89)	
Capital Leases (Non-budgeted)										176,950.00
Total Other Financing Sources (Uses)	-	-	(32,973.62)	-	-	(239,308.57)	(139,996.00)	(145,641.81)	(145,659.42)	36,295.00
Net Change in Fund Balances	\$ (580,113.87)	\$ (132,304.55)	\$ 72,388.26	\$ 301,946.14	\$ 783,539.48	\$ 35,981.63	\$ 442,436.99	\$ (198,590.01)	\$ (405,003.78)	\$ 71,264.00

Source: District Records

Greenwich Township School District
 General Fund - Other Local Revenue by Source
 Last Ten Fiscal Years (modified accrual basis of accounting)
 Unaudited

	<u>Fiscal Year Ending June 30,</u>									
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Refunds							\$ 11,277.60	\$ 15,362.75	\$ 15,404.86	\$ 1,675.00
Miscellaneous	\$ 18,556.56	\$ 33,289.29	\$ 47,329.27	\$ 38,090.45	\$ 342,308.47	\$ 55,009.50	28,536.89	29,962.90	10,625.66	39.00
Prior Year Refunds	6,927.01									8,108.00
Prior Year Payable Adjustment								17,190.13	5,855.11	
	<u>\$ 25,483.57</u>	<u>\$ 33,289.29</u>	<u>\$ 47,329.27</u>	<u>\$ 38,090.45</u>	<u>\$ 342,308.47</u>	<u>\$ 55,009.50</u>	<u>\$ 39,814.49</u>	<u>\$ 62,515.78</u>	<u>\$ 31,885.63</u>	<u>\$ 9,822.00</u>

Source: District Records

Revenue Capacity Information

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the School District's ability to generate revenues. Please refer to the following exhibits for a historical view of these factors and how they relate to the School District's ability to generate revenues.

Township of Greenwich School District
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended <u>June 30,</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Farm Reg.</u>	<u>Qfarm</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	Total <u>Assessed Value</u>	Public <u>Utilities (1)</u>	Net Valuation <u>Taxable</u>	Estimated Actual (County Equalized) <u>Value</u>	Total Direct School Tax <u>Rate (2)</u>
2016	\$ 10,240,400.00	\$ 298,420,000.00	\$ 1,366,200.00	\$ 441,300.00	\$ 48,288,100.00	\$ 339,758,934.00	\$ 420,000.00	\$ 698,934,934.00	\$ 63,999,734.00	\$ 762,934,668.00	\$ 793,731,449.00	\$ 1.283
2015	10,947,500.00	297,820,800.00	1,371,300.00	435,500.00	49,198,800.00	317,372,000.00	420,000.00	677,565,900.00	86,905,337.00	764,471,237.00	771,413,962.00	1.272
2014	12,288,100.00	298,207,400.00	1,371,300.00	402,900.00	47,964,100.00	367,441,700.00	635,000.00	728,310,500.00	86,888,487.00	815,198,987.00	883,378,535.00	1.185
2013	12,409,800.00	296,653,700.00	2,215,100.00	436,600.00	49,778,200.00	423,058,700.00	752,100.00	785,304,200.00	87,031,385.00	872,335,585.00	1,043,552,944.00	1.089
2012	7,240,787.00	186,425,250.00	1,388,300.00	465,900.00	26,235,000.00	302,711,964.00	410,300.00	524,877,501.00	44,219,302.00	569,096,803.00	1,120,269,297.00	1.508
2011	7,306,887.00	187,289,550.00	754,000.00	465,900.00	26,517,600.00	311,401,964.00	410,300.00	534,146,201.00	121,564,512.00	655,710,713.00	1,214,054,274.00	1.505
2010	7,296,887.00	187,417,950.00	754,000.00	478,000.00	27,404,800.00	311,401,964.00	410,300.00	535,163,901.00	80,726,116.00	615,890,017.00	1,092,948,121.00	1.555
2009	8,671,287.00	187,150,250.00	754,000.00	478,000.00	27,320,800.00	322,704,264.00	410,300.00	547,488,901.00	81,389,895.00	628,878,796.00	1,078,337,732.00	1.465
2008	8,603,087.00	185,070,050.00	854,200.00	719,400.00	27,491,800.00	322,704,264.00	410,300.00	545,853,101.00	69,796,286.00	615,649,387.00	864,578,636.00	1.385
2007	6,576,000.00	183,629,450.00	941,600.00	503,500.00	28,656,800.00	323,894,851.00	410,300.00	544,612,501.00	91,059,088.00	635,671,589.00	884,589,406.00	1.310

(1) Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

(2) Tax Rates are per \$100.00 of Assessed Valuation

GASB Statement 44 requires that the information in this schedule be shown for each "period for which levied" and should be consistent with the periods shown in the schedule of direct and overlapping property tax rates and schedule of property tax levies and collections.

Source: Municipal Tax Assessor

Township of Greenwich School District
 Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years
 (rate per \$100 of assessed value)
 Unaudited

Fiscal Ended June 30,	District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate (1)	General Obligation Debt Service (2)	Total Direct School Tax Rate	Township of Greenwich	County of Gloucester	
2016	\$ 1.283	-	\$ 1.283	\$ 1.028	\$ 0.762	\$ 3.073
2015	1.272	-	1.272	0.979	0.723	2.974
2014	1.185	-	1.185	0.929	0.732	2.846
2013	1.089	-	1.089	0.909	0.790	2.788
2012	1.508	-	1.508	1.327	1.144	3.979
2011	1.505	-	1.505	1.277	1.013	3.795
2010	1.555	-	1.555	1.277	1.050	3.882
2009	1.465	-	1.465	1.227	1.013	3.705
2008	1.385	-	1.385	1.172	0.931	3.488
2007	1.310	-	1.310	1.097	0.885	3.292

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

(2) Rates for debt service are based on each year's requirements.

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

Source: Municipal Tax Collector

Township of Greenwich School District
Principal Property Tax Payers
Current Year and Nine Years Ago
Unaudited

<u>Taxpayer</u>	2016			2007		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
Paulsboro Refinery Company LLC	\$ 276,212,034.00	1	39.52%			
Paulsboro Refining Co. LLC	63,747,966.00	2	9.12%			
Valero Energy Corp.				\$ 257,502,451.00	1	43.40%
Mobil Administrative Services Co.	33,473,800.00	3	4.79%	69,607,200.00	2	11.73%
E I DuPont De Nemours & Co.	17,959,700.00	4	2.57%	23,660,500.00	3	3.99%
EM Diagnostic Services				12,500,000.00	4	2.11%
NJ Distribution Center LLC	12,252,400.00	5	1.75%	5,604,100.00	5	0.94%
Gibbstown Center Assoc. LP	8,000,000.00	6	1.14%	4,819,700.00	7	0.81%
Air Products	7,200,000.00	7	1.03%	3,250,000.00	8	0.55%
Anpesil Distribution Services				2,753,700.00	9	0.46%
Thayer Distribution	4,000,000.00	8	0.57%			0.00%
Hercules Inc.	3,408,000.00	9	0.49%	5,256,651.00	6	0.89%
Paroya Family, LLC				2,200,900.00	10	0.37%
480 S. Democrat Road LLC	2,996,600.00	10	0.43%			
Total	\$ 429,250,500.00		61.41%	\$ 387,155,202.00		65.25%

Source: County Tax Assessor

Township of Greenwich School District
 Property Tax Levies and Collections
 Last Ten Fiscal Years
 Unaudited

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>School Taxes</u> <u>Levied for the</u> <u>Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (1)</u>		<u>Collections in</u> <u>Subsequent Years</u>
		<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>	
2016	\$ 9,697,131.00	\$ 9,697,131.00	100.00%	\$ -
2015	9,757,131.00	9,757,131.00	100.00%	-
2014	9,565,815.00	9,565,815.00	100.00%	-
2013	9,447,453.00	9,447,453.00	100.00%	-
2012	9,965,604.00	9,965,604.00	100.00%	-
2011	9,770,201.00	9,770,201.00	100.00%	-
2010	9,394,424.00	9,394,424.00	100.00%	-
2009	9,033,100.00	9,033,100.00	100.00%	-
2008	8,685,673.00	8,685,673.00	100.00%	-
2007	8,376,849.00	8,376,849.00	100.00%	-

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

Debt Capacity Information

Debt capacity information is intended to assist users in understanding and assessing the School District's debt burden and its ability to issue additional debt. Please refer to the following exhibits for a historical view of the School District's outstanding debt and its debt capacity.

Township of Greenwich School District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended <u>June 30,</u>	<u>Governmental Activities</u>		<u>Total District</u>	Percentage of Personal <u>Income (2)</u>	<u>Per Capita (2)</u>
	<u>General Obligation Bonds (1)</u>	<u>Certificates of Participation</u>			
2016	-	-	-	-	-
2015	-	-	-	-	-
2014	-	-	-	-	-
2013	-	-	-	-	-
2012	-	-	-	-	-
2011	-	-	-	-	-
2010	-	-	-	-	-
2009	-	-	-	-	-
2008	-	-	-	-	-
2007	-	-	-	-	-

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

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

Source: District CAFR Exhibits I-1, I-2

Township of Greenwich School District
 Ratios of Net General Bonded Debt Outstanding
 Last Ten Fiscal Years
 Unaudited

General Bonded Debt Outstanding

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>General</u> <u>Obligation</u> <u>Bonds</u>	<u>Deductions</u>	<u>Net General</u> <u>Bonded Debt</u> <u>Outstanding</u>	<u>Percentage of</u> <u>Actual Taxable</u> <u>Value of Property</u>	<u>Per Capita (2)</u>
2016					
2015					
2014					
2013					
2012			Not Applicable		
2011					
2010					
2009					
2008					
2007					

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

- (1) See Exhibit NJ J-6 for property tax data.
- (2) Population data can be found in Exhibit NJ J-14.

Source: District Records.

Township of Greenwich School District
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2015
 Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Township of Greenwich	\$ 6,481,059.33	100.000%	\$ 6,481,059.33
Other debt			
County of Gloucester			
General	242,588,532.27	3.110%	7,544,503.35
Bonds Issued by Other Public Bodes Guarantee by the County	210,452,928.99	0.000%	-
Subtotal, overlapping debt			14,025,562.68
Township of Greenwich School District Direct Debt			-
Total direct and overlapping debt			<u>\$ 14,025,562.68</u>

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

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

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

Township of Greenwich School District
 Legal Debt Margin Information
 Last Ten Fiscal Years
 Unaudited

Legal Debt Margin Calculation for Fiscal Year 2015

	Equalized valuation basis	
	2015	\$ 704,916,667.00
	2014	734,924,823.00
	2013	<u>858,819,116.00</u>
	[A]	<u>\$ 2,298,660,606</u>
Average equalized valuation of taxable property	[A/3]	\$ 766,220,202.00
Debt limit (4% of average equalization value) (1)	[B]	\$ 30,648,808.08
Total Net Debt Applicable to Limit	[C]	<u>-</u>
Legal Debt Margin	[B-C]	<u>\$ 30,648,808.08</u>

	Fiscal Year									
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Debt limit	\$ 30,648,808	\$ 33,995,078	\$ 28,661,749	\$ 29,982,166	\$ 20,069,872	\$ 29,839,042	\$ 28,549,621	\$ 27,145,593	\$ 25,117,881	\$ 23,450,655
Total net debt applicable to limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 30,648,808</u>	<u>\$ 33,995,078</u>	<u>\$ 28,661,749</u>	<u>\$ 29,982,166</u>	<u>\$ 20,069,872</u>	<u>\$ 29,839,042</u>	<u>\$ 28,549,621</u>	<u>\$ 27,145,593</u>	<u>\$ 25,117,881</u>	<u>\$ 23,450,655</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

Source: Abstract of Ratables and District Records CAFR Schedule J-7

Demographic and Economic Information

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within which the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

Township of Greenwich School District
 Demographic and Economic Statistics
 Last Ten Fiscal Years
 Unaudited

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2016	Not Available	Not Available	Not Available	Not Available
2015	4,857	Not Available	Not Available	6.2%
2014	4,842	\$ 225,651,726.00	\$ 46,603.00	7.7%
2013	4,868	219,882,692.00	45,169.00	8.5%
2012	4,875	218,560,875.00	44,833.00	7.3%
2011	4,885	212,438,880.00	43,488.00	7.1%
2010	4,895	202,706,845.00	41,411.00	7.3%
2009	4,995	204,050,745.00	40,851.00	6.9%
2008	4,993	203,165,170.00	40,690.00	4.6%
2007	4,997	194,168,429.00	38,857.00	3.8%

Source:

- (1) Information provided by the NJ Dept of Labor and Workforce Development
- (2) Personal income has been estimated based upon the municipal population and per capita personal income presented
- (3) Per Capita personal income data provided by the NJ Dept of Labor and Workforce Development
- (4) Unemployment data provided by the NJ Dept of Labor and Workforce Development

Township of Greenwich School District
Principal Employers
Current Year and Nine Years Ago
Unaudited

<u>Employer</u>	<u>2016</u>			<u>2007</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Rowan University	1,913	1	1.21%			
Inspira Medical Center - Woodbury	1,400	2	0.89%			
Gloucester County Personnel	1,200	3	0.76%			
Walmart Super Center	800	4	0.51%			
Kennedy University Hospital	670	5	0.42%			
LaBrea Bakery	500	6	0.32%			NOT AVAILABLE
Mobility Parts & Service	500	6	0.32%			
Honda of Turnersville	499	7	0.32%			
Paulsboro Refinery LLC	402	8	0.25%			
Gloucester County College	400	9	0.25%			
National Guard	400	9	0.25%			
Johnson Matthey Inc	379	10	0.24%			
	<u>9,063</u>		<u>5.75%</u>			

Source: Gloucester County Department of Economic Development

Operating Information

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial statement information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operations.

Township of Greenwich School District
 Full-time Equivalent District Employees by Function/Program
 Last Ten Fiscal Years
 Unaudited

<u>Function/Program</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Instruction										
Regular	35	28	28	28	34	34	34	45	45	
Special education	13	11	11	11	13	13	14	14	14	
Other special education	4	14	14	14	13	9	6	6	6	
Vocational										
Other instruction	11	7	7	9	6	6	8	2	2	
Nonpublic school programs										
Adult/continuing education programs										Not Available
Support Services:										
Tuition										
Student & instruction related services	11	9	9	11	11	11	12	9	8	
General administrative services	2	2	2	2	2	2	3	5	5	
School administrative services	3	6	6	4	3	3	2	3	3	
Business administrative services	4	4	4	3	3	3	3	3	3	
Plant operations and maintenance	9	10	10	10	10	8	9	9	9	
Playground Aides	4	6	6	6	6	3	2	3	3	
Pupil transportation						5	2	1	2	
Special Schools										
Food Service							7	7	7	
Total	96	97	97	98	101	96	101	107	107	-

Source: District Personnel Records

Township of Greenwich School District
 Operating Statistics
 Last Ten Fiscal Years
 Unaudited

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures (1)</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff (2)</u>	<u>Average Daily Enrollment (ADE) (3)</u>	<u>Average Daily Attendance (ADA) (3)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2016	455.0	\$ 12,916,499.33	\$ 28,387.91	8.78%	48.0	458.8	438.2	-2.38%	95.51%
2015	477.0	12,448,055.76	26,096.55	2.98%	50.0	469.9	448.9	0.38%	95.53%
2014	473.0	11,986,086.54	25,340.56	10.62%	52.6	470.6	447.2	-8.30%	95.03%
2013	511.0	11,705,750.48	22,907.54	-4.01%	47.0	514.2	487.7	-0.06%	94.85%
2012	509.0	12,147,538.89	23,865.50	2.03%	50.0	514.0	488.0	3.63%	94.94%
2011	500.0	11,694,891.45	23,389.78	7.35%	49.0	497.2	470.9	-4.07%	94.71%
2010	519.0	11,307,728.91	21,787.53	3.62%	47.0	519.9	490.9	-2.60%	94.42%
2009	533.0	11,206,885.31	21,026.05	-2.86%	57.0	529.0	504.0	-1.14%	95.27%
2008	540.0	11,688,865.68	21,646.05	7.30%	57.0	534.5	509.8	-1.54%	95.38%
2007	541.0	10,913,806.00	20,173.39	2.64%	54.0	542.4	517.8	1.66%	95.46%

Sources: District records, ASSA and Schedules J-12, J-14

Note: Enrollment based on annual October district count.

- (1) Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4
- (2) Teaching staff includes only full-time equivalents of certificated staff.
- (3) Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

Township of Greenwich School District
 School Building Information
 Last Ten Fiscal Years
 Unaudited

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>District Buildings</u>										
<u>Elementary:</u>										
Broad Street (1916):										
Square Feet	86,400	86,400	86,400	86,400	86,400	86,400	86,400	86,400	86,400	86,400
Capacity (students)	449	449	449	449	449	449	449	449	449	449
Enrollment	267	258	255	272	278	279	296	300	306	300
<u>Middle:</u>										
Nehaunsey Middle School (1971):										
Square Feet	57,024	57,024	57,024	57,024	57,024	57,024	57,024	57,024	57,024	57,024
Capacity (students)	286	286	286	286	286	286	286	286	286	286
Enrollment	198	219	218	239	233	240	233	240	235	226
Number of Schools at June 30, 2016										
Elementary - 1										
Middle - 1										

Source: District records, ASSA

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

Township of Greenwich School District
 Schedule of Required Maintenance
 Last Ten Fiscal Years
 Unaudited

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

* School Facilities	Gross Square Footage	Total	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Broad Street	86,400	\$ 553,608.00	\$ 85,566.26	\$ 100,037.33	\$ 64,786.65	\$ 52,033.69	\$ 47,775.79	\$ 47,184.16	\$ 32,790.12	\$ 32,639.00	\$ 62,557.00	\$ 28,238.00
Nehaunsey	57,024	415,344.42	19,156.20	44,337.20	80,414.21	35,892.85	40,632.83	32,023.98	29,041.27	18,533.88	89,650.00	25,662.00
Total School Facilities		<u>\$ 968,952.42</u>	<u>\$ 104,722.46</u>	<u>\$ 144,374.53</u>	<u>\$ 145,200.86</u>	<u>\$ 87,926.54</u>	<u>\$ 88,408.62</u>	<u>\$ 79,208.14</u>	<u>\$ 61,831.39</u>	<u>\$ 51,172.88</u>	<u>\$ 152,207.00</u>	<u>\$ 53,900.00</u>

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

Source: District Records (Form M-1)

Greenwich Township School District
Insurance Schedule
June 30, 2016
Unaudited

	<u>Coverage</u>		<u>Deductible</u>
School Package Policy			
School Alliance Insurance Fund (SAIF):			
Property	\$ 500,000,000		\$ 2,500
Commercial General Liability	5,000,000		
Commercial Automobile Liability	5,000,000		1,000
Inland Marine	Included in Property		1,000
Commercial Umbrella Liability	5,000,000		
Comprehensive Crime Coverage			
Money and Securities	50,000		1,000
Employee Theft	500,000	per loss	1,000
Robbery or Safe Burglary	50,000		1,000
Outside the Premises	50,000		1,000
Forgery or Alteration	50,000		1,000
Computer Fraud	50,000		1,000
Funds Transfer	50,000		1,000
Environmental Impairment Liability	1,000,000		
School Leaders Professional Liability	5,000,000		
National Union Fire Insurance Company			
Student Accident/Volunteer Accident	1,000,000	per accident	
NJ School Board Assoc. Insurance Group			
Educational Risk and Insurance Consortium (ERIC)			
Workers Compensation and Employers' Liability:			
Bodily Injury by Accident	2,000,000	per accident	
Bodily Injury by Disease	2,000,000	each employee	
Public Employees' Faithful Performance Bonds			
CAN/Western Surety			
Employee Bonds			
Merrie Schmidt, Treasurer	190,000.00		None
Scott A. Campbell, Board Secretary	5,000		None

Source: District Records

SINGLE AUDIT SECTION

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND
STATE OF NEW JERSEY CIRCULAR 15-08-OMB**

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Township of Greenwich School District
Gibbstown, New Jersey

Report on Compliance for Each Major State Program

We have audited the Township of Greenwich School District's, in the County of Gloucester, State of New Jersey, compliance with the types of compliance requirements described in the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major state programs for the fiscal year ended June 30, 2016. The School District's major state programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School 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; audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey; State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance, and State of New Jersey Circular 15-08-OMB, 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 Township of Greenwich School District's, in the County of Gloucester, State of New Jersey, 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 state program. However, our audit does not provide a legal determination of the School District's compliance.

Opinion on Each Major State Program

In our opinion, the Township of Greenwich School District, in the County of Gloucester, State of New Jersey, 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 Township of Greenwich School District, in the County of Gloucester, State of New Jersey, 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 School 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 State of New Jersey Circular 15-08-OMB, 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 School District's internal control over compliance.

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Michael J. Welding
Certified Public Accountant
Public School Accountant No. CS 00886

Woodbury, New Jersey
December 2, 2016

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

Federal Grantor / Pass-through Grantor / Program or Cluster Title General Fund:	Federal CFDA Number	Federal FAI N Number	Pass-Through Entity Identifying Number	Program or Award Amount	Grant Period		Balance June 30, 2015	Carryover / (Walkover) Amount
					From	To		
U.S. Department of Health and Human Services:								
Passed-through State Department of Education:								
Medical Assistance Program	93.778	1605NJ5MAP	N/A	\$ 12,764.45	7/1/2015	6/30/2016		
Medical Assistance Program (Cost Settlement)	93.778	1605NJ5MAP	N/A	8,413.16	7/1/2013	6/30/2014		
Total U.S. Department of Health and Human Services							-	-
Total General Fund							-	-
Special Revenue Fund:								
U.S. Department of Education:								
Passed-through State Department of Education:								
No Child Left Behind:								
Title I, Part A	84.010	S010A150030	NCLB552016	108,084.00	7/1/2015	6/30/2016		
Title I, Part A	84.010	S010A150030	NCLB552015	107,538.00	7/1/2014	6/30/2015	\$ (10,186.10)	
Total Title I, Part A							(10,186.10)	-
Title II, Part A, Improving Teacher Quality	84.367	S367A150029	NCLB552016	18,902.00	7/1/2015	6/30/2016		
Total Title II, Part A, Improving Teacher Quality							-	-
I.D.E.A. Part B:								
Special Education Cluster:								
Basic	84.027	H027A150100	IDEA552016	171,703.00	7/1/2015	6/30/2016		
Basic	84.027	H027A150100	IDEA552015	170,459.00	7/1/2014	6/30/2015	(7,682.51)	
Basic	84.027	H027A150100	IDEA552014	183,338.00	9/1/2013	8/31/2014	(2,078.00)	
Preschool	84.173	H173A150114	IDEA552016	9,850.00	7/1/2015	6/30/2016		
Preschool	84.173	H173A150114	IDEA552015	9,744.00	7/1/2014	6/30/2015	(3,068.64)	
Total I.D.E.A. Part B Special Education Cluster							(12,829.15)	-
Total U.S. Department of Education (State)							(23,015.25)	-
Total Special Revenue Fund							(23,015.25)	-
Enterprise Fund:								
U.S. Department of Agriculture								
Passed-through State Department of Agriculture:								
Child Nutrition Cluster:								
School Breakfast Program	10.553	1616NJ304N1099	100-030-3350-021	35,321.19	7/1/2015	6/30/2016		
School Breakfast Program	10.553	1616NJ304N1099	100-030-3350-021	32,639.84	7/1/2014	6/30/2015	(2,721.09)	
Food Distribution Program (Non-Cash Assistance)	10.555	1616NJ304N1099	N/A	18,850.63	7/1/2015	6/30/2016		
Food Distribution Program (Non-Cash Assistance)	10.555	1616NJ304N1099	N/A	15,067.13	7/1/2014	6/30/2015	2,584.45	
National School Lunch Program	10.555	1616NJ304N1099	100-030-3350-023	74,427.97	7/1/2015	6/30/2016		
National School Lunch Program	10.555	1616NJ304N1099	100-030-3350-023	68,683.64	7/1/2014	6/30/2015	(3,528.78)	
Total Child Nutrition Cluster							(3,665.42)	-
Total Enterprise Fund							(3,665.42)	-
Total Federal Financial Assistance							\$ (26,680.67)	\$ -

The accompanying Notes to Financial Statements and Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

These funds were not audited in accordance with The Uniform Guidance since the total of all grant expenditures did not exceed \$750,000.

Cash Received	Budgetary Expenditures			Passed - Through to Subrecipients	Adjustments (A)	Repayment of Prior Years' Balances	Balance at June 30, 2016		
	Pass-Through Funds	Direct Funds	Total Budgetary Expenditures				(Accounts Receivable)	Unearned Revenue	Due to Grantor
\$ 12,764.45	\$ 12,764.45 8,413.16		\$ 12,764.45 8,413.16				\$ (8,413.16)		
12,764.45	21,177.61	-	21,177.61	-	-	-	(8,413.16)	-	-
12,764.45	21,177.61	-	21,177.61	-	-	-	(8,413.16)	-	-
102,722.00	108,084.00		108,084.00				(5,362.00)		
23,413.00	13,635.90		13,635.90				(409.00)		
126,135.00	121,719.90	-	121,719.90	-	-	-	(5,771.00)	-	-
18,423.00	18,902.00		18,902.00				(479.00)		
18,423.00	18,902.00	-	18,902.00	-	-	-	(479.00)	-	-
168,898.00	171,703.00		171,703.00				(2,805.00)		
25,890.00	15,812.49		15,812.49					\$ 2,395.00	
2,078.00									
9,850.00	9,850.00		9,850.00						
3,402.00	2,675.36		2,675.36				(2,342.00)		
210,118.00	200,040.85	-	200,040.85	-	-	-	(5,147.00)	2,395.00	-
354,676.00	340,662.75	-	340,662.75	-	-	-	(11,397.00)	2,395.00	-
354,676.00	340,662.75	-	340,662.75	-	-	-	(11,397.00)	2,395.00	-
33,037.40	35,321.19		35,321.19				(2,283.79)		
2,721.09									
18,850.63	17,978.70		17,978.70					871.93	
	2,584.45		2,584.45						
70,563.22	74,427.97		74,427.97				(3,864.75)		
3,528.78									
128,701.12	130,312.31	-	130,312.31	-	-	-	(6,148.54)	871.93	-
128,701.12	130,312.31	-	130,312.31	-	-	-	(6,148.54)	871.93	-
\$ 496,141.57	\$ 492,152.67	\$ -	\$ 492,152.67	\$ -	\$ -	\$ -	\$ (25,958.70)	\$ 3,266.93	\$ -

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

State Grantor / Program or Cluster Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2015		
			From	To	Unearned Revenue / (Accounts Receivable)	Due to Grantor	Carryover / (Walkover) Amount
General Fund:							
New Jersey Department of Education:							
Current Expense:							
State Aid - Public Cluster:							
Special Education Aid	16-495-034-5120-089	\$ 342,959.00	7/1/15	6/30/16			
Special Education Aid	15-495-034-5120-089	342,959.00	7/1/14	6/30/15	\$ (29,470.12)		
Security Aid	16-495-034-5120-084	84,835.00	7/1/15	6/30/16			
Security Aid	15-495-034-5120-084	84,835.00	7/1/14	6/30/15	(7,289.79)		
Adjustment Aid	16-495-034-5120-098	410,720.00	7/1/15	6/30/16			
Adjustment Aid	15-495-034-5120-085	410,720.00	7/1/14	6/30/15	(35,292.76)		
PARCC Readiness Aid	16-495-034-5120-098	5,670.00	7/1/15	6/30/16			
PARCC Readiness Aid	15-495-034-5120-098	5,670.00	7/1/14	6/30/15	(487.22)		
Per Pupil Growth Aid	16-495-034-5120-097	5,670.00	7/1/15	6/30/16			
Per Pupil Growth Aid	15-495-034-5120-097	5,670.00	7/1/14	6/30/15	(487.22)		
Total State Aid - Public Cluster					(73,027.11)	-	-
State Aid - Transportation:							
Transportation Aid	16-495-034-5120-014	272,654.00	7/1/15	6/30/16			
Transportation Aid	15-495-034-5120-014	272,654.00	7/1/14	6/30/15	(23,428.89)		
Nonpublic Transportation Aid	16-495-034-5120-014	8,148.00	7/1/15	6/30/16			
Nonpublic Transportation Aid	15-495-034-5120-014	9,396.00	7/1/14	6/30/15	(9,396.00)		
Total State Aid - Transportation					(32,824.89)	-	-
Extraordinary Special Education Aid							
Extraordinary Special Education Aid	16-100-034-5120-473	78,459.00	7/1/15	6/30/16			
Extraordinary Special Education Aid	15-100-034-5120-473	50,937.00	7/1/14	6/30/15	(50,937.00)		
Total Extraordinary Aid					(50,937.00)	-	-
Reimbursed TPAF Social Security Contributions							
Reimbursed TPAF Social Security Contributions	16-495-034-5094-003	280,493.26	7/1/15	6/30/16			
Reimbursed TPAF Social Security Contributions	15-495-034-5094-003	283,159.19	7/1/14	6/30/15	(13,174.50)		
Total Reimbursed TPAF Social Security Contributions					(13,174.50)	-	-
Total General Fund					(169,963.50)	-	-
Special Revenue Fund:							
New Jersey Department of Education:							
Nonpublic Aid:							
Textbook Aid	16-100-034-5120-064	5,425.00	7/1/15	6/30/16			
Textbook Aid	15-100-034-5120-064	6,554.00	7/1/14	6/30/15		\$ 87.93	
Nursing Services	16-100-034-5120-070	8,550.00	7/1/15	6/30/16			
Nursing Services	15-100-034-5120-070	10,434.00	7/1/14	6/30/15			
Technology	16-100-034-5120-373	2,470.00	7/1/15	6/30/16			
Technology	15-100-034-5120-373	3,520.00	7/1/14	6/30/15		55.00	
Security	16-100-034-5120-509	2,375.00	7/1/15	6/30/16			
Auxiliary Service:							
Compensatory Education	16-100-034-5120-067	16,921.00	7/1/15	6/30/16			
Compensatory Education	15-100-034-5120-067	10,750.00	7/1/14	6/30/15		2,598.22	
Transportation	16-100-034-5120-067	3,936.00	7/1/15	6/30/16			
Transportation	15-100-034-5120-067	4,964.00	7/1/14	6/30/15		1,394.48	
Handicapped Services:							
Examination and Classification	16-100-034-5120-066	14,823.00	7/1/15	6/30/16			
Examination and Classification	15-100-034-5120-066	10,086.00	7/1/14	6/30/15		721.84	
Corrective Speech	16-100-034-5120-066	31,771.00	7/1/15	6/30/16			
Corrective Speech	15-100-034-5120-066	35,340.00	7/1/14	6/30/15		11,043.75	
Supplemental Instruction	16-100-034-5120-066	3,120.00	7/1/15	6/30/16			
Supplemental Instruction	15-100-034-5120-066	4,708.00	7/1/14	6/30/15		1,569.20	
Total State Department of Education					-	17,470.42	-
Total Special Revenue Fund					-	17,470.42	-
Enterprise Fund:							
New Jersey Department of Agriculture:							
Child Nutrition Cluster:							
State School Lunch Program	16-100-010-3360-067	(1,947.25)	7/1/15	6/30/16			
State School Lunch Program	15-100-010-3360-067	1,976.78	7/1/14	6/30/15	(95.55)		
Total Enterprise Fund					(95.55)	-	-
Total State Financial Assistance subject to Major Program Determination for State Single Audit					(170,059.05)	17,470.42	-
State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:							
General Fund (Non-Cash Assistance):							
New Jersey Department of the Treasury:							
On-behalf T.P.A.F. Pension Contributions:							
Normal Cost	16-495-034-5094-002	278,657.00	7/1/15	6/30/16			
Non-Contributory Insurance	16-495-034-5094-004	13,881.00	7/1/15	6/30/16			
Post-Retirement Medical Costs	16-495-034-5094-001	348,331.00	7/1/15	6/30/16			
Total General Fund (Non-Cash Assistance)					-	-	-
Total State Financial Assistance					\$ (170,059.05)	\$ 17,470.42	\$ -

The accompanying Notes to Financial Statements and Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

Cash Received	Adjustments (A)	Total Budgetary Expenditures	Passed-Through to Subrecipients	Repayment of Prior Years' Balances	Balance at June 30, 2016			(Memo Only)	
					(Accounts Receivable)	Unearned Revenue	Due to Grantor	Budgetary Receivable June 30, 2016	Cumulative Total Expenditures
\$ 313,912.64		\$ 342,959.00			\$ (29,046.36)			\$ (29,046.36)	\$ 342,959.00
29,470.12									342,959.00
77,650.04		84,835.00			(7,184.96)			(7,184.96)	84,835.00
7,289.79									84,835.00
375,934.73		410,720.00			(34,785.27)			(34,785.27)	410,720.00
35,292.76									410,720.00
5,189.79		5,670.00			(480.21)			(480.21)	5,670.00
487.22									5,670.00
5,189.79		5,670.00			(480.21)			(480.21)	5,670.00
487.22									5,670.00
<u>850,904.10</u>	<u>-</u>	<u>849,854.00</u>	<u>-</u>	<u>-</u>	<u>(71,977.01)</u>	<u>-</u>	<u>-</u>	<u>(71,977.01)</u>	<u>1,699,708.00</u>
249,562.01		272,654.00			(23,091.99)			(23,091.99)	272,654.00
23,428.89									272,654.00
9,396.00		8,148.00			(8,148.00)			(8,148.00)	8,148.00
<u>282,386.90</u>	<u>-</u>	<u>280,802.00</u>	<u>-</u>	<u>-</u>	<u>(31,239.99)</u>	<u>-</u>	<u>-</u>	<u>(31,239.99)</u>	<u>562,852.00</u>
50,937.00		78,459.00			(78,459.00)			(78,459.00)	78,459.00
<u>50,937.00</u>	<u>-</u>	<u>78,459.00</u>	<u>-</u>	<u>-</u>	<u>(78,459.00)</u>	<u>-</u>	<u>-</u>	<u>(78,459.00)</u>	<u>50,937.00</u>
267,942.15		280,493.26			(12,551.11)			(12,551.11)	280,493.26
13,174.50									283,159.19
<u>281,116.65</u>	<u>-</u>	<u>280,493.26</u>	<u>-</u>	<u>-</u>	<u>(12,551.11)</u>	<u>-</u>	<u>-</u>	<u>(12,551.11)</u>	<u>563,652.45</u>
<u>1,465,344.65</u>	<u>-</u>	<u>1,489,608.26</u>	<u>-</u>	<u>-</u>	<u>(194,227.11)</u>	<u>-</u>	<u>-</u>	<u>(194,227.11)</u>	<u>2,955,608.45</u>
5,425.00		5,401.88					\$ 23.12		5,401.88
8,550.00		8,550.00		\$ 87.93					6,466.07
2,470.00		2,469.00					1.00		8,550.00
2,375.00		2,375.00		55.00					10,434.00
16,921.00		10,607.85					6,313.15		2,469.00
3,936.00				2,598.22			3,936.00		3,465.00
14,823.00				1,394.48					2,375.00
31,771.00	\$ (0.42)	25,586.45		721.42			14,823.00		10,607.85
3,120.00				11,043.75			6,184.55		8,151.78
				1,569.20			3,120.00		3,569.52
<u>89,391.00</u>	<u>(0.42)</u>	<u>54,990.18</u>	<u>-</u>	<u>17,470.00</u>	<u>-</u>	<u>-</u>	<u>34,400.82</u>	<u>-</u>	<u>3,138.80</u>
<u>89,391.00</u>	<u>(0.42)</u>	<u>54,990.18</u>	<u>-</u>	<u>17,470.00</u>	<u>-</u>	<u>-</u>	<u>34,400.82</u>	<u>-</u>	<u>123,875.76</u>
1,846.62		1,947.25			(100.63)			(100.63)	1,947.25
95.55									1,976.78
<u>1,942.17</u>	<u>-</u>	<u>1,947.25</u>	<u>-</u>	<u>-</u>	<u>(100.63)</u>	<u>-</u>	<u>-</u>	<u>(100.63)</u>	<u>3,924.03</u>
<u>1,556,677.82</u>	<u>(0.42)</u>	<u>1,546,545.69</u>	<u>-</u>	<u>17,470.00</u>	<u>(194,327.74)</u>	<u>-</u>	<u>34,400.82</u>	<u>(194,327.74)</u>	<u>\$ 3,083,408.24</u>
278,657.00		278,657.00							278,657.00
13,881.00		13,881.00							13,881.00
348,331.00		348,331.00							348,331.00
<u>640,869.00</u>	<u>-</u>	<u>640,869.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>640,869.00</u>
<u>\$ 2,197,546.82</u>	<u>\$ (0.42)</u>	<u>\$ 2,187,414.69</u>	<u>\$ -</u>	<u>\$ 17,470.00</u>	<u>\$ (194,327.74)</u>	<u>\$ -</u>	<u>\$ 34,400.82</u>	<u>\$ (194,327.74)</u>	<u>\$ 3,724,277.24</u>

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2016

Note 1: BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Township of Greenwich School District (hereafter referred to as the "School District"). The School District is defined in note 1 to the School District's basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules of expenditures of federal awards and state financial assistance. Because these schedules present only a selected portion of the operations of the School District, it is not intended to and does not present the financial position and changes in operations of the School District.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting, with the following exceptions: programs recorded in the enterprise fund are presented using the accrual basis of accounting. These bases of accounting are described in note 1 to the School District's basic financial statements. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. The School District has elected not to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.

Note 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, payments are not recognized until the subsequent budget year due to the State deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more June state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

Note 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D)

The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is \$1,387.00 for the general fund and \$12,709.94 for the special revenue fund. See exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

Awards and financial assistance expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 21,177.61	\$ 2,131,864.26	\$ 2,153,041.87
Special Revenue	338,930.72	54,990.18	393,920.90
Food Service	<u>128,599.79</u>	<u>1,947.25</u>	<u>130,547.04</u>
Total Awards and Financial Assistance	<u>\$ 488,708.12</u>	<u>\$ 2,188,801.69</u>	<u>\$ 2,677,509.81</u>

Note 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

Note 5: ADJUSTMENTS

Amounts reported in the column entitled "adjustments" represent a rounding difference in remittance to due grantor.

Note 6: REIMBURSED AND ON-BEHALF PAYMENTS

During the fiscal year ended June 30, 2016, the School District was the recipient of federal and state assistance that represented either a reimbursement to the School District or payments made on-behalf of the School District. Revenues and expenditures reported under the federal food distribution program represent the current year value received and the current year distribution, respectively, of American-grown United States Department of Agriculture foods utilized in the School District's food service program. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year. Lastly, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs, non-contributory insurance, and post-retirement medical costs related to TPAF members.

Note 7: MAJOR PROGRAMS

Major programs are identified in the *Summary of Auditor's Results* section of the *Schedule of Findings and Questioned Costs*.

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

Section 1- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued UNMODIFIED

Internal control over financial reporting:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Not Applicable

Internal control over major programs:

Material weakness(es) identified? yes no

Significant deficiency(ies) identified? yes none reported

Type of auditor's report issued on compliance for major programs _____

Any audit findings disclosed that are required to be reported in accordance with Section 516 of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)? yes no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Dollar threshold used to determine Type A programs \$ _____

Auditee qualified as low-risk auditee? yes no

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

Section 1- Summary of Auditor's Results (Cont'd)

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? ___ yes X no

Significant deficiency(ies) identified? ___ yes X none reported

Type of auditor's report issued on compliance for major programs UNMODIFIED

Any audit findings disclosed that are required to be reported in accordance with New Jersey Circular 15-08-OMB? ___ yes X no

Identification of major programs:

GMIS Number(s)

Name of State Program

Table with 2 columns: GMIS Number(s) and Name of State Program. Rows include: 495-034-5120-089 (Special Education Aid), 495-034-5120-084 (Security Aid), 495-034-5120-085 (Adjustment Aid), 495-034-5120-097 (Per Pupil Growth Aid), 495-034-5120-098 (PARCC Readiness Aid), 495-034-5094-003 (Reimbursed TPAF Social Security Contributions)

Dollar threshold used to determine Type A programs \$750,000.00

Auditee qualified as low-risk auditee? X yes ___ no

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

Section 2- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

None

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

Section 3- Schedule of Federal Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major Federal programs, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Not applicable

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

Section 4- Schedule of State Financial Assistance Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major State programs, as required by State of New Jersey Circular 15-08-OMB.

None

TOWNSHIP OF GREENWICH SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management

This section identifies the status of prior year findings related to the financial statements and federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB.

FINANCIAL STATEMENT FINDINGS

None

FEDERAL AWARDS

Not Applicable

STATE FINANCIAL ASSISTANCE PROGRAMS

None

28300

APPRECIATION

We express our appreciation for the assistance and courtesies rendered by the District officials during the course of the audit.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants &
Consultants



Michael J. Welding
Certified Public Accountant
Public School Accountant No. CS00886