

**EAST AMWELL TOWNSHIP
BOARD OF EDUCATION**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Fiscal Year Ended June 30, 2017

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

**EAST AMWELL TOWNSHIP
BOARD OF EDUCATION**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2017

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BOARD OF EDUCATION**

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BOARD OF EDUCATION**

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**BOARD OF EDUCATION
EAST AMWELL SCHOOL DISTRICT**

November 14, 2017

Honorable President and Members
of the East Amwell School District
Hunterdon County, New Jersey

Dear Board Members:

The comprehensive annual financial report of the East Amwell School District for the Fiscal Year ended June 30, 2017 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the general purpose financial schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State Treasury OMB Circular Letter 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report of the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

1. **REPORTING ENTITY AND ITS SERVICES**

East Amwell School District is an independent reporting entity within the criteria adopted by the GASB (Governmental Account Standards Board) as established by Statement No. 14. All funds and accounting groups of the District are included in this report. The East Amwell Board of Education and its one school constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K-8, including both regular and special education. Enrollment in the integrated preschool program for the 2016-17 school year was 33. Resident enrollment as of June 30, 2017 totaled 361 students. The following details the changes in student enrollment of the District over the last fifteen years.

FISCAL YEAR	STUDENT ENROLLMENT	% CHANGE
2016-17	361	-2.69%
2015-16	371	-6.40%
2014-15	393	-6.40%
2013-14	418	-1.50%
2012-13	433	-3.70%
2011-12	450	-7.60%
2010-11	487	-2.80%
2009-10	501	2.70%
2008-09	488	-0.20%
2007-08	489	-1.00%
2006-07	494	1.60%
2005-06	486	1.00%
2004-05	481	2.10%
2003-04	471	-2.50%
2002-03	483	0.02%

2. ECONOMIC CONDITION AND OUTLOOK

East Amwell Township is located in southern Hunterdon County and encompasses 28.7 square miles with 47 miles of roads, including the Rt. 31-202 corridor. East Amwell is rural in character, with the Village of Ringoes as its primary population and business center.

The East Amwell Township Elementary School, located on a 32-acre site with outdoor playground equipment and ball fields, is the only school building. The school was constructed in 1938, with additions in 1950, 1963, 1978, 1988, and 1998. With the K-8 organizational structure, the present facility has a functional capacity of 558 students. Two soccer fields on the school property are shared with the Township Recreation Committee.

The School District is governed by a nine-member Board of Education elected by the district to serve alternating three-year terms. As of June 30, 2017 the District employed a Superintendent, Principal, Board Secretary/School Business Administrator, 49 full-time certificated, 5 part-time certificated, 16 full-time non-certificated, and 3 part-time non-certificated staff. Hunterdon Central Regional High School provides transportation for all students, with the exception of some out-of-district placements, which may be provided by the Hunterdon County Education Services Commission.

The future outlook for District financing continues to depend primarily upon the ability and willingness of the Governor and State Legislature to provide funding for education. The availability of tax revenues to the State and its distribution among all New Jersey School Districts, however, will have a profound impact on the education provided to East Amwell students and to the local property taxes.

3. MAJOR INITIATIVES

Test Results

The students in grades 3-8 took the PARCC assessment in the Spring 2017. East Amwell students scored higher than state and national averages in all categories.

Professional Development

Professional Development activities in the 2016-17 school year included PARCC, Dyslexia, Google, LinkIt!, NGSS, Google apps, PlanbookEDU and Right-to-Know, These activities were conducted in response to staff surveys assessing professional development needs. In addition to the requested topics, staff participated in mandatory training through consultants and web-based offerings.

Synergistics

The Synergistics Learning system is a technology-assisted learning system divided into workstations where pairs of students explore a variety of content areas providing multi-sensory experiences through audio, video, software, text, and hands-on activities. Modules include Career Exploration, Podcasting, CSI (Crime Scene Investigation), Design Challenge, Mechanical Drawing, Film, Photography, Garage Band, Bridge Building, Solar Cars, Flight Technology, and Personal Finance. Synergistics, located in the Technology Lab, provides a well-balanced program for a broad range of student interests as well as an introduction to the applied technology program at Hunterdon Central High School.

21st Century Classroom

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

Authoring multimedia content requires students to:

- Employ creativity and innovation as they develop, implement, and communicate ideas and demonstrate originality and inventiveness;
- Be critical thinkers and problem solvers as they frame, analyze, and synthesize information to solve problems and answer questions;
- Communicate and collaborate as they articulate thoughts and ideas clearly and effectively and share responsibility for collaborative work.
- Build information, media, and technology skills in context

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

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

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

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

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

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

Each staff member has been issued iPads and Dell Laptops for connectivity to classroom smart technology providing unique interaction with students in the delivery of Core Standard lesson. All teachers use Google Sites as a simple and clear format of communicating with school families. Homework, activities and a calendar are maintained by staff using Sites. Their personal homepage will enable better communicating, allowing for high achievement of students. PlanbookEDU is used by the teaching staff for the creation of lesson plans that can be shared with administrators. IEP Direct is used by the Child Study Team to create, sustain and monitor student IEPs for better success in the classroom.

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

The Library/Media Center is equipped with DESTINY, a complete library automation solution accessible from five networked student/teacher workstations. PC student work stations provide further access to the Internet and resources such as World Book Online, MS Office Suite, and search engines such as EPSCO Host. The regional high school uses the same solution increasing compatibility between resources.

The Computer Lab, located in the Media Center, consists of 25 windows based desktop computers. Each computer is networked, internet ready and is imaged with MS Office Suite, Chrome and Google Docs.

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

Student Information System

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

Network Administration

Computer systems analysis/design, remote access support for data servers, and high-level technical support for both PC and Mac platforms were provided by an outside vendor. This

support is supplemented and coordinated on-site by a part-time District Technology Coordinator. The Three-Year Technology Plan is reviewed and updated annually.

Long-Range Facilities Plan

The 2005 Long Range Facilities Plan included enrollment projections that verified the existing functional capacity of 558 and classified the facility “In Good Condition.” The plan is updated on an as-needed basis.

4. INTERNAL ACCOUNT CONTROLS

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

5. BUDGETARY CONTROLS

In addition to internal account controls, the District maintains budgetary control. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2017.

6. ACCOUNTING SYSTEM AND REPORTS

The District’s accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Account Standards Board (GASB). The accounting system of

the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements," Note 1.

7. FINANCIAL INFORMATION AT FISCAL YEAR-END

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the General Fund and Special Revenue Fund revenues for the fiscal year ended June 30, 2017 and the amount and percentage of increases in relation to prior year revenues.

	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from Prior Year</u>	<u>Percent of Increase (Decrease)</u>
REVENUES				
Local Sources				
Tax Levy				
General	\$ 6,865,199	80.22%	\$ 117,181	1.74%
Debt Service	223,950	2.62%	6,000	2.75%
Other Revenues	404,206	4.72%	23,990	6.31%
State Aid	893,808	10.44%	160,151	21.83%
Federal Aid	171,113	2.00%	(12,041)	-6.57%
Total	\$ 8,558,276	100.00%	295,281	3.57%

The following schedule presents a summary of General Fund and Special Revenue Fund expenditures for the fiscal year ended June 30, 2017 and the percentage of increases and decreases in relation to the prior year amounts.

	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from Prior Year</u>	<u>Percent of Increase (Decrease)</u>
EXPENDITURES				
Current Expense	\$ 7,278,164	86.63%	\$ (49,228)	-0.67%
Capital Outlay	720,999	8.58%	(222,810)	-23.61%
Special Projects	178,679	2.13%	(12,761)	-6.67%
Debt Service				
Principal	205,000	2.44%	15,000	7.89%
Interest & other charges	18,950	0.23%	(9,000)	-32.20%
Total	\$ 8,401,792	100.00%	\$ (278,799)	-3.21%

Note: Excludes "on behalf" payments, lease purchase acquisitions and capital projects.

8. DEBT ADMINISTRATION:

The district issued bank qualified (callable) 20-year bonds totaling \$2,745,000 aggregate principal in January 1998 at the per annum interest rate of 4.90%. Principal payment dates began January 15, 1999 and interest payment dates began in July. In April 2007, the balance of the bonds of \$1,885,000 was refinanced resulting in an aggregate budgetary savings of \$71,917.92. Principal payment dates continue each January 15 until maturity on January 15, 2018 or earlier redemption. Interest payment dates continue each January 15 and July 15 until maturity on January 15, 2018 or earlier redemption.

9. CASH MANAGEMENT

The investment policy of the District is guided in large part by State statute as detailed in "Notes to the Financial Statements," Notes 1 and 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

10. RISK MANAGEMENT

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

11. OTHER INFORMATION

Independent Audit

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

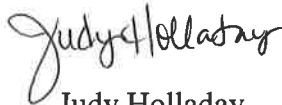
12. ACKNOWLEDGEMENTS

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

Respectfully submitted,

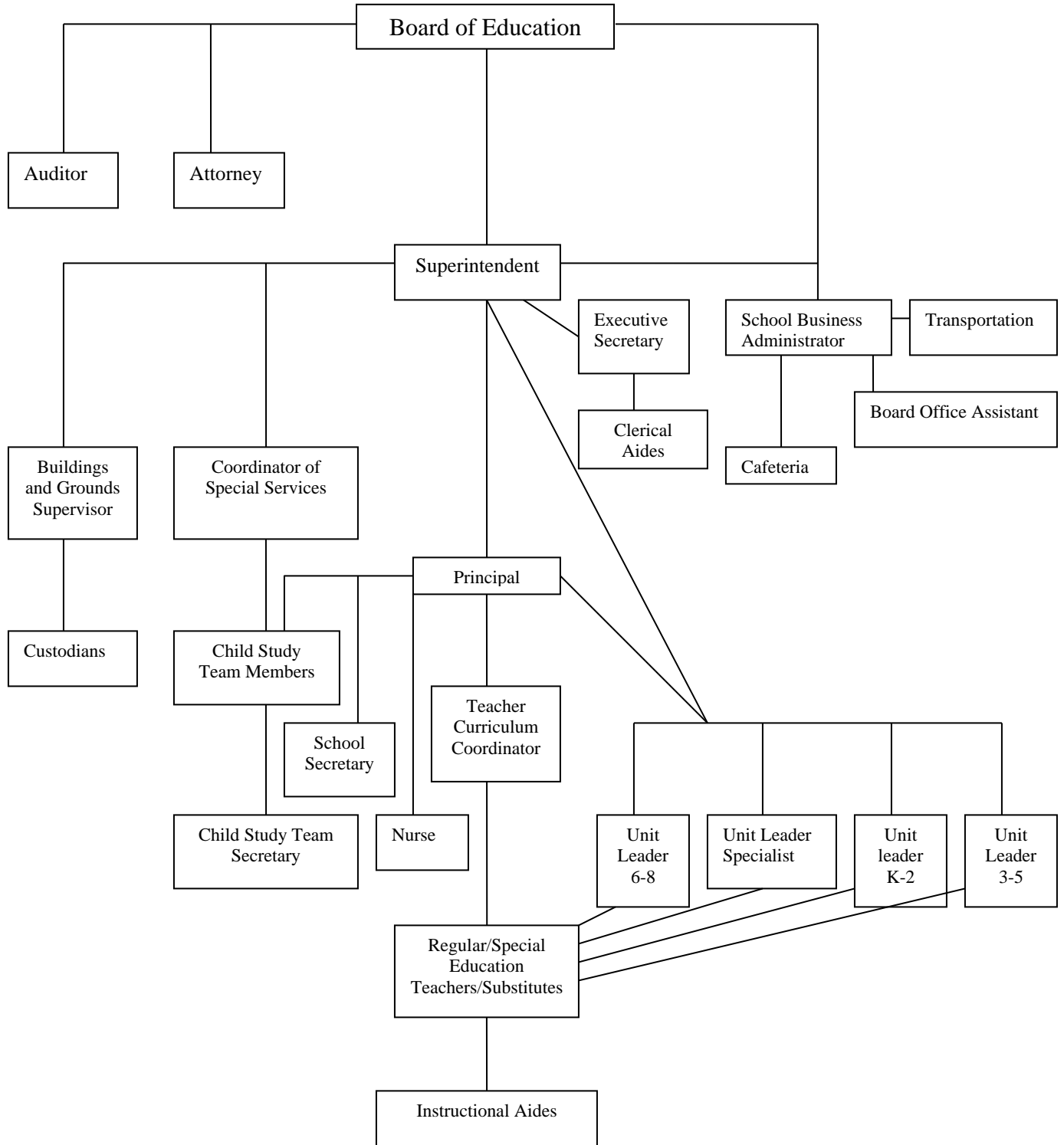


Edward F. Stoloski
Superintendent



Judy Holladay
SBA/Board Secretary

1110 ORGANIZATIONAL CHART



EAST AMWELL TOWNSHIP SCHOOL DISTRICT
43 Wertsville Road, P.O. Box 680
Ringoes, NJ 08551
June 30, 2017

Roster of Officials

Members of the Board of Education	Title	Term Expires
Charles Miles Jr.	President	2019
Kimberly Williard	Vice President	2018
Carole Ammann		2017
John Bedard		2017
Peter Miller		2017
Anne Kenyon		2018
Carole McGee		2018
Doreen Kraycirik		2019
Charles Miller		2019

Other Officials

Edward Stoloski	Superintendent
Judy Holladay	Board Secretary/School Business Administrator

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
43 Wertsville Road, P.O. Box 680
Ringoes, NJ 08551
June 30, 2017

Consultants & Advisors

AUDIT FIRM

Bedard, Kurowicki & Co., CPA's, PC
114 Broad Street
Flemington, NJ 08822

ATTORNEY

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

OFFICIAL DEPOSITORY

Northfield Bank



Certified Public Accountants, PC
www.bkc-cpa.com

Independent Auditors' Report

Honorable President and
Members of the Board of Education
East Amwell Township School District
County of Hunterdon, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the East Amwell Township School District (the District) in the County of Hunterdon, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the East Amwell Township School District, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison Schedules, Schedules of the District's Proportionate Share of Net Pension Liability, and Schedules of the District's Pension Contributions, as listed in the Table of Contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining and individual non-major fund financial statements, Schedule of Expenditures of Federal Awards, and Schedule of Expenditures of State Financial Assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 14, 2017 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

Bedard, Kurowicki & Co.

BEDARD, KUROWICKI & CO., CPA'S, PC

William M. Colantano

William M. Colantano

Certified Public Accountant

Registered Municipal Accountant

November 14, 2017
Flemington, New Jersey

REQUIRED SUPPLEMENTARY INFORMATION - PART I

**EAST AMWELL TOWNSHIP SCHOOL DISTRICT
EAST AMWELL TOWNSHIP**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED**

The discussion and analysis of East Amwell Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2017. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2017 are as follows:

- In total, net position increased \$644,775, which represents a 17.62 percent increase from 2016.
- General revenues accounted for \$11,105,122 in revenue or 94.52 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for or \$643,397 or 5.48 percent to total revenues of \$11,748,519. Due to the sharing of services of the Child Study Team, the Superintendent, and the Business Administrator with the Milford Board of Education, the District experienced a savings of approximately \$74,604. Additionally, unanticipated tuition students were received. The District has continued to enjoy the benefits received from local grants, including Exxon Mobile, who provided funds toward the furthering of science, technology and math programs.
- Total assets of governmental activities increased by \$699,588 as cash and cash equivalents increased by \$33,067, receivables and other assets decreased by \$19,735 and capital assets increased by \$686,256.
- The School District had \$11,103,744 in expenses; only \$643,397 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$11,105,122 were adequate to provide for these programs.
- Among major funds, the General Fund had \$9,159,828 in revenues and \$9,003,344 in expenditures and other financing uses \$500,000. The General Fund's balance decreased \$343,516 from 2016.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand East Amwell Township School District as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

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

**EAST AMWELL TOWNSHIP SCHOOL DISTRICT
EAST AMWELL TOWNSHIP**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED**

Reporting the School District as a Whole

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

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

In the Statement of Net Position and the Statement of Activities, the School District reports governmental activities and business-type activities.

- Governmental activities are the activities where most of the School District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- Business-type activity is a service that is provided on a charge for goods or services basis to recover the expenses of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

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

**EAST AMWELL TOWNSHIP SCHOOL DISTRICT
EAST AMWELL TOWNSHIP**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED**

The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same. The cafeteria service is currently managed by a food service company.

The School District as a Whole

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

Table 1 provides a summary of the School District's net position for 2017 compared to 2016.

**Table 1
Net Position**

	6/30/17	6/30/16	Variance	
			Dollars	%
ASSETS				
Current & Other Assets	\$ 2,155,156	\$ 2,140,665	\$ 14,491	0.68%
Capital Assets	4,994,015	4,309,222	684,793	15.89%
Total Assets	7,149,171	6,449,887	699,284	10.84%
Deferred Outflows on Deferred Pension Activity	1,076,425	521,930	554,495	106.24%
LIABILITIES				
Long-Term Liabilities	3,731,946	3,097,943	634,003	20.47%
Other Liabilities	109,998	75,163	34,835	46.35%
Total Liabilities	3,841,944	3,173,106	668,838	21.08%
Deferred Inflows on Deferred Pension Activity	79,120	138,954	(59,834)	-43.06%
NET POSITION				
Net Investment in Capital Assets	4,779,015	3,889,222	889,793	22.88%
Restricted	1,600,367	1,221,498	378,869	31.02%
Unrestricted	(2,074,850)	(1,450,963)	(623,887)	43.00%
Total Net Position	\$ 4,304,532	\$ 3,659,757	\$ 644,775	17.62%

* = Undefined

Total assets increased \$699,284. Cash and cash equivalents increased by \$34,180, receivables and other assets decreased by \$19,689 and capital assets increased by \$684,793. Unrestricted net assets, the part of net assets that can be used to finance day-to-day activities without constraints established by grants or legal requirements, of the School District decreased by \$623,887.

**EAST AMWELL TOWNSHIP SCHOOL DISTRICT
EAST AMWELL TOWNSHIP**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED**

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

Table 2 provides a summary of the District's changes in net position in fiscal year 2017 with comparisons to fiscal year 2016.

**Table 2
Changes in Net Position**

	Fiscal Year Ending		Variance	
	6/30/17	6/30/16	Dollars	%
Revenues				
Program Revenues:				
Charges for Services	\$ 428,252	\$ 412,218	\$ 16,034	3.89%
Operating Grants	215,145	235,407	(20,262)	-8.61%
General Revenues:				
Property Taxes	7,089,149	6,965,968	123,181	1.77%
Unrestricted Grants	3,987,671	3,291,667	696,004	21.14%
Other	28,302	26,709	1,593	5.96%
Total Revenues	<u>11,748,519</u>	<u>10,931,969</u>	<u>816,550</u>	7.47%
Program Expenses				
Instruction:				
Regular	4,808,627	4,037,150	771,477	19.11%
Special	1,549,418	1,400,991	148,427	10.59%
Other	99,215	85,519	13,696	16.02%
Support Services:				
Tuition	115,341	71,253	44,088	61.88%
Student & Instructional Staff	1,819,222	1,716,823	102,399	5.96%
General & Business Administration	761,492	826,490	(64,998)	-7.86%
School Administration	289,866	303,504	(13,638)	-4.49%
Maintenance	1,096,369	1,252,073	(155,704)	-12.44%
Transportation	459,972	444,932	15,040	3.38%
Food Service	92,087	104,583	(12,496)	-11.95%
Interest on Long-Term Debt	12,135	20,768	(8,633)	-41.57%
Total Expenses	<u>11,103,744</u>	<u>10,264,086</u>	<u>839,658</u>	8.18%
Increase (Decrease) before special items	644,775	667,883	(23,108)	-3.46%
Special Item:				
State Capital Project Grant De-obligated	-	(158,222)	158,222	-100.00%
Gain/(Loss) on Disposal of Assets	-	(9,471)	9,471	-100.00%
Increase (Decrease) in Net Position	<u>\$ 644,775</u>	<u>\$ 500,190</u>	<u>\$ 144,585</u>	28.91%

* = Undefined

Governmental Activities

**EAST AMWELL TOWNSHIP SCHOOL DISTRICT
EAST AMWELL TOWNSHIP**

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
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The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 60.34 percent of revenues for governmental activities for the East Amwell School District for fiscal year 2017.

Instruction comprises 58.15 percent of district expenses. Support services expenses comprise 41.85 percent of the expenses. The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted state entitlements.

**Table 3
Cost of Governmental Services**

	Total Cost of Services		Net Cost of Services	
	6/30/17	6/30/16	6/30/17	6/30/16
Instruction	\$ 6,457,260	\$ 5,523,660	\$ 5,993,880	\$ 5,098,725
Support Services:				
Tuition	115,341	71,253	94,964	71,253
Student & Instructional Staff	1,819,222	1,716,823	1,772,002	1,655,414
General & Business Administration	761,492	826,490	745,822	812,680
School Administration	289,866	303,504	289,866	264,686
Plant Operations & Maintenance	1,096,369	1,252,073	1,090,311	1,246,072
Pupil Transportation	459,972	444,932	459,972	444,932
Food Service	92,087	104,583	1,349	1,931
Interest on Long-Term Debt	12,135	20,768	12,135	20,768
Total Expenses	<u>\$ 11,103,744</u>	<u>\$ 10,264,086</u>	<u>\$ 10,460,301</u>	<u>\$ 9,616,461</u>

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

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

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

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

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

Extracurricular activities include expenses related to student activities provided by the School District which are designed to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

**EAST AMWELL TOWNSHIP SCHOOL DISTRICT
EAST AMWELL TOWNSHIP**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
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Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District.

The dependence upon tax revenues is apparent. For all activities local tax revenue support is 94.52 percent. The community, as a whole, is the primary support for the East Amwell Township School District.

The School District's Funds

Information about the School District's major funds starts in the section entitled Fund Financial statements. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$9,562,457 and expenditures of \$9,587,104. The net negative change in fund balance for the year was most significant in the General Fund, a decrease of \$343,516.

General Fund Budgeting Highlights

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

During the course of the fiscal 2017 year, the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

For the General Fund, budget basis revenues were \$216,058 over original budgeted estimates of \$7,939,905. The difference can be attributed to excess tuition revenue for special needs students brought into the District, additional Pre-K parent paid tuition, unanticipated extraordinary and other state aid, and other miscellaneous unanticipated revenues. Due to a combination of funds from projects that were under budget and prudent spending during the year along with the unanticipated revenues, the District was able to increase the capital reserve account, and at June 30, 2017 the balance was \$956,198. Improvements for the District during the 2016-17 school year included:

- Facilities – The parking lot was completely resurfaced. New equipment was installed in the kitchen and the compression system above the stove has been replaced. The master bell and paging system was replaced, and a new mover was purchased for the grounds upkeep.
- Instructional – All programs, including an expanded Pre-K program, a self-contained special education class for autistic students, art, music and extra-curricular clubs and sports, have been maintained. Every student continues to have access to a personal device in the classroom including either an iPad or Chromebook.

**EAST AMWELL TOWNSHIP SCHOOL DISTRICT
EAST AMWELL TOWNSHIP**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED**

Capital Assets

At the end of the fiscal year 2017 the School District had \$4,994,015 invested in land, buildings, furniture and equipment, and vehicles.

Table 4 provides a summary of the School District's capital assets net of depreciation at 6/30/17 with comparisons to 6/30/16.

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

	6/30/17	6/30/16	Variance	
			Dollars	%
Land	\$ 462,026	\$ 462,026	\$ -	
Construction in Progress	219,620	9,459	210,161	2,221.81%
Land Improvements	40,669	46,578	(5,909)	-12.69%
Buildings & Improvements	3,981,279	3,590,170	391,109	10.89%
Furniture & Equipment	290,421	200,989	89,432	44.50%
Total	\$ 4,994,015	\$ 4,309,222	\$ 684,793	15.89%

Overall capital assets increased \$684,793 from fiscal year 2016 to fiscal year 2017. Increases in capital assets were offset by depreciation expenses for the year.

Debt Administration

At June 30, 2017, the School District had \$3,731,946 of outstanding long-term liabilities. This amount is detailed in Table 5 below.

**Table 5
Long-Term Liabilities at Year-end**

	6/30/17	6/30/16	Variance	
			Dollars	%
General Obligation Bonds	\$ 215,000	\$ 420,000	\$ (205,000)	-48.81%
Compensated Absences	387,582	374,265	13,317	3.56%
Unamortized Bond Premiums	8,480	12,720	(4,240)	-33.33%
PERS Net Pension Liability	3,120,884	2,290,958	829,926	36.23%
Total	\$ 3,731,946	\$ 3,097,943	\$ 634,003	20.47%

**EAST AMWELL TOWNSHIP SCHOOL DISTRICT
EAST AMWELL TOWNSHIP**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017
UNAUDITED**

For the Future

The East Amwell Township School District is in very good financial condition. East Amwell Township is primarily a residential community, with very few ratables. The financial burden, therefore, is focused on homeowners. While the District chose to move their Board election to November, tax levy increases have been held below the 2% allowable cap.

Concerns include not only the increased reliance on local property taxes and increasing costs for special education students, but also the safety and security of our students. Over the past few years, reserves have accumulated and we will be able to address some of our facility needs with these funds.

The East Amwell Township School District has committed itself to financial excellence for many years. The School District plans to continue its sound fiscal management to meet the challenge of the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Judy Holladay, School Business Administrator/Board Secretary at East Amwell Township Board of Education, 43 Wertsville Road, Ringoes, NJ 08551 or email at jholladay@eastamwell.org.

DISTRICT-WIDE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
June 30, 2017

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 429,046	\$ 5,341	\$ 434,387
Due from other funds	600	-	600
Receivables, net	111,934	5,208	117,142
Inventory	-	2,660	2,660
Restricted assets			
Capital reserve - cash	956,198	-	956,198
Emergency reserve - cash	75,300	-	75,300
Maintenance reserve - cash	250,000	-	250,000
Capital projects - cash	318,869	-	318,869
Capital assets, net			
Land	462,026	-	462,026
Capital assets not being depreciated	219,620	-	219,620
Other capital assets, net of depreciation	4,299,714	12,655	4,312,369
Total assets	<u>7,123,307</u>	<u>25,864</u>	<u>7,149,171</u>
Deferred outflows of resources			
Deferred amount on pension activity	<u>1,076,425</u>	<u>-</u>	<u>1,076,425</u>
Liabilities			
Accounts payable	70,384	-	70,384
Payables to other governments	1,613	-	1,613
Accrued interest	4,927	-	4,927
Unearned revenue	29,353	3,721	33,074
Long-term liabilities			
Due within one year	219,240	-	219,240
Due beyond one year	3,512,706	-	3,512,706
Total liabilities	<u>3,838,223</u>	<u>3,721</u>	<u>3,841,944</u>
Deferred inflows of resources			
Deferred amount on pension liability	<u>79,120</u>	<u>-</u>	<u>79,120</u>
Net position			
Net investment in capital assets	4,766,360	12,655	4,779,015
Restricted for			
Capital reserve	956,198	-	956,198
Emergency reserve	75,300	-	75,300
Maintenance reserve	250,000	-	250,000
Capital projects	318,869	-	318,869
Unrestricted	<u>(2,084,338)</u>	<u>9,488</u>	<u>(2,074,850)</u>
Total net position	<u>\$ 4,282,389</u>	<u>\$ 22,143</u>	<u>\$ 4,304,532</u>

See accompanying notes to financial statements.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2017

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
			Charges for Services	Operating Grants & Contribution	Capital Grants & Contribution	Governmental Activities	Business-Type Activities	Total
Governmental activities								
Instruction								
Regular	\$ 2,584,174	\$ 2,224,453	\$ 333,472	\$ 24,976	\$ -	\$ (4,450,179)	\$ -	\$ (4,450,179)
Special education	710,063	687,749	-	74,604	-	(1,323,208)	-	(1,323,208)
Other special education	91,952	59,654	-	30,282	-	(121,324)	-	(121,324)
Other instruction	81,915	17,300	-	-	-	(99,215)	-	(99,215)
Support services								
Tuition	115,341	-	-	20,377	-	(94,964)	-	(94,964)
Students & instruction related services	951,102	868,120	18,780	28,440	-	(1,772,002)	-	(1,772,002)
School & business administration services	410,869	350,623	15,670	-	-	(745,822)	-	(745,822)
School administration services	152,905	136,961	-	-	-	(289,866)	-	(289,866)
Plant operations & maintenance	671,419	424,950	6,058	-	-	(1,090,311)	-	(1,090,311)
Pupil transportation	448,337	11,635	-	-	-	(459,972)	-	(459,972)
Interest on long-term debt	12,135	-	-	-	-	(12,135)	-	(12,135)
Total governmental activities	<u>6,230,212</u>	<u>4,781,445</u>	<u>373,980</u>	<u>178,679</u>	<u>-</u>	<u>(10,458,998)</u>	<u>-</u>	<u>(10,458,998)</u>
Business-type activities								
Food service	92,087	-	54,272	36,466	-	-	(1,349)	(1,349)
Total business-type activities	<u>92,087</u>	<u>-</u>	<u>54,272</u>	<u>36,466</u>	<u>-</u>	<u>-</u>	<u>(1,349)</u>	<u>(1,349)</u>
Total primary government	<u>\$ 6,322,299</u>	<u>\$ 4,781,445</u>	<u>\$ 428,252</u>	<u>\$ 215,145</u>	<u>\$ -</u>	<u>(10,458,998)</u>	<u>(1,349)</u>	<u>(10,460,347)</u>
General revenues, special items & transfers								
Property taxes levied for general purposes						6,865,199	-	6,865,199
Property taxes levied for debt service						223,950	-	223,950
Federal & State aid not restricted						3,987,671	-	3,987,671
Investment earnings						7,258	23	7,281
Miscellaneous income						20,613	408	21,021
Total general revenues, special items & transfers						<u>11,104,691</u>	<u>431</u>	<u>11,105,122</u>
Change in net position						645,693	(918)	644,775
Net position - beginning						3,636,696	23,061	3,659,757
Net position - ending						<u>\$ 4,282,389</u>	<u>\$ 22,143</u>	<u>\$ 4,304,532</u>

See accompanying notes to financial statements.

FUND FINANCIAL STATEMENTS

The individual fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2017

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
Assets					
Cash & cash equivalents	\$ 429,046	\$ -	\$ -	\$ -	\$ 429,046
Due from other funds	22,749	-	-	-	22,749
Receivables from other governments					
State	38,019	-	-	-	38,019
Federal	-	44,623	-	-	44,623
Other local governments	21,029	-	-	-	21,029
Other accounts receivable	6,650	1,613	-	-	8,263
Restricted cash & cash equivalents	<u>1,281,498</u>	<u>-</u>	<u>318,869</u>	<u>-</u>	<u>1,600,367</u>
Total assets	<u><u>\$ 1,798,991</u></u>	<u><u>\$ 46,236</u></u>	<u><u>\$ 318,869</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,164,096</u></u>
Liabilities and fund balances					
Liabilities					
Due to other funds	\$ -	\$ 22,149	\$ -	\$ -	\$ 22,149
Payable to other governments					
State	-	1,613	-	-	1,613
Accounts payable	62,263	8,121	-	-	70,384
Unearned revenue	15,000	14,353	-	-	29,353
Total liabilities	<u>77,263</u>	<u>46,236</u>	<u>-</u>	<u>-</u>	<u>123,499</u>

See accompanying notes to financial statements.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Balance Sheet (continued)
Governmental Funds
June 30, 2017

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
Liabilities and fund balances					
Fund balances					
Restricted fund balance					
Excess surplus - designated for subsequent year's expenditures	\$ 112,100	\$ -	\$ -	\$ -	\$ 112,100
Excess surplus - current year	107,509	-	-	-	107,509
Capital reserve	956,198	-	-	-	956,198
Emergency reserve	75,300	-	-	-	75,300
Maintenance reserve	250,000	-	-	-	250,000
Capital projects fund balance	-	-	318,869	-	318,869
Committed fund balance					
Encumbrances	32,200	-	-	-	32,200
Assigned fund balance					
Designated for subsequent year's expenditures	13,219	-	-	-	13,219
Unassigned fund balance	175,202	-	-	-	175,202
Total fund balances	1,721,728	-	318,869	-	2,040,597
 Total liabilities and fund balances	 \$ 1,798,991	 \$ 46,236	 \$ 318,869	 \$ -	

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

Capital assets used in government activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$8,473,360 and the accumulated depreciation is \$3,492,000.	4,981,360
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	997,305
Long-term liabilities, including bonds payable and compensated absences are not due & payable in the current period & therefore are not reported as liabilities in the funds.	(3,731,946)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(4,927)
Total net position of governmental activities	\$ 4,282,389

See accompanying notes to financial statements.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2017

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues					
Local sources					
Local tax levy	\$ 6,865,199	\$ -	\$ -	\$ 223,950	\$ 7,089,149
Tuition charges					
Individuals	116,180	-	-	-	116,180
Other sources	217,292	-	-	-	217,292
Interest	7,258	-	-	-	7,258
Rents and royalties	6,058	-	-	-	6,058
Miscellaneous	55,063	2,355	-	-	57,418
	<u>7,267,050</u>	<u>2,355</u>	<u>-</u>	<u>223,950</u>	<u>7,493,355</u>
State sources	1,892,778	5,211	-	-	1,897,989
Federal sources	-	171,113	-	-	171,113
Total revenues	<u>9,159,828</u>	<u>178,679</u>	<u>-</u>	<u>223,950</u>	<u>9,562,457</u>
Expenditures					
Current					
Instructional					
Regular instruction	2,559,198	24,976	-	-	2,584,174
Special education instruction	635,459	74,604	-	-	710,063
Other special instruction	61,670	30,282	-	-	91,952
Other instruction	81,915	-	-	-	81,915
Support service & undistributed costs					
Tuition	94,964	20,377	-	-	115,341
Student & instruction related services	922,662	28,440	-	-	951,102
General & business administrative services	410,869	-	-	-	410,869
School administrative services	152,905	-	-	-	152,905
Plant operations & maintenance	671,419	-	-	-	671,419
Pupil transportation	448,337	-	-	-	448,337
Unallocated benefits	2,242,947	-	-	-	2,242,947

See accompanying notes to financial statements.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances (continued)
For the Fiscal Year Ended June 30, 2017

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Expenditures (cont'd)					
Capital outlay	\$ 719,816	\$ -	\$ 181,131	\$ -	\$ 900,947
Debt service					
Principal	-	-	-	205,000	205,000
Interest & other charges	1,183	-	-	18,950	20,133
Total expenditures	<u>9,003,344</u>	<u>178,679</u>	<u>181,131</u>	<u>223,950</u>	<u>9,587,104</u>
Excess (deficit) of revenues over (under) expenditures	<u>156,484</u>	<u>-</u>	<u>(181,131)</u>	<u>-</u>	<u>(24,647)</u>
Other financing sources (uses)					
Transfers in	-	-	500,000	-	500,000
Transfers out	(500,000)	-	-	-	(500,000)
Total other financing sources (uses)	<u>(500,000)</u>	<u>-</u>	<u>500,000</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(343,516)	-	318,869	-	(24,647)
Fund balances, July 1	<u>2,065,244</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,065,244</u>
Fund balances, June 30	<u>\$ 1,721,728</u>	<u>\$ -</u>	<u>\$ 318,869</u>	<u>\$ -</u>	<u>\$ 2,040,597</u>

See accompanying notes to financial statements.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2017

Total net changes in fund balances - Governmental fund (from B-2) \$ (24,647)

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

Capital outlays are reported in governmental funds as expenditures.

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

Capital outlays	\$	900,947	
Depreciation expense		<u>(214,691)</u>	686,256

Repayment of debt principal and capital leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets and are not reported in the Statement of Activities

Debt principal payments			205,000
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Governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred & amortized in the Statement of Activities

Amortization of bond premium			4,240
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Governmental funds report district pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

(215,597)

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities (continued)
For the Fiscal Year Ended June 30, 2017

In the Statement of Activities, interest on long-term debt is accrued regardless of when due. In the governmental funds interest is reported when due. The accrued interest is a reconciling item.	\$ 3,758
In the Statement of Activities, compensated absences & early retirement benefits are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.	<u>(13,317)</u>
Change in net position of governmental activities	<u><u>\$ 645,693</u></u>

See accompanying notes to financial statements.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Statement of Net Position
June 30, 2017

	<u>Food Service Fund</u>
Assets	
Current assets	
Cash and cash equivalents	\$ 5,341
Receivables from other governments	
State	63
Federal	1,852
Other accounts receivable	3,293
Inventory	<u>2,660</u>
Total current assets	<u>13,209</u>
Noncurrent assets	
Capital assets	34,294
Less: accumulated depreciation	<u>21,639</u>
Total noncurrent assets	<u>12,655</u>
Total assets	<u>25,864</u>
Liabilities	
Current liabilities	
Unearned revenues - commodities	1,498
Unearned revenues - prepaid sales	<u>2,223</u>
Total liabilities	<u>3,721</u>
Net position	
Net investment in capital assets	12,655
Unrestricted	<u>9,488</u>
Total net position	<u><u>\$ 22,143</u></u>

See accompanying notes to financial statements.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2017

	Food Service Fund
Operating revenues	
Charges for services	
Daily sales - reimbursable programs	\$ 38,310
Daily sales - non-reimbursable programs	15,962
Total operating revenues	54,272
Operating expenses	
Cost of sales - reimbursable programs	32,734
Cost of sales - non-reimbursable programs	1,779
Commodity food costs	8,680
Salaries	34,305
Support services - employee benefits	4,803
Purchased professional/technical services	1,850
Purchased property services	508
Other purchased services	
Insurance	3,211
Management fee	173
Supplies and materials	2,125
Depreciation	1,463
Miscellaneous expenditures	456
Total operating expenses	92,087
Operating income (loss)	(37,815)
Non-operating revenues (expenses)	
State sources	
State School Lunch Program	909
Federal sources	
National School Lunch Program	
Cash assistance	26,877
Non cash assistance (commodities)	8,680
Interest earned on investments	23
Miscellaneous	408
Total non-operating revenues (expenses)	36,897
Change in net position	(918)
Net position, beginning	23,061
Net position, ending	\$ 22,143

See accompanying notes to financial statements.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2017

	<u>Food Service Fund</u>
Cash flows from operating activities	
Receipts from customers (net)	\$ 54,508
Payments to Food Service Management Co.	(83,681)
Payments to vendors (net)	(1,877)
Net cash provided by (used for) operating activities	<u>(31,050)</u>
Cash flows from non-capital financing activities	
State sources	1,026
Federal sources	30,705
Miscellaneous	409
Net cash provided by (used for) non-capital financing activities	<u>32,140</u>
Cash flows from investing activities	
Interest on investments	<u>23</u>
Net increase (decrease) in cash and cash equivalents	1,113
Cash and cash equivalents, beginning	<u>4,228</u>
Cash and cash equivalents, ending	<u><u>\$ 5,341</u></u>
Reconciliation of operating income to net cash provided by operating activities	
Operating income (loss)	\$ (37,815)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities	
Depreciation	1,463
Federal Food Donation Program	8,680
(Increase) decrease in accounts receivable	(3,293)
(Increase) decrease in inventory	(698)
Increase (decrease) in unearned revenue	613
Net cash provided by (used for) operating activities	<u><u>\$ (31,050)</u></u>

See accompanying notes to financial statements.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Statement of Net Position
June 30, 2017

	Unemployment Compensation Fund	Student Activity Agency Fund	Payroll Agency Fund
Assets			
Cash and cash equivalents	\$ 154,310	\$ 25,909	\$ 42,814
Due from other funds	3,678	-	-
Total assets	<u>\$ 157,988</u>	<u>\$ 25,909</u>	<u>\$ 42,814</u>
Liabilities			
Due to other funds	\$ -	\$ -	\$ 4,278
Due to student groups	-	25,909	-
Payroll deductions and withholdings	-	-	38,536
Total liabilities	<u>-</u>	<u>\$ 25,909</u>	<u>\$ 42,814</u>
Net position			
Held in Trust for unemployment claims & other purposes	<u>\$ 157,988</u>		

See accompanying notes to financial statements.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Statement of Changes in Net Position
For the Fiscal Year Ended June 30, 2017

	<u>Unemployment Compensation Fund</u>
Additions	
Contributions	
Employee contributions	\$ 8,235
Baord contributions	15,500
Investment earnings - interest	288
Total additions	<u>24,023</u>
 Deductions	
Unemployment claims	<u>-</u>
 Change in net position	 24,023
 Net position, beginning of the year	 <u>133,965</u>
 Net position, end of the year	 <u><u>\$ 157,988</u></u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies

The financial statements of the Board of Education (Board) of the East Amwell Township School District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local Governmental Units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below.

The basic financial statements include:

A Management's Discussion and Analysis (MD&A) providing an analysis of the Districts over-all financial position and results of operations.

Basic financial statements prepared using full-accrual accounting for all of the District's activities.

A. Reporting entity

The District is a Type II District located in the County of Hunterdon, State of New Jersey. as a Type II District, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year-terms. The purpose of the District is to educate students in Grades K-8. The District had an approximate enrollment at June 30, 2017 of 360 students.

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

1. The organization is legally separate (can sue or be sued in their own name).
2. The District holds the corporate powers of the organization.
3. The District appoints a voting majority of the organization's Board.
4. The District is able to impose its will on the organization.
5. The organization has the potential to impose a financial benefit/burden on the District.
6. There is a fiscal dependency by the organization on the District.

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

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Changes in Net Position) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for Governmental Funds, Proprietary Funds, and Fiduciary Funds, even though the latter are excluded from the government-wide financial statements. The District has elected to treat all of its Governmental Funds as major funds and they are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the Proprietary Fund and Fiduciary Fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, early retirement, arbitrage rebates, and post-employment healthcare benefits, are recorded only when payment is due.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

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

Property taxes, tuition and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. As under New Jersey State Statute, a municipality is required to remit to its school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be accounts receivable. All other revenue items are considered to be measurable and available only when the District receives cash.

Amounts reported as program revenues include 1) charges to students for tuition, fees, rental, material, supplies, or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, and unrestricted State Aids.

Proprietary Funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a Proprietary Fund's principal ongoing operations.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted, as they are needed.

The District reports the following major governmental funds:

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

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

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

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

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

Special Revenue Fund - The District accounts for the proceeds of specific revenue sources from State and Federal Government (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes in the Special Revenue Fund.

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

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

Additionally, the District reports the following fund types:

Proprietary fund types

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

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

The District's Enterprise Fund is comprised of the Food Service Fund.

All Proprietary Funds are accounted for on a current financial resources measurement focus. This means that all assets and liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (total net position) segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary Fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

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

Depreciation of all exhaustive fixed assets used by Proprietary Funds is charged as an expense against their operations. Accumulated depreciation is reported on Proprietary Fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Equipment	12 Years
Light trucks & vehicles	4 Years
Heavy trucks & vehicles	6 Years

Fiduciary fund types

Trust and Agency Funds - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. Agency funds are custodial in nature and do not involve measurement of results of operations. The following is a description of the Trust and Agency Funds of the District.

Unemployment Compensation Trust Fund - This fund is used to account for the portion of employee deductions for unemployment compensation required to be deposited and accumulated for future unemployment claims under the "Benefit Reimbursement Method."

Student Activities Agency Fund - This fund is used to account for funds derived from athletic events or other activities of pupil organizations and accumulated for payment of student group activities.

Payroll Agency Fund - This fund accounts for the withholding and remittance of employee salary deductions.

D. Budgets/budgetary control

Annual appropriated budgets are prepared in the Spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted to the County office and, if necessary, are voted upon at the annual school election in November. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line-item accounts within each fund. Line-item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum Chart of Accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2017 were insignificant.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

D. Budgets/budgetary control (continued)

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

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

E. Encumbrances

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

Open encumbrances in the Special Revenue Fund for which the District has received advances are reflected in the balance sheet as unearned revenues at fiscal year-end.

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

F. Tuition receivable

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

G. Tuition payable

Tuition charges for the fiscal years 2016-2017 and 2015-2016 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Short-term Interfund receivable and payables

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

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

I. Inventories and prepaid items

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

Enterprise Fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. The commodities inventory value at balance sheet date is reported as unearned revenue as title does not pass to the School District until the commodities are used. Prepaid items in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2017.

J. Capital assets

Capital assets, which include land, land improvements, buildings and improvements, vehicles and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

All reported capital assets, except for land and construction in progress, of the District are depreciated using the straight-line method over the following estimated lives:

Assets	Years
Buildings	50
Building improvements & portable classroom	50
Land improvements	20
Furniture	20
Maintenance equipment	15
Musical instruments	10
Athletic equipment	10
Audio visual equipment	10
Office equipment	5 - 10
Computer equipment	5 - 10

K. Compensated absences

The District accounts for compensated absences (e.g., unused vacation and sick leave) as directed by Governmental Accounting Standards Board statement number 16 (GASB 16), "Accounting for Compensated Absences." A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

K. Compensated absences (continued)

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the Districts' agreements with the various employee unions.

The liability for compensated absences was accrued using the vesting method, whereby the liability is calculated by vesting balances as of the balance sheet date for which a payment is probable. Salary related payments for the employer's share of Social Security and Medicare taxes are included.

For the government-wide statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, in the fund financial statements, all of the compensated absences are considered long-term and therefore are not a fund liability. This represents a reconciling item between the fund and government-wide presentations.

L. Unearned revenue

Unearned revenue in the General Fund and Special Revenue Fund represents cash, which has been received but not yet earned. See Note 1 (E) regarding the Special Revenue Fund.

Unearned revenue in the Enterprise Fund includes United States government commodity inventories at year-end. The aid revenue associated with this commodity inventory is deferred until it is used in the operations of the Food Service Fund. Prepaid lunch debit card revenue balances at year-end are also included in unearned revenue.

M. Long-term obligations

In the government-wide financial statements and in internal service fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

N. 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 credits, grantors, or laws or regulations of their 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.

O. Fund balances - governmental funds

In the fund financial statements, Governmental Funds report the following classifications of fund balance:

- Non-spendable - includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.
- Restricted - includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.
- Committed - includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.
- Assigned - includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.
- Unassigned - includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

O. Fund balances - governmental funds (continued)

When expenditure is incurred for purposes which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

P. Comparative data/reclassifications

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations. Also, certain immaterial amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

Q. Allocation of indirect expenses

Certain expenses, which have not been charged to a specific function in the District's fund financial statements, have been allocated to the functions for the government-wide statements. Employee benefits, on-behalf TPAF pension contributions, reimbursed TPAF Social Security contributions and compensated absences accruals have been allocated based on salaries by function. Depreciation expense which was not specifically identified by function has been allocated based on the current year expenses by function.

R. Deferred outflows/inflows of resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has one item that qualifies for reporting in this category, deferred amount on pension activity. In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category, deferred amount on pension activity.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 2 - Tax assessments and property taxes

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners.

Upon the filing of certified adopted budgets by the municipality, the municipality's local school districts, and the county, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of property, levying of taxes and the collection thereof are set forth in N.J.S.A. 54:4 et seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

Tax bills are mailed annually in June. The taxes are due August 1 and November 1 respectively, and are adjusted to reflect the current fiscal year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding fiscal year are based upon one-half of the current year's total tax.

Tax installments not paid on or before the due date are subject to interest penalties of eight percent per annum on the first \$1,500 of the delinquency and eighteen percent per annum on any amount in excess of \$1,500. Pursuant to Chapter 75, PL 1991, the governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the calendar year. The penalty so fixed shall not exceed six percent of the amount of the delinquency. These interest and penalties are the highest permitted under the New Jersey statutes. Delinquent taxes are annually included in a tax sale in accordance with New Jersey statutes.

School taxes are guaranteed as to amount of collection by the municipality, the collection agency, and are transmitted to the School District in accordance with the Schedule of Tax Installments as certified by the School District's Board of Education on an annual basis.

Note 3 - Deposits, cash equivalents, and investments

Cash and cash equivalents include petty cash, change funds, cash and certificates of deposit in banks. As of June 30, 2017, the District had no investments.

New Jersey Governmental Units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey Governmental Units. In addition, other state statutes permit investments in obligations issued by local authorities and other state agencies. The State of New Jersey does not place any limit on the amount that the District may invest with any one issuer.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

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

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

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

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits might not be recovered. The District does not have a policy for custodial credit risk. New Jersey statutes require cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Unit Deposit Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds, employee salary withholdings, or funds that may pass to the District relative to the happening of a future condition.

As of June 30, 2017, the District's bank balances were exposed to custodial credit risk as follows:

Insured by the Federal Deposit Insurance Corporation (FDIC)	\$ 250,000
Collateralized with securities held by pledging financial institutions	2,223,269
Total bank balances	<u>\$ 2,473,269</u>

Deposits at June 30, 2017 appear in the financial statements as summarized below:

Cash and cash equivalents		<u>\$ 2,257,787</u>
	<u>Ref.</u>	
Unrestricted cash and cash equivalents		
Governmental Funds, Balance Sheet	B-1	\$ 429,046
Enterprise Funds, Statement of Net Position	B-4	5,341
Fiduciary Funds, Statement of Net Position	B-7	223,033
Restricted cash and cash equivalents		
Governmental Funds, Balance Sheet	B-1	<u>1,600,367</u>
Total cash and cash equivalents		<u>\$ 2,257,787</u>

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 4 - Capital assets

Capital asset activity for the fiscal year ended June 30, 2017 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 462,026	\$ -	\$ -	\$ 462,026
Construction in progress	9,459	210,161	-	219,620
Total	<u>471,485</u>	<u>210,161</u>	<u>-</u>	<u>681,646</u>
Capital assets, being depreciated				
Land improvements	122,047	-	-	122,047
Building & improvements	6,430,625	565,700	-	6,996,325
Furniture & equipment	548,256	125,086	-	673,342
Total	<u>7,100,928</u>	<u>690,786</u>	<u>-</u>	<u>7,791,714</u>
Accumulated depreciation				
Land improvements	75,469	5,909	-	81,378
Building & improvements	2,840,455	174,591	-	3,015,046
Furniture & equipment	361,385	34,191	-	395,576
Total	<u>3,277,309</u>	<u>214,691</u>	<u>-</u>	<u>3,492,000</u>
Total capital assets, being depreciated, net	<u>3,823,619</u>	<u>476,095</u>	<u>-</u>	<u>4,299,714</u>
Governmental activities capital assets, net	<u>\$ 4,295,104</u>	<u>\$ (686,256)</u>	<u>\$ -</u>	<u>\$ 4,981,360</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business type activities				
Furniture & equipment	\$ 34,294	\$ -	\$ -	\$ 34,294
Less: accumulated depreciation	20,176	1,463	-	21,639
Business type activities capital assets, net	<u>\$ 14,118</u>	<u>\$ (1,463)</u>	<u>\$ -</u>	<u>\$ 12,655</u>

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 4 - Capital assets (continued)

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

Instruction		
Regular	\$	108,748
Special education		29,880
Other special instruction		3,869
Other instruction		3,447
Support services		
Student & instruction		40,089
General & business administration		17,290
School administration		6,434
Plant maintenance		4,934
Total depreciation expense, governmental activities	\$	<u>214,691</u>

Note 5 - Long-term debt

Long-term liability activity for the year ended June 30, 2017 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds payable	\$ 420,000	\$ -	\$ 205,000	\$ 215,000	\$ 215,000
Compensated absences payable	374,265	13,317	-	387,582	-
PERS net pension liability	2,290,958	829,926	-	3,120,884	-
Bond premium	12,720	-	4,240	8,480	4,240
Total governmental activities long-term liabilities	<u>\$ 3,097,943</u>	<u>\$ 843,243</u>	<u>\$ 209,240</u>	<u>\$ 3,731,946</u>	<u>\$ 219,240</u>

Payments on the general obligation bonds are made in the Debt Service Fund from property taxes and State Aid. The other long-term debts are paid in the current expenditures budget of the District's General Fund.

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2017, including interest payments are listed as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 215,000	\$ 10,750	\$ 225,750
Total	<u>\$ 215,000</u>	<u>\$ 10,750</u>	<u>\$ 225,750</u>

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 5 - Long-term debt (continued)

General Obligation Bonds - General obligation school building bonds payable at June 30, 2017, with their outstanding balances are comprised of the following individual issues:

\$1,885,000 - 2007 refunding general obligation bonds, due in annual installments of \$150,000 to \$215,000, beginning January 15, 2008, through January 15, 2018, interest at 3.625% to 5.000%.	\$ <u>215,000</u>
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The general obligation bonded debt of the District is limited by state law to 3% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2017 is \$21,752,101. General obligation debt at June 30, 2017 is \$215,000 bonds issued and \$3,315,000 authorized not issued, resulting in a legal debt margin of \$18,222,101.

School Bonds of 2017 - On July 27, 2017, the District issued \$3,315,000 in general obligation bonds with an interest rate of 2.00% to 3.125%. The proceeds of the bond were to finance the debt authorized for the School Facilities Project. Principal payments are due in annual installments of \$110,000 to \$220,000 beginning January 15, 2019 through January 15, 2038.

Note 6 - Pension plans

Description of systems

Substantially all of the Board's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF), Public Employees' Retirement System (PERS) and the Defined Contribution Retirement Program (DCRP). The PERS and TPAF systems are sponsored and administered by the State of New Jersey. The DCRP system is administered by Prudential Financial for the Division of Pensions and Benefits. The Teachers' Pension and Annuity Fund retirement system is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other related non-contributing employers. The Public Employees Retirement System and Defined Contribution Retirement Program are considered cost sharing multiple-employer plans.

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

The vesting and benefit provisions are set by N.J.S.A. 43:15A. 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 PERS.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)
A. Public employees' retirement systems (PERS) (continued)
Plan description (continued)

The following represents the membership tiers for PERS:

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

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

Allocation methodology and reconciliation to financial statements

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the Schedule of Employer Allocations are applied to amounts presented in the Schedules of Pension Amounts by Employer. The allocation percentages for each group as of June 30, 2016 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2016.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

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

Allocation methodology and reconciliation to financial statements (continued)

GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer allocation percentages presented in the Division's Schedule of Employer Allocations and applied to amounts presented in the Schedule of Pension Amounts by Employer are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the State fiscal year ended June 30, 2016. Employer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the Schedule of Pension Amounts by Employer may result in immaterial differences.

Contributions

The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal years 2016, the State's pension contribution was less than the actuarial determined amount.

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

The contribution rate was 7.20% effective July 1, 2016 and will increase annually on July 1st until eventually reaching 7.50% of base salary effective July 1, 2018.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

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

Collective net pension liability and actuarial information

Components of net pension liability

The components of the District's allocable share of the net pension liability for PERS as of June 30, 2016:

	2016
Total pension liability	\$ 5,213,360
Plan fiduciary net position	2,092,476
Net pension liability	\$ 3,120,884

Plan fiduciary net position as a percentage of the total pension liability	40.14%
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The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	3.08%
Salary increases (based on age)	
Through 2026	1.65% - 4.15%
Thereafter	2.65% - 5.15%
Investment rate of return	7.65%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set-back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set-back 3 years for males and set forward 1 year for females).

The actuarial assumptions, used in the July 1, 2015 valuation, were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

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

Long-term expected rate of return

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees, and the Actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected Rate of Return</u>
Cash	5.00%	.87%
U.S. Treasuries	1.50%	1.74%
Investment Grad Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex U.S.	5.00%	-0.25%
REIT	5.25%	5.63%

Discount rate

The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

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

Discount rate (continued)

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 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2043, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the collective net pension liability of the District as of June 30, 2016, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

<u>District's proportionate share of the net pension liability</u>	<u>2016</u>
At current discount rate (3.98%)	\$ 3,120,884
At a 1% lower rate (2.98%)	3,824,279
At a 1% higher rate (4.98%)	2,540,170

Collective deferred outflows of resources and deferred inflows of resources

At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 58,039	\$ -
Changes of assumptions	646,480	-
Net difference between projected and actual earnings on pension plan investments	119,002	-
Changes in proportion and differences between District contributions and proportionate share of contributions	159,291	79,120
District contributions subsequent to the measurement date	93,613	-
Total	\$ 1,076,425	\$ 79,120

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

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

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

The amount reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date (i.e., for the school year ending June 30, 2017, the plan measurement date is June 30, 2016) of \$93,613 will be recognized as a reduction of the net pension liability in the year ended June 30, 2017.

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the year ended June 30, 2016:

	Beginning Balance	Increases	Decreases	Ending Balance
Deferred outflows of resources				
Changes of assumptions and differences between expected and actual experience	\$ 310,461	\$ 561,279	\$ 167,221	\$ 704,519
Deferred inflows of resources				
Difference between projected and actual earnings on pension plan investments	(38,032)	175,222	18,188	119,002
Net of deferred outflows	<u>\$ 272,429</u>	<u>\$ 736,501</u>	<u>\$ 185,409</u>	<u>\$ 823,521</u>

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

Year Ending June 30,

2017	\$ 185,408
2018	185,408
2019	214,802
2020	180,465
2021	57,438
Total	<u>\$ 823,521</u>

Pension expense

For the year ended June 30, 2017, the District recognized net pension expense of \$309,210, which represents the District's proportionate share of allocable plan pension expense of \$297,957, plus the net amortization of deferred amounts from changes in proportion of \$17,117, and less other adjustments to the net pension liability of \$5,864. The components of allocable pension expense, which exclude amounts attributable to employer paid member contributions and pension expense related to specific liabilities of individual employers, for the District for the year ending June 30, 2016 are as follows:

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 -

Pension plan (continued)

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

Pension expense (continued)

Service cost	\$	101,851
Interest on total pension liability		222,378
Member contributions		(52,790)
Administrative expense		1,685
Expected investment return net of investment expense		(160,244)
Pension expense related to specific liabilities of individual employers		(332)
Recognition of deferred inflows/outflows of resources		
Amortization of assumption changes or inputs		152,297
Amortization of expected versus actual experience		14,924
Amortization of projected versus actual investment earnings on pension plan investments		18,188
Pension expense	\$	297,957

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

Plan description

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

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF 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 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 enrolled prior to July 2007
2	Members eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members eligible to enroll on or after June 28, 2011

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

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

Plan description (continued)

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.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the State fiscal year 2016, the State's pension contribution was less than the actuarial determined amount.

Special funding situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the Notes to the Financial Statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. During the State fiscal year ending June 30, 2016, the State of New Jersey contributed \$282,264 to the TPAF for normal pension benefits on behalf of the District.

The contribution rate was 7.20% effective July 1, 2016 and will increase annually on July 1st until eventually reaching 7.50% of base salary effective July 1, 2018.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

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

Special funding situation (continued)

For purposes of reporting required by GASB Statement No. 68, Accounting and Financial Reporting for Pensions, the District's proportionate share of allocable net pension liability, employer pension expense and related revenue, non-employer contributions and their allocable proportionate percentage for fiscal year ending June 30, 2016 is as follows:

	2016
State's proportionate share of net pension liability	\$ 27,881,315
District's proportionate share of net pension liability	-
Employer pension expense and related revenue	2,094,893
Non-employer contribution	282,264
 Allocable proportionate percentage	 0.0354424846%

The components of the contractually required contribution, which exclude amounts related to specific liabilities of individual employers, for the District for the year ending June 30, 2016 are as follows:

Service cost	\$ 827,075
Interest on total pension liability	1,303,537
Member contributions	(268,731)
Administrative expense	4,857
Expected investment return net of investment expense	(667,352)
Pension expense related to specific liabilities of individual employers	(86)
Recognition of deferred inflows/outflows of resources	
Amortization of assumption changes or inputs	8,768
Amortization of expected versus actual experience	820,080
Amortization of projected versus actual investment earnings on pension plan investments	66,745
Pension expense	\$ 2,094,893

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

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

Collective net pension liability and actuarial information

Components of net pension liability

As detailed earlier, the District was not required to report a liability for its proportionate share of net pension expense for TPAF due to a special funding situation. The State's proportionate share of the net pension liability for TPAF as of June 30, 2016 is as follows:

	2016
Total pension liability	\$ 35,896,153
Plan fiduciary net position	8,014,838
Net pension liability	\$ 27,881,315

Plan fiduciary net position as a percentage of the total pension liability	22.33%
--	--------

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%
Salary increases (based on age)	
2012 - 2021	Varies based on experience
Thereafter	Varies based on experience
Investment rate of return	7.65%

Pre-retirement, post retirement, and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis on a 60-year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial study for the period July 1, 2012 to June 30, 2015.

Long-term expected rate of return

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees, and the Actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2016 are summarized in the following table:

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)
B. Teacher's pension and annuity fund (TPAF) (continued)
Long-term expected rate of return (continued)

Asset Class	Target Allocations	Long-Term Expected Rate of Return
Cash	5.00%	.39%
U.S. Government Bonds	1.50%	1.28%
U.S. Credit Bonds	13.00%	2.76%
U.S. Mortgages	2.00%	2.38%
U.S. Inflation-Indexed Bonds	1.50%	1.41%
U.S. High Yield Bonds	2.00%	4.70%
U.S. Equity Market	26.00%	5.14%
Foreign Developed Equity	13.25%	5.91%
Emerging Market Equity	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmland	1.00%	4.39%
Private Equity	9.00%	8.97%
Commodities	.50%	2.87%
Hedge Funds - Multi-Strategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%

Discount rate

The discount rate used to measure the total pension liability was 3.22% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the rate in the most recent State fiscal year. The State contributed 30% of the actuarially determined contributions. Based on those assumptions, the plans fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2029. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2029 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plan (continued)

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

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

The following presents the collective net pension liability of the District as of June 30, 2016, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

<u>District's Proportionate Share of the Net Pension Liability</u>	<u>2016</u>
At current discount rate (3.22%)	\$ 27,881,315
At a 1% lower rate (2.22%)	33,296,521
At a 1% higher rate (4.22%)	23,459,101

C. Defined contribution retirement program

The Defined Contribution Retirement Program (DCRP) was established under the provisions Ch. 92, PL 2007 and expanded under the provisions of Ch. 89, PL 2008 and Ch. 1, PL 2010 to provide eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees eligible to enroll in the program include the following: First, employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007 who earn salary in excess of maximum compensation limits. Also, employees otherwise eligible to enroll in the TPAF and PERS who do not earn the minimum salary (\$8,300 in 2017) but who earn salary of at least \$5,000 annually are eligible to participate. The program administrator, Prudential Financial, makes information regarding the program available on its New Jersey Defined Contribution Program Web Site: www.prudential.com/njdcprp.

Contribution rates for DCRP provide for employee contributions of 5.50% of annual contractual compensation as defined. The District's contribution to the DCRP for fiscal year ending 2017 was \$2,796.

D. Other pension plan information

During the year ended June 30, 2017, the State of New Jersey contributed \$337,052 to the TPAF for post-retirement medical benefits, \$14,144 for non-contributory insurance premiums, \$536 for long-term disability insurance, and \$390,369 for normal costs and accrued liability costs on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$262,080 during the year ended June 30, 2017 for the employer's share of Social Security contributions for TPAF members calculated on their base salaries. These amounts have been included in the financial statements and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB 68.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Post-retirement benefits

Chapter 384 of PL 1987 and Ch. 6 of PL 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25-years of credited service or on a disability retirement. PL 2007, Ch. 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2016, there were 110,512 retirees eligible for post-retirement medical benefits, and the State contributed \$1.37 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with Ch. 62, PL 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning the fiscal year 1994.

The State is also responsible for the cost attributable to Ch. 126, PL 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a Board of Education or County College with 25-years of service. In fiscal year 2016, the State paid \$231.2 million toward Ch. 126 benefits for 20,045 eligible retired members.

GASB Statement 45 requires certain disclosures relating to governmental entities obligations for other post-employment benefits (OPEB), which are post-employment benefits other than pensions. The District's only material OPEB obligation is for healthcare provided to eligible retirees through the NJ State Health Benefits Program.

Plan Description - The School District contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code, SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. The School District adopted a resolution to participate in the SHBP. The State Health Benefits Commission is the executive body established by the statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, PO Box 295, Trenton, NJ 08625-0295 by visiting their website at (www.nj.gov/treasury/pensions).

Funding Policy - Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis. Information regarding the State's annual contributions, annual OPEB cost and net OPEB obligations is available through the State as noted in the previous paragraph.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 8 - Deferred compensation

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

Equitable
 Variable Annuity Life Insurance Co.
 Lincoln Investment Planning
 Great American Insurance Group
 Metropolitan Life

Note 9 - Interfund receivable and payables

The composition of interfund balances as of June 30, 2017 is as follows:

	Receivable	Payable
General Fund	\$ 22,749	\$ -
Payroll Agency	-	4,278
Special Revenue Fund	-	22,149
Unemployment	3,678	-
	\$ 26,427	\$ 26,427

Note 10 - Inventory

Inventory in the Food Service Fund as of June 30, 2017 consisted of the following:

Food	\$ 2,058
Supplies	602
Total	\$ 2,660

Note 11 - Contingent liabilities

The District is involved in various legal proceedings that are incidental to its operations. These legal proceedings are not likely to have a material adverse effect on the financial position of the School District.

Amounts received or are receivables from grantor agencies could be subject to audit and adjusted by grantor agencies. Any disallowed claims, including amounts already collected, may result in 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 District expects such amount, if any, to be immaterial.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 12 - Risk management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, and student accident and surety bonds. There was no significant reduction in insurance coverage from coverage of the prior year. The District did not have any insurance settlements which exceeded insurance coverage for the past three years. A complete Schedule of Insurance Coverage can be found in the Statistical Section of the Comprehensive Annual Financial Report

New Jersey Unemployment Compensation Insurance - The District has elected to fund its NJ Unemployment Compensation Insurance under the “Benefit Reimbursement Method.” Under this plan, the District is required to reimburse the NJ Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, and interest earnings, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District’s Unemployment Trust Fund for the current and previous two years:

Fiscal Year	Board Contrib.	Interest Earnings	Employee Contrib.	Amount Reimbursed	Ending Balance
2016 - 2017	\$ 15,500	\$ 288	\$ 8,235	-	\$ 157,988
2015 - 2016	-	252	7,459	-	133,965
2014 - 2015	-	237	8,026	-	126,254

Note 13 - Legal reserve accounts

A Capital Reserve Account was established by the District for the accumulation of funds for use as Capital Outlay expenditures in subsequent fiscal years. The Capital Reserve Account is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the Capital Reserve Account are restricted to capital projects in the Districts approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the Department of Education, a District may increase the balance in the Capital Reserve by appropriating funds in the annual General Fund budget certified for taxes. A District may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to NJAC 6A:26-9.1(d)1, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 13 - Legal reserve accounts (continued)

Districts are allowed as per N.J.S.A. 18A:7F-41(a) & 41(b) to deposit to the legal reserves by Board resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. Pursuant to this State statute, the District deposited \$500,000 to their Capital Reserve Account by Board resolution in June 2017 as summarized in the following schedule. The following schedule is a summarization of the Legal Reserve Accounts for the current year:

Reserve Type	Beginning Balance	District Contrib.	Interest Earnings	Return Unused Withdrawal	Withdrawal	Ending Balance
Capital	\$ 896,198	\$ 559,500	\$ 500	\$ -	\$ 500,000	\$ 956,198
Emergency	75,300	-	-	-	-	75,300
Maintenance	250,000	-	-	-	-	250,000
Total	<u>\$ 1,221,498</u>	<u>\$ 559,500</u>	<u>\$ 500</u>	<u>\$ -</u>	<u>\$ 500,000</u>	<u>\$ 1,281,498</u>

Note 14 - Fund balances - budgetary basis

As described in Note 1 (N), fund balance may be restricted, committed or assigned. An analysis of the General fund balance on June 30, 2017 is as follows:

	<u>2017</u>
Restricted	
Excess surplus - Represents amount in excess of allowable percentage of expenditures. In accordance with State statute, the excess surplus is designated for utilization in succeeding year's budgets.	\$ 107,509
Excess surplus - Designated for subsequent year's expenditures. Amount appropriated in the succeeding year's budget to reduce tax requirements.	112,100
Capital Reserve Account - Represents funds restricted to capital projects in the Districts long range facilities plan.	956,198
Emergency Reserve Account - Represents funds accumulated to finance unanticipated General Fund expenditures required for a thorough and efficient education.	75,300
Maintenance Reserve Account - Represents funds accumulated for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A.18A:76-9).	250,000
Committed	
Year-end encumbrance - Represents fund balance committed for purchase orders that have been issued but goods or services were not received as of June 30.	32,200
Assigned	
Designated surplus - Designated for Subsequent Year's Expenditures - Represents amount appropriated in the succeeding year's budget to reduce tax requirements.	13,219
Unassigned	
Undesignated - Represents fund balance which has not been restricted or designated.	262,707
Total fund balance	<u>\$ 1,809,233</u>

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 15 - Calculation of excess surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by PL 2004, Ch. 73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey School Districts are required to reserve General Fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2017 is \$107,509.

Note 16 - Subsequent events

The District has evaluated subsequent events through November 14, 2017, which is the date the financial statements were available to be issued and no additional items were noted for disclosure.

Note 17 - Recent accounting pronouncements not yet effective

The following is a list of recent accounting pronouncements which are not yet effective as of the year end date of this report and which are expected to have a material impact on the District's financial reporting:

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75 "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*". This statement, which is effective for reporting periods beginning after June 15, 2017, is expected to have a material impact on the District's financial reporting.

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87 "*Leases*". This statement, which is effective for reporting periods beginning after June 15, 2019, is expected to have a material impact on the District's financial reporting.

Note 18 - Deficit balance in unrestricted net position

The District is reporting a deficit balance in unrestricted net position for governmental activities as of June 30, 2017 of (\$2,084,338) on Schedule A-1 "Statement of Net Position". The deficit balance is not a negative reflection on the District's financial condition, but is the result of reporting required by GASB Statement No. 68 Accounting and Financial Reporting for Pensions which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local sources					
Local tax levy	\$ 6,865,199	\$ -	\$ 6,865,199	\$ 6,865,199	\$ -
Tuition from individuals	75,000	-	75,000	116,180	41,180
Tuition from other LEAs within the state	100,000	-	100,000	217,292	117,292
Rents and royalties	-	-	-	6,058	6,058
Unrestricted miscellaneous revenues	23,000	-	23,000	61,821	38,821
Interest earned on capital reserve funds	500	-	500	500	-
Total	7,063,699	-	7,063,699	7,267,050	203,351
State sources					
School Choice Aid	267,200	-	267,200	267,200	-
Categorical Transportation Aid	181,957	-	181,957	181,957	-
Extraordinary Aid	-	-	-	10,271	10,271
Categorical Special Education Aid	280,435	-	280,435	280,435	-
Categorical Security Aid	37,939	-	37,939	37,939	-
Adjustment Aid	98,275	-	98,275	98,275	-
PARCC Readiness Aid	3,620	-	3,620	3,620	-
Per Pupil Growth Aid	3,620	-	3,620	3,620	-
Professional Learning Community Aid	3,160	-	3,160	3,160	-
Other State Aids	-	-	-	2,436	2,436
TPAF Pension (on-behalf)	-	-	-	404,513	404,513
TPAF Social Security (reimbursed)	-	-	-	262,080	262,080
TPAF Post Retirement Benefits (on-behalf)	-	-	-	337,052	337,052
TPAF Long-term disability insurance (on-behalf)	-	-	-	536	536
Total	876,206	-	876,206	1,893,094	1,016,888
Total Revenues	\$ 7,939,905	\$ -	\$ 7,939,905	\$ 9,160,144	\$ 1,220,239
EXPENDITURES					
Current					
Instruction - regular program					
Salaries of teachers					
Preschool	\$ 51,232	\$ -	\$ 51,232	\$ 50,947	\$ 285
Kindergarten	148,805	-	148,805	148,520	285
Grades 1-5	1,194,340	(1,275)	1,193,065	1,187,115	5,950
Grades 6-8	912,993	(7,975)	905,018	897,248	7,770
Home instruction					
Salaries of teacher	1,200	-	1,200	-	1,200
Other purchased services	150	-	150	-	150
Regular programs - undistributed instruction					
Other salaries for instruction	21,957	3,000	24,957	24,948	9
Purchased professional - educational services	500	(500)	-	-	-
Purchased technical services	24,400	13,800	38,200	19,977	18,223
Other purchased services	100,849	(700)	100,149	99,824	325
General supplies	124,808	1,576	126,384	120,131	6,253
Textbooks	3,000	(3,000)	-	-	-
Other objects	11,700	(1,000)	10,700	10,488	212
Total	2,595,934	3,926	2,599,860	2,559,198	40,662
Special education					
Resource room/resource center					
Salaries of teachers	335,232	-	335,232	332,100	3,132
Other salaries for instruction	119,697	(1,362)	118,335	109,672	8,663
Other purchased services	5,750	(3,700)	2,050	-	2,050
General supplies	4,130	-	4,130	3,205	925
Total	464,809	(5,062)	459,747	444,977	14,770

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (cont'd)					
Autism					
Salaries of teachers	\$ 65,539	\$ -	\$ 65,539	\$ 64,333	\$ 1,206
Other salaries for instruction	-	23,662	23,662	6,082	17,580
General supplies	725	125	850	807	43
Other objects	3,750	(125)	3,625	2,250	1,375
Total	<u>70,014</u>	<u>23,662</u>	<u>93,676</u>	<u>73,472</u>	<u>20,204</u>
Preschool disabilities - full-time					
Salaries of teachers	47,667	(20)	47,647	47,174	473
Other salaries for instruction	56,914	640	57,554	57,548	6
Purchased professional-educational services	15,000	(620)	14,380	11,963	2,417
General supplies	1,350	(1,000)	350	325	25
Total	<u>120,931</u>	<u>(1,000)</u>	<u>119,931</u>	<u>117,010</u>	<u>2,921</u>
Total special education	<u>655,754</u>	<u>17,600</u>	<u>673,354</u>	<u>635,459</u>	<u>37,895</u>
Basic skills/remedial					
Salaries of teachers	68,025	-	68,025	61,451	6,574
Other purchased services	225	-	225	-	225
General supplies	750	(500)	250	219	31
Total	<u>69,000</u>	<u>(500)</u>	<u>68,500</u>	<u>61,670</u>	<u>6,830</u>
School-sponsored co/extra curricular activities-instruction					
Salaries	34,300	7,900	42,200	42,158	42
Purchased services	500	(435)	65	-	65
Supplies and materials	1,750	210	1,960	1,959	1
Other objects	500	(425)	75	75	-
Total	<u>37,050</u>	<u>7,250</u>	<u>44,300</u>	<u>44,192</u>	<u>108</u>
School-sponsored athletics - instruction					
Salaries	36,819	(4,100)	32,719	32,653	66
Purchased services	5,060	(1,750)	3,310	3,308	2
Supplies and materials	6,000	(3,700)	2,300	1,582	718
Other objects	500	-	500	180	320
Total	<u>48,379</u>	<u>(9,550)</u>	<u>38,829</u>	<u>37,723</u>	<u>1,106</u>
Total instruction regular	<u>\$ 3,406,117</u>	<u>\$ 18,726</u>	<u>\$ 3,424,843</u>	<u>\$ 3,338,242</u>	<u>\$ 86,601</u>
Undistributed expenditures - instruction					
Tuition to priv. school for the disabled w/i state	\$ 122,541	\$ (2,500)	\$ 120,041	\$ 94,964	\$ 25,077
Total	<u>122,541</u>	<u>(2,500)</u>	<u>120,041</u>	<u>94,964</u>	<u>25,077</u>
Undistributed expenditures - health services					
Salaries	94,315	1,250	95,565	94,211	1,354
Purchased professional and technical services	11,000	(825)	10,175	10,162	13
Other purchased services	645	(605)	40	31	9
Supplies and materials	3,065	1,980	5,045	4,960	85
Other objects	145	275	420	413	7
Total	<u>109,170</u>	<u>2,075</u>	<u>111,245</u>	<u>109,777</u>	<u>1,468</u>

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (cont'd)					
Undistributed expenditures - speech, ot, pt & related services					
Salaries	\$ 61,927	\$ 1,360	\$ 63,287	\$ 63,286	\$ 1
Purchased professional - educational services	60,000	(1,360)	58,640	41,651	16,989
Supplies and materials	635	-	635	137	498
Other objects	400	-	400	-	400
Total	122,962	-	122,962	105,074	17,888
Undistributed expend - other supp. service stds. - extra service					
Salaries	30,343	(20,000)	10,343	2,150	8,193
Purchased professional - educational services	3,000	-	3,000	-	3,000
Supplies and materials	750	-	750	-	750
Total	34,093	(20,000)	14,093	2,150	11,943
Undistributed expenditures - guidance					
Salaries of other professional staff	89,591	1	89,592	89,591	1
Other purchased services	299	(200)	99	10	89
Supplies and materials	5,850	(601)	5,249	3,943	1,306
Other objects	150	-	150	-	150
Total	95,890	(800)	95,090	93,544	1,546
Undistributed expenditures - child study teams					
Salaries of other professional staff	213,217	-	213,217	195,698	17,519
Salaries of secretarial and clerical assistants	43,850	-	43,850	43,193	657
Other salaries	21,847	1	21,848	21,847	1
Purchased professional - educational services	3,000	(481)	2,519	383	2,136
Other purchased professional & technical services	6,275	1	6,276	6,275	1
Other purchased services	1,000	-	1,000	90	910
Miscellaneous purchased service	2,450	106	2,556	2,556	-
Supplies and materials	5,000	(2)	4,998	1,659	3,339
Other objects	250	-	250	94	156
Total	296,889	(375)	296,514	271,795	24,719
Undistributed expenditures - improvement of inst. service					
Salaries of other professional staff	9,350	(2,475)	6,875	3,416	3,459
Salaries of secretarial & clerical assist	9,137	200	9,337	9,322	15
Other salaries	106,030	3,100	109,130	109,083	47
Other purchased services	1,673	175	1,848	1,845	3
Supplies and materials	1,000	(1,000)	-	-	-
Other objects	1,395	-	1,395	1,369	26
Total	128,585	-	128,585	125,035	3,550
Undistributed expenditures - edu. media service/sch. library					
Salaries	81,584	-	81,584	80,433	1,151
Salaries of technology coordinators	82,328	4,175	86,503	86,488	15
Purchased professional and technical services	40,700	(4,175)	36,525	26,494	10,031
Other purchased services	1,900	-	1,900	1,440	460
Supplies and materials	14,400	(1,200)	13,200	7,788	5,412
Other objects	225	-	225	100	125
Total	221,137	(1,200)	219,937	202,743	17,194

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (cont'd)					
Undistributed expenditures - instructional staff training services					
Purchased professional - educational services	\$ 2,000	\$ 6,975	\$ 8,975	\$ 8,975	\$ -
Other purchased services	6,000	(2,530)	3,470	3,465	5
Supplies and materials	500	(370)	130	104	26
Other objects	450	(197)	253	-	253
Total	8,950	3,878	12,828	12,544	284
Undistributed expend. - support service - general admin.					
Salaries	181,420	5,109	186,529	182,239	4,290
Legal services	10,000	1,355	11,355	11,354	1
Audit fees	15,575	(50)	15,525	15,400	125
Architectural/engineering services	5,000	-	5,000	76	4,924
Communications/telephone	15,238	(5,173)	10,065	9,163	902
BOE other purchased services	2,200	50	2,250	2,239	11
Misc purch services	17,600	4,923	22,523	17,429	5,094
General supplies	4,000	-	4,000	2,285	1,715
BOE in-house training/meeting supplies	300	-	300	102	198
BOE membership dues and fees	4,500	-	4,500	4,237	263
Total	255,833	6,214	262,047	244,524	17,523
Undistributed expend. - support service - school admin.					
Salaries of principals/assistant principals	93,814	1	93,815	93,815	-
Salaries of secretarial and clerical assistants	45,685	1,147	46,832	46,121	711
Other purchased services	3,023	(1)	3,022	2,977	45
Supplies and materials	4,000	(700)	3,300	3,259	41
Other objects	2,200	(250)	1,950	1,943	7
Total	148,722	197	148,919	148,115	804
Undistributed expenditures - central services					
Salaries	149,176	3,950	153,126	153,084	42
Purchased professional services	8,400	(174)	8,226	8,226	-
Purchased technical services	1,002	(1,002)	-	-	-
Miscellaneous purchased services	1,375	927	2,302	2,259	43
Supplies and materials	1,000	(400)	600	561	39
Other objects	2,250	(35)	2,215	2,215	-
Total	163,203	3,266	166,469	166,345	124
Undistributed expenditures - admin. info. technology					
Purchased professional services	-	4,790	4,790	4,790	-
Purchased technical services	4,790	(4,790)	-	-	-
Total	4,790	-	4,790	4,790	-
Undistributed expend. - required maint. for school facilities					
Salaries	44,523	250	44,773	44,769	4
Cleaning, repair, and maintenance services	99,000	(250)	98,750	98,114	636
General supplies	2,000	-	2,000	-	2,000
Total	145,523	-	145,523	142,883	2,640

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (cont'd)					
Undistributed expenditures - custodial services					
Salaries	\$ 203,223	\$ 6,510	\$ 209,733	\$ 209,724	\$ 9
Purchased professional and technical services	23,900	-	23,900	15,343	8,557
Cleaning, repair, and maintenance service	28,500	(2,600)	25,900	25,386	514
Insurance	33,900	-	33,900	32,386	1,514
Miscellaneous purchased services	500	-	500	500	-
General supplies	41,960	1,300	43,260	41,758	1,502
Energy (natural gas)	50,000	(14,910)	35,090	31,979	3,111
Energy (electricity)	104,000	(7,780)	96,220	73,236	22,984
Other objects	2,000	-	2,000	1,587	413
Total	487,983	(17,480)	470,503	431,899	38,604
Undistributed expenditures - care and upkeep of grounds					
Salaries	74,874	25	74,899	74,898	1
Purchased professional and technical services	2,000	(1,970)	30	27	3
Cleaning, repair, and maintenance service	3,000	2,795	5,795	5,795	-
General supplies	9,500	(850)	8,650	8,190	460
Other objects	1,000	-	1,000	-	1,000
Total	90,374	-	90,374	88,910	1,464
Undistributed expenditures - security					
Purchased professional and technical services	14,300	-	14,300	4,107	10,193
Cleaning, repair, and maintenance service	1,500	1,600	3,100	3,095	5
General supplies	1,250	-	1,250	525	725
Other objects	5,000	-	5,000	-	5,000
Total	22,050	1,600	23,650	7,727	15,923
Undistributed expenditures - student transportation service					
Salaries for pupil trans (between home & school) - reg.	8,932	250	9,182	9,178	4
Management fee - esc & ctsa trans. program	500	2,500	3,000	2,642	358
Contract service-Aid in lieu pymts-non-public schools	13,260	-	13,260	11,934	1,326
Contract serv-Aid in lieu pymts-choice school students	3,536	884	4,420	3,536	884
Contr service (oth. than between home & school) - vend	25,000	(2,250)	22,750	18,505	4,245
Contr service (between home & school) - joint agreements	347,789	4,700	352,489	352,449	40
Contract service (sp ed stds) - joint agreements	47,107	(26,084)	21,023	-	21,023
Contract service (spl. ed. students) - escs & ctsas	31,000	20,000	51,000	50,093	907
Total	477,124	-	477,124	448,337	28,787
Unallocated benefits-employee benefits					
Social Security Contributions	80,788	7,715	88,503	88,495	8
Other Retirement Contributions - PERS	96,875	(2,815)	94,060	93,975	85
Workmen's compensation	40,100	500	40,600	40,583	17
Health benefits	1,032,500	(4,700)	1,027,800	964,065	63,735
Tuition reimbursement	32,500	(700)	31,800	24,139	7,661
Other employee benefits	44,874	-	44,874	27,509	17,365
Total	1,327,637	-	1,327,637	1,238,766	88,871

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (cont'd)					
On-behalf TPAF Pension Contribution	\$ -	\$ -	\$ -	\$ 404,513	\$ (404,513)
On-behalf TPAF Post Retirement Medical Benefits	-	-	-	337,052	(337,052)
On-behalf TPAF Long-Term Disability Insurance	-	-	-	536	(536)
Reimbursed TPAF Social Security Contribution	-	-	-	262,080	(262,080)
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,004,181</u>	<u>(1,004,181)</u>
Total undistributed expenditures	<u>\$ 4,263,456</u>	<u>\$ (25,125)</u>	<u>\$ 4,238,331</u>	<u>\$ 4,944,103</u>	<u>\$ (705,772)</u>
Total current	<u>\$ 7,669,573</u>	<u>\$ (6,399)</u>	<u>\$ 7,663,174</u>	<u>\$ 8,282,345</u>	<u>\$ (619,171)</u>
Capital outlay					
Equipment					
Undistributed					
Undistributed expenditures - instruction	\$ 61,637	\$ 12,290	\$ 73,927	\$ 73,926	\$ 1
Undistributed expenditures - school admin.	43,000	6,110	49,110	40,661	8,449
Undistributed expenditures - custodial services	12,000	(12,000)	-	-	-
Undistributed expenditures - care and upkeep of grounds	12,000	-	12,000	10,500	1,500
Total equipment	<u>128,637</u>	<u>6,400</u>	<u>135,037</u>	<u>125,087</u>	<u>9,950</u>
Facilities acquisition and construction service					
Architectural/engineering services	17,923	(15,018)	2,905	2,904	1
Other purchased professional and technology services	-	39,336	39,336	36,830	2,506
Construction services	368,705	225,181	593,886	554,995	38,891
Land and improvements	249,500	(249,500)	-	-	-
Assessment for debt service on SDA funding	1,183	-	1,183	1,183	-
Total facilities acquisition and construction service	<u>637,311</u>	<u>(1)</u>	<u>637,310</u>	<u>595,912</u>	<u>41,398</u>
Total capital outlay	<u>\$ 765,948</u>	<u>\$ 6,399</u>	<u>\$ 772,347</u>	<u>\$ 720,999</u>	<u>\$ 51,348</u>
Total expenditures	<u>\$ 8,435,521</u>	<u>\$ -</u>	<u>\$ 8,435,521</u>	<u>\$ 9,003,344</u>	<u>\$ (567,823)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (495,616)</u>	<u>\$ -</u>	<u>\$ (495,616)</u>	<u>\$ 156,800</u>	<u>\$ 652,416</u>
Other financing sources (uses)					
Capital reserve - transfer to capital projects fund	-	(500,000)	(500,000)	(500,000)	-
Total other financing sources (uses)	<u>-</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>
Excess (deficiency) of revenues & other financing sources over (under) expenditures & other financing uses	(495,616)	(500,000)	(995,616)	(343,200)	652,416
Fund balances, July 1	2,152,433	-	2,152,433	2,152,433	-
Fund balances, June 30	<u>\$ 1,656,817</u>	<u>\$ (500,000)</u>	<u>\$ 1,156,817</u>	<u>\$ 1,809,233</u>	<u>\$ 652,416</u>

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule (continued)
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Recapitulation of excess (deficiency) of revenues over (under) expenditures					
Adjustment for prior year encumbrances	\$ (450,225)	\$ -	\$ (450,225)	\$ (450,225)	\$ -
Increase in capital reserve	59,500	500,000	559,500	559,500	-
Interest deposit to capital reserve	500	-	500	500	-
Withdrawal from capital reserve	-	(500,000)	(500,000)	(500,000)	-
Budgeted fund balance	(105,391)	(500,000)	(605,391)	47,025	652,416
Total	\$ (495,616)	\$ (500,000)	\$ (995,616)	\$ (343,200)	\$ 652,416
Recapitulation of fund balance					
Restricted fund balance					
Excess surplus - designated for subsequent year's expenditures				\$ 112,100	
Excess surplus - current year				107,509	
Capital reserve				956,198	
Emergency reserve				75,300	
Maintenance reserve				250,000	
Committed fund balance					
Year-end encumbrances				32,200	
Assigned fund balance					
Designated for subsequent year's expenditures				13,219	
Unassigned fund balance				262,707	
Fund balance per budgetary basis				1,809,233	
Reconciliation to governmental statements (GAAP)					
Last state Aid payments not recognized on GAAP basis				(87,505)	
Fund balance per governmental funds (GAAP)				\$ 1,721,728	

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local sources	\$ 15,908	\$ -	\$ 15,908	\$ 2,355	\$ (13,553)
State sources	6,824	-	6,824	5,211	(1,613)
Federal sources	180,589	-	180,589	171,113	(9,476)
Total revenues	<u>\$ 203,321</u>	<u>\$ -</u>	<u>\$ 203,321</u>	<u>\$ 178,679</u>	<u>\$ (24,642)</u>
Expenditures					
Instruction					
Salaries	\$ 102,887	\$ 585	\$ 103,472	\$ 103,472	\$ -
Purchased professional & technical services	18,721	72	18,793	9,511	9,282
General supplies	16,540	-	16,540	2,964	13,576
Textbooks	1,038	-	1,038	1,001	37
Total	<u>139,186</u>	<u>657</u>	<u>139,843</u>	<u>116,948</u>	<u>22,895</u>
Support services					
Tuition	20,377	-	20,377	20,377	-
Employee benefits	13,571	(657)	12,914	12,914	-
Purchased professional & technical services	16,149	-	16,149	16,149	-
Other purchased professional services	3,704	-	3,704	3,701	3
Travel	6,415	1,396	7,811	7,617	194
General supplies	3,919	(1,396)	2,523	973	1,550
Total	<u>64,135</u>	<u>(657)</u>	<u>63,478</u>	<u>61,731</u>	<u>1,747</u>
Total expenditures	<u>\$ 203,321</u>	<u>\$ -</u>	<u>\$ 203,321</u>	<u>\$ 178,679</u>	<u>\$ 24,642</u>

See independent auditors' report.

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

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

<u>Sources/Inflows of Resources</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>
Actual amounts (budgetary) "revenues" from the Budgetary Comparison Schedules	\$ 9,160,144	\$ 178,679
Difference - Budget to GAAP		
The last State Aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expenses (GASB 33)		
State Aid receivable prior year	87,189	-
State Aid receivable current year	(87,505)	-
Total revenues (GAAP Basis)	<u>\$ 9,159,828</u>	<u>\$ 178,679</u>
 <u>Uses/Outflows of Resources</u>		
Actual amounts (budgetary basis) "total outflows" from the Budgetary Comparison Schedule	<u>\$ 9,003,344</u>	<u>\$ 178,679</u>
Total expenditures (GAAP Basis)	<u>\$ 9,003,344</u>	<u>\$ 178,679</u>

See independent auditors' report.

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
District's proportion of the net pension liability (asset) - percentage	N/A	0.0105374274%	0.0102056245%	0.0093651566%	0.0101401554%	N/A	N/A	N/A	N/A	N/A
District's proportion of the net pension liability (asset) - value	N/A	\$ 3,120,884	\$ 2,290,958	\$ 1,753,413	\$ 1,937,985	N/A	N/A	N/A	N/A	N/A
District's covered employee payroll	N/A	\$ 724,564	\$ 720,740	\$ 701,394	\$ 623,478	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	N/A	430.73%	317.86%	249.99%	310.83%	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	40.14%	47.93%	52.08%	48.72%	N/A	N/A	N/A	N/A	N/A

N/A - Not Available

See independent auditors' report.

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Contractually required contribution	\$ 93,975	\$ 87,741	\$ 77,205	\$ 76,404	\$ 78,816	\$ 75,557	\$ 75,832	\$ 58,495	\$ 54,546	\$ 32,698
Contributions in relation to the contractually required contribution	(93,975)	(87,741)	(77,205)	(76,404)	(78,816)	(75,557)	(75,832)	(58,495)	(54,546)	(32,698)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered employee payroll	\$ 786,750	\$ 724,564	\$ 720,740	\$ 701,394	\$ 623,478	\$ 710,120	\$ 690,413	\$ 678,058	\$ 643,547	\$ 676,492
Contributions as a percentage of covered employee payroll	11.94%	12.11%	10.71%	10.89%	12.64%	10.64%	10.98%	8.63%	8.48%	4.83%

See independent auditors' report.

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
District's proportion of the net pension liability (asset) - percentage	N/A	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A
District's proportion of the net pension liability (asset) - value	N/A	\$ -	\$ -	\$ -	\$ -	N/A	N/A	N/A	N/A	N/A
State's proportionate share of the net pension liability (asset) associated with the District	N/A	\$ 27,881,315	23,419,537	19,825,900	19,015,161	N/A	N/A	N/A	N/A	N/A
Total	\$ -	\$ 27,881,315	\$ 23,419,537	\$ 19,825,900	\$ 19,015,161	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	N/A	\$ 3,594,916	\$ 3,698,702	\$ 3,598,130	\$ 3,671,307	N/A	N/A	N/A	N/A	N/A
District's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	N/A	0.00%	0.00%	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	N/A	22.33%	28.71%	33.64%	33.76%	N/A	N/A	N/A	N/A	N/A

N/A - Not Available

See independent auditors' report.

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Contractually required contribution	\$ 404,513	\$ 283,767	\$ 200,326	\$ 156,927	\$ 243,115	\$ 124,207	\$ 11,458	\$ 11,591	\$ 10,466	\$ 241,055
Contributions in relation to the contractually required contribution	(404,513)	(283,767)	(200,326)	(156,927)	(243,115)	(124,207)	(11,458)	(11,591)	(10,466)	(241,055)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered employee payroll	\$ 3,594,070	\$ 3,594,916	\$ 3,698,702	\$ 3,598,130	\$ 3,671,307	\$3,656,942	\$3,613,955	\$3,824,073	\$3,623,846	\$3,252,706
Contributions as a percentage of covered employee payroll	11.26%	7.89%	5.42%	4.36%	6.62%	3.40%	0.32%	0.30%	0.29%	7.41%

See independent auditors' report.

FRENCHTOWN BOROUGH SCHOOL DISTRICT
Notes to the Required Supplementary Information - Part III
(Unaudited)
June 30, 2017

- Note 1 - Special funding situation - TPAF
The participating employer allocations included in the supplemental Schedule of Employer Special Funding Allocations and the supplemental Schedule of Special Funding Amounts by Employer for each local employer are provided as each local employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the pension expense allocated to the State of New Jersey (the State) under the special-funding situation and include their proportionate share of the net pension liability in their respective notes to their financial statements. For this purpose, the proportionate share was developed based on actual contributions made to the Teachers' Pension and Annuity Fund allocated to employers based upon covered payroll and adjusted by expected State Early Retirement Incentive contributions for the respective fiscal year.
- Note 2 - Changes in assumptions - TPAF
The discount rate decreased from 4.13% in State fiscal year 2015 to 3.22% in State fiscal year 2016. The inflation rate was 2.50% for State fiscal years 2015 and 2016.
- Note 3 - Changes in assumptions - PERS
The discount rate decreased from 4.90% in State fiscal year 2015 to 3.98% in State fiscal year 2016. The inflation rate increased from 3.04% for State fiscal year 2015 to 3.08% for State fiscal year 2016.

SPECIAL REVENUE FUND

DETAIL STATEMENTS

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted expenditures for specific purposes.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues And Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2017

	IDEA Basic	IDEA Preschool	NCLB Title IA	NCLB Title IIA	Small, Rural School Achievement	NJ Non-Public	Local Grants	Total
Revenues								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,355	\$ 2,355
State sources	-	-	-	-	-	5,211	-	5,211
Federal sources	94,499	6,189	21,147	10,190	39,088	-	-	171,113
Total revenues	\$ 94,499	\$ 6,189	\$ 21,147	\$ 10,190	\$ 39,088	\$ 5,211	\$ 2,355	\$ 178,679
Expenditures								
Instruction								
Salaries	\$ 68,855	\$ 5,749	\$ 17,368	\$ 1,500	\$ 10,000	\$ -	\$ -	\$ 103,472
Purchased professional & technical services	-	-	-	-	9,511	-	-	9,511
General supplies	-	-	-	100	-	509	2,355	2,964
Textbooks	-	-	-	-	-	1,001	-	1,001
Total	68,855	5,749	17,368	1,600	19,511	1,510	2,355	116,948
Support services								
Tuition	20,377	-	-	-	-	-	-	20,377
Employee benefits	5,267	440	3,779	-	3,428	-	-	12,914
Purchased professional & technical services	-	-	-	-	16,149	-	-	16,149
Other purchased services	-	-	-	-	-	3,701	-	3,701
Travel	-	-	-	7,617	-	-	-	7,617
General supplies	-	-	-	973	-	-	-	973
Total	25,644	440	3,779	8,590	19,577	3,701	-	61,731
Total expenditures	\$ 94,499	\$ 6,189	\$ 21,147	\$ 10,190	\$ 39,088	\$ 5,211	\$ 2,355	\$ 178,679

See independent auditors' report.

CAPITAL PROJECTS FUND

DETAIL STATEMENTS

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Project Expenditures
For the Fiscal Year Ended June 30, 2017

Description	Approval Date	Revised Budgetary Appropriations	Expenditures to Date		Unexpended Appropriations 06/30/17
			Prior Years	Current Year	
Trailer replacement, permanent facilities, and bathroom renovations project	5/16/2017	\$ 3,815,000	\$ -	\$ 181,131	\$ 3,633,869
		<u>\$ 3,815,000</u>	<u>\$ -</u>	<u>\$ 181,131</u>	<u>\$ 3,633,869</u>

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures,
and Changes in Net Position - Budgetary Basis
For the Fiscal Year Ended June 30, 2017

Revenues	
Local sources - transfers from capital reserve	\$ 500,000
Total revenues	<u>500,000</u>
Expenditures	
Purchased professional and technical services	170,759
Fees and permits	10,372
Total expenditures	<u>181,131</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	318,869
Net position - beginning	<u>-</u>
Net position - ending	<u><u>\$ 318,869</u></u>

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status
Budgetary Basis
Trailer Replacement , Permanent Facilities, and Bathroom Renovations Project
For the Fiscal Year Ended June 30, 2017

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Local sources - transfers from capital reserve	\$ -	\$ 500,000	\$ 500,000	\$ 500,000
Bond proceeds	-	-	-	3,315,000
Total revenues	-	500,000	500,000	3,815,000
Expenditures and other financing uses				
Purchased professional and technical services	-	170,759	170,759	307,350
Fees and permits	-	10,372	10,372	33,860
Construction services	-	-	-	3,158,900
Construction contingency	-	-	-	314,890
Total expenditures	-	181,131	181,131	3,815,000
Excess (deficiency) of revenues over (under)				
Expenditures	\$ -	\$ 318,869	\$ 318,869	\$ -

Additional Project Information

Project number	1160-050-16-1000
Project authorization date	5/16/2017
Bonds authorized	1/24/2017
Bonds issued	\$ 3,315,000
Original authorized cost	\$ 3,815,000
Additional authorized cost	\$ -
Revised authorized cost	\$ 3,815,000
Percentage completion	4.75%

See independent auditors' report.

PROPRIETARY FUND

DETAIL STATEMENTS

The Proprietary Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the District's Board is that the costs of providing goods or services be financed through user charges.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Food Service Enterprise Fund
Statement of Net Position
For the Fiscal Year Ended June 30, 2017

Assets	
Current assets	
Cash and cash equivalents	\$ 5,341
Receivables from other governments	
State	63
Federal	1,852
Other accounts receivable	3,293
Inventory	2,660
Total current assets	<u>13,209</u>
Noncurrent assets	
Capital assets	34,294
Less: accumulated depreciation	<u>21,639</u>
Total noncurrent assets	<u>12,655</u>
Total assets	<u>25,864</u>
Liabilities	
Current liabilities	
Unearned revenues - commodities	1,498
Unearned revenues - prepaid sales	<u>2,223</u>
Total liabilities	<u>3,721</u>
Net position	
Net investment in capital assets	12,655
Unrestricted	<u>9,488</u>
Total net position	<u>\$ 22,143</u>

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Food Service Enterprise Fund
Statement of Revenues, Expenses, and
Changes in Net Position
For the Fiscal Year Ended June 30, 2017

Operating revenues	
Charges for services	
Daily sales - reimbursable programs	\$ 38,310
Daily sales - non-reimbursable programs	15,962
Total operating revenues	<u>54,272</u>
Operating expenses	
Cost of sales - reimbursable programs	32,734
Cost of sales - non-reimbursable programs	1,779
Commodity food costs	8,680
Salaries	34,305
Support services - employee benefits	4,803
Purchased professional/technical services	1,850
Purchased property services	508
Other purchased services	
Insurance	3,211
Management fee	173
Supplies and materials	2,125
Depreciation	1,463
Miscellaneous expenditures	456
Total operating expenses	<u>92,087</u>
Operating income (loss)	<u>(37,815)</u>
Non-operating revenues (expenses)	
State sources	
State School Lunch Program	909
Federal sources	
National School Lunch Program	
Cash assistance	26,877
Non-cash assistance (commodities)	8,680
Interest earned on investments	23
Miscellaneous	408
Total non-operating revenues (expenses)	<u>36,897</u>
Change in net position	(918)
Net position, beginning	<u>23,061</u>
Net position, ending	<u>\$ 22,143</u>

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Food Service Enterprise Fund
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2017

Cash flows from operating activities	
Receipts from customers	\$ 54,508
Payments to Food Service Management Co.	(83,681)
Payments to vendors (net)	(1,877)
Net cash provided by (used for) operating activities	<u>(31,050)</u>
Cash flows from non-capital financing activities	
State sources	1,026
Federal sources	30,705
Miscellaneous	409
Net cash provided by (used for) non-capital financing activities	<u>32,140</u>
Cash flows from investing activities	
Interest on investments	<u>23</u>
Net increase in cash and cash equivalents	1,113
Cash and cash equivalents, July 1	<u>4,228</u>
Cash and cash equivalents, June 30	<u><u>\$ 5,341</u></u>
Reconciliation of operating income to net cash provided by operating activities	
Operating income (loss)	\$ (37,815)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities	
Depreciation	1,463
Federal Food Donation Program	8,680
(Increase) decrease in accounts receivable	(3,293)
(Increase) decrease in inventory	(698)
Increase (decrease) in unearned revenue	613
Net cash provided by (used for) operating activities	<u><u>\$ (31,050)</u></u>

See independent auditors' report.

FIDUCIARY FUND

DETAIL STATEMENTS

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

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Combining Statement of Net Position
June 30, 2017

	Unemployment Compensation Fund	Student Activity Agency Fund	Payroll Agency Fund	Total
Assets				
Cash and cash equivalents	\$ 154,310	\$ 25,909	\$ 42,814	\$ 223,033
Due from other funds	3,678	-	-	3,678
Total assets	<u>\$ 157,988</u>	<u>\$ 25,909</u>	<u>\$ 42,814</u>	<u>\$ 226,711</u>
Liabilities				
Due to other funds	\$ -	\$ -	\$ 4,278	\$ 4,278
Due to students groups	-	25,909	-	25,909
Payroll deductions & withholdings	-	-	38,536	38,536
Total liabilities	<u>-</u>	<u>\$ 25,909</u>	<u>\$ 42,814</u>	<u>68,723</u>
Net position				
Held in trust for unemployment claims & other purposes	<u>\$ 157,988</u>			<u>\$ 157,988</u>

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Statement of Changes in Net Position
For the Fiscal Year Ended June 30, 2017

	<u>Unemployment Compensation Fund</u>
Additions	
Contributions	
Employee contributions	\$ 8,235
Board contributions	15,500
Investment earnings - interest	288
Total additions	<u>24,023</u>
 Deductions	
Unemployment claims	<u>-</u>
 Change in net position	 24,023
 Net position, beginning of the year	 <u>133,965</u>
 Net position, end of the year	 <u><u>\$ 157,988</u></u>

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Student Activity Agency Fund
Schedule of Receipts & Disbursements
For the Fiscal Year Ended June 30, 2017

	Balance 07/01/16	Additions	Deletions	Balance 06/30/17
Assets				
Cash and cash equivalents	\$ 20,890	\$ 65,321	\$ 60,302	\$ 25,909
Total assets	\$ 20,890	\$ 65,321	\$ 60,302	\$ 25,909
Liabilities				
Due to student groups	\$ 20,890	\$ 65,321	\$ 60,302	\$ 25,909
Total liabilities	\$ 20,890	\$ 65,321	\$ 60,302	\$ 25,909

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EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Fiduciary Funds
Payroll Agency Fund
Schedule of Receipts & Disbursements
For the Fiscal Year Ended June 30, 2017

	Balance 07/01/16	Additions	Deletions	Balance 06/30/17
Assets				
Cash and cash equivalents	\$ 45,657	\$ 5,361,627	\$ 5,364,470	\$ 42,814
Total assets	\$ 45,657	\$ 5,361,627	\$ 5,364,470	\$ 42,814
Liabilities				
Due to other funds	\$ 7,748	\$ 8,234	\$ 11,704	\$ 4,278
Payroll deductions and withholdings	37,909	2,463,218	2,462,591	38,536
Net payroll	-	2,890,175	2,890,175	-
Total liabilities	\$ 45,657	\$ 5,361,627	\$ 5,364,470	\$ 42,814

See independent auditors' report.

LONG-TERM DEBT SCHEDULES

The Long-Term Debt Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding, obligations under capital leases, and early retirement program.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Long-Term Debt
Schedule of Serial Bonds
For the Fiscal Year Ended June 30, 2017

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance 7/1/16	Issued	Retired	Balance 6/30/17
			Date	Amount					
2007 Refunding bond	04/17/07	\$1,845,000	01/15/18	\$ 215,000	5.00%	\$ 420,000	\$ -	\$ 205,000	\$ 215,000
						\$ 420,000	\$ -	\$ 205,000	\$ 215,000

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Debt Service Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local sources					
Local tax levy	\$ 223,950	\$ -	\$ 223,950	\$ 223,950	\$ -
Total revenues	<u>223,950</u>	<u>-</u>	<u>223,950</u>	<u>223,950</u>	<u>-</u>
EXPENDITURES					
Regular debt service					
Redemption of principal	205,000	-	205,000	205,000	-
Interest	18,950	-	18,950	18,950	-
Total expenditures	<u>223,950</u>	<u>-</u>	<u>223,950</u>	<u>223,950</u>	<u>-</u>
Excess (deficiency) of revenues Over (under) expenditures	-	-	-	-	-
Fund balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report.

Statistical Section

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Statistical Section J Series

CONTENTS	PAGE
FINANCIAL TRENDS	
These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.	J-1 to J-5
REVENUE CAPACITY	
These schedules contain trend information to help the reader assess the District's most significant local revenue sources, the property tax.	J-6 to J-9
DEBT CAPACITY	
These schedules contain trend information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	J-10 to J-13
DEMOGRAPHIC AND ECONOMIC INFORMATION	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	J-14 to J-15
OPERATING INFORMATION	
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	J-16 to J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports (CAFR) for the relevant year.

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

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Government activities										
Net investment in capital assets	\$ 1,415,605	\$ 1,558,634	\$ 1,630,478	\$ 1,712,902	\$ 1,896,570	\$ 1,982,622	\$ 2,258,242	\$ 2,921,483	\$ 3,875,104	\$ 4,766,360
Restricted	204,684	216,069	316,516	445,477	595,954	1,081,120	1,481,079	2,036,753	1,221,498	1,600,367
Unrestricted	145,987	184,286	215,866	173,225	230,515	96,682	(1,717,749)	(1,823,635)	(1,459,906)	(2,084,338)
Total governmental activities	<u>\$ 1,766,276</u>	<u>\$ 1,958,989</u>	<u>\$ 2,162,860</u>	<u>\$ 2,331,604</u>	<u>\$ 2,723,039</u>	<u>\$ 3,160,424</u>	<u>\$ 2,021,572</u>	<u>\$ 3,134,601</u>	<u>\$ 3,636,696</u>	<u>\$ 4,282,389</u>
Business-type activities										
Net investment in capital assets	\$ -	\$ -	\$ -	\$ -	\$ 4,920	\$ 4,473	\$ 4,026	\$ 15,582	\$ 14,118	\$ 12,655
Unrestricted	1,736	2,658	1,772	1,990	1,558	2,175	2,771	9,384	8,943	9,488
Total business-type activities	<u>\$ 1,736</u>	<u>\$ 2,658</u>	<u>\$ 1,772</u>	<u>\$ 1,990</u>	<u>\$ 6,478</u>	<u>\$ 6,648</u>	<u>\$ 6,797</u>	<u>\$ 24,966</u>	<u>\$ 23,061</u>	<u>\$ 22,143</u>
District-wide										
Net investment in capital assets	\$ 1,415,605	\$ 1,558,634	\$ 1,630,478	\$ 1,712,902	\$ 1,901,490	\$ 1,987,095	\$ 2,262,268	\$ 2,937,065	\$ 3,889,222	\$ 4,779,015
Restricted	204,684	216,069	316,516	445,477	595,954	1,081,120	1,481,079	2,036,753	1,221,498	1,600,367
Unrestricted	147,723	186,944	217,638	175,215	232,073	98,857	146,603	(1,814,251)	(1,450,963)	(2,074,850)
Total district-wide	<u>\$ 1,768,012</u>	<u>\$ 1,961,647</u>	<u>\$ 2,164,632</u>	<u>\$ 2,333,594</u>	<u>\$ 2,729,517</u>	<u>\$ 3,167,072</u>	<u>\$ 3,889,950</u>	<u>\$ 3,159,567</u>	<u>\$ 3,659,757</u>	<u>\$ 4,304,532</u>

See independent auditors' report.

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

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities										
Instruction										
Regular	\$ 3,488,678	\$ 3,353,265	\$ 3,599,630	\$ 3,533,207	\$ 3,612,534	\$ 3,738,010	\$ 3,601,495	\$ 4,392,107	\$ 4,037,150	\$ 4,808,627
Special education	898,314	1,013,353	1,022,559	1,049,760	1,118,298	1,060,684	953,478	1,112,211	1,289,730	1,397,812
Other special education	141,161	170,678	187,076	132,092	90,503	92,562	69,602	127,513	111,261	151,606
Other instruction	76,454	78,592	78,198	77,259	78,738	84,510	114,741	91,954	85,519	99,215
Support services										
Tuition	60,719	65,387	43,250	68,876	36,000	41,300	41,300	75,555	71,253	115,341
Student & instruction related services	916,512	928,158	971,995	945,907	1,057,024	1,113,104	1,214,838	1,524,577	1,716,823	1,819,222
General & business administrative services	538,886	546,919	560,355	573,240	651,502	606,134	621,351	641,568	826,490	761,492
School administration	192,146	191,632	223,234	242,512	225,723	235,065	235,075	247,784	303,504	289,866
Plant operations & maintenance	634,316	720,339	682,359	692,903	715,130	797,049	777,315	737,910	1,252,073	1,096,369
Pupil transportation	454,186	453,296	437,161	420,495	408,958	382,429	386,857	408,896	444,932	459,972
Interest on long-term debt	77,789	70,558	65,403	59,390	53,346	42,039	40,688	29,226	20,768	12,135
Total governmental activities expenses	<u>7,479,161</u>	<u>7,592,177</u>	<u>7,871,220</u>	<u>7,795,641</u>	<u>8,047,756</u>	<u>8,192,886</u>	<u>8,056,740</u>	<u>9,389,301</u>	<u>10,159,503</u>	<u>11,011,657</u>
Business-type activities										
Food service	161,116	161,139	164,944	142,249	143,133	138,443	108,591	109,014	104,583	92,087
Total business-type activities	<u>161,116</u>	<u>161,139</u>	<u>164,944</u>	<u>142,249</u>	<u>143,133</u>	<u>138,443</u>	<u>108,591</u>	<u>109,014</u>	<u>104,583</u>	<u>92,087</u>
Total district expenses	<u>\$ 7,640,277</u>	<u>\$ 7,753,316</u>	<u>\$ 8,036,164</u>	<u>\$ 7,937,890</u>	<u>\$ 8,190,889</u>	<u>\$ 8,331,329</u>	<u>\$ 8,165,331</u>	<u>\$ 9,498,315</u>	<u>\$ 10,264,086</u>	<u>\$ 11,103,744</u>

See independent auditors' report.

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

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Program revenues										
Governmental activities										
Operating grants & contributions	\$ 153,415	\$ 161,014	\$ 272,282	\$ 197,096	\$ 211,666	\$ 195,507	\$ 183,694	\$ 161,467	\$ 191,440	\$ 178,679
Charges for services	-	-	-	-	-	-	404,492	339,889	353,533	373,980
Total governmental activities program revenues	<u>153,415</u>	<u>161,014</u>	<u>272,282</u>	<u>197,096</u>	<u>211,666</u>	<u>195,507</u>	<u>588,186</u>	<u>501,356</u>	<u>544,973</u>	<u>552,659</u>
Business-type activities										
Charges for services										
Food service	118,820	115,674	107,787	96,336	83,808	75,725	72,709	68,371	58,685	54,272
Operating grants & contributions	22,279	25,750	30,672	30,000	33,338	32,124	36,000	42,793	43,967	36,466
Total business-type activities program revenues	<u>141,099</u>	<u>141,424</u>	<u>138,459</u>	<u>126,336</u>	<u>117,146</u>	<u>107,849</u>	<u>108,709</u>	<u>111,164</u>	<u>102,652</u>	<u>90,738</u>
Total district-program revenues	<u>\$ 294,514</u>	<u>\$ 302,438</u>	<u>\$ 410,741</u>	<u>\$ 323,432</u>	<u>\$ 328,812</u>	<u>\$ 303,356</u>	<u>\$ 696,895</u>	<u>\$ 612,520</u>	<u>\$ 647,625</u>	<u>\$ 643,397</u>
Net (expense) revenues										
Governmental activities	\$ (7,325,746)	\$ (7,431,163)	\$ (7,598,938)	\$ (7,598,545)	\$ (7,836,090)	\$ (7,997,379)	\$ (7,468,554)	\$ (8,887,945)	\$ (9,614,530)	\$ (10,458,998)
Business-type activities	(20,017)	(19,715)	(26,485)	(15,913)	(25,987)	(30,594)	118	2,150	(1,931)	(1,349)
Total district-wide net expenses	<u>\$ (7,345,763)</u>	<u>\$ (7,450,878)</u>	<u>\$ (7,625,423)</u>	<u>\$ (7,614,458)</u>	<u>\$ (7,862,077)</u>	<u>\$ (8,027,973)</u>	<u>\$ (7,468,436)</u>	<u>\$ (8,885,795)</u>	<u>\$ (9,616,461)</u>	<u>\$ (10,460,347)</u>

See independent auditors' report.

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

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General revenues & other changes in net position										
Governmental activities										
Property taxes levied for general purposes, net	\$ 5,645,453	\$ 5,871,271	\$ 6,106,122	\$ 6,271,835	\$ 6,397,271	\$ 6,454,847	\$ 6,551,669	\$ 6,649,944	\$ 6,748,018	\$ 6,865,199
Taxes levied for debt service	294,709	278,059	215,950	215,512	214,700	213,700	217,513	215,950	217,950	223,950
Unrestricted grants & contributions	1,567,611	1,255,574	1,248,081	1,078,042	1,335,830	1,419,554	1,401,575	2,713,850	3,291,667	3,987,671
Tuition income	103,141	154,310	165,105	126,182	164,809	225,458	-	-	-	-
Investment earnings	39,032	12,262	5,197	6,775	9,428	6,989	7,481	7,594	7,675	7,258
Miscellaneous income	45,035	72,900	87,854	84,943	90,133	83,946	13,045	18,336	19,008	20,613
Contributions - acquisition of capital assets	-	-	-	-	5,000	-	-	-	-	-
Operating transfer	(18,500)	(20,500)	(25,500)	(16,000)	(30,368)	(30,700)	-	(16,000)	-	-
Capital grants-unallocated	-	-	-	-	40,722	-	-	411,300	(158,222)	-
Special item - insurance proceeds for storm damage	-	-	-	-	-	60,970	-	-	-	-
Special item - gain/(loss) on disposal of assets	-	-	-	-	-	-	-	-	(9,471)	-
Total governmental activities	<u>7,676,481</u>	<u>7,623,876</u>	<u>7,802,809</u>	<u>7,767,289</u>	<u>8,227,525</u>	<u>8,434,764</u>	<u>8,191,283</u>	<u>10,000,974</u>	<u>10,116,625</u>	<u>11,104,691</u>
Business-type activities										
Investment earnings	620	137	99	131	107	64	31	19	26	23
Miscellaneous	-	-	-	-	-	-	-	-	-	408
Transfers	18,500	20,500	25,500	16,000	30,368	30,700	-	16,000	-	-
Total business-type activities	<u>19,120</u>	<u>20,637</u>	<u>25,599</u>	<u>16,131</u>	<u>30,475</u>	<u>30,764</u>	<u>31</u>	<u>16,019</u>	<u>26</u>	<u>431</u>
Total district-wide	<u>\$ 7,695,601</u>	<u>\$ 7,644,513</u>	<u>\$ 7,828,408</u>	<u>\$ 7,783,420</u>	<u>\$ 8,258,000</u>	<u>\$ 8,465,528</u>	<u>\$ 8,191,314</u>	<u>\$ 10,016,993</u>	<u>\$ 10,116,651</u>	<u>\$ 11,105,122</u>
Change in net position										
Governmental activities	\$ 350,735	\$ 192,713	\$ 203,871	\$ 168,744	\$ 391,435	\$ 437,385	\$ 722,729	\$ 1,113,029	\$ 502,095	\$ 645,693
Business-type activities	(897)	922	(886)	218	4,488	170	149	18,169	(1,905)	(918)
Total district	<u>\$ 349,838</u>	<u>\$ 193,635</u>	<u>\$ 202,985</u>	<u>\$ 168,962</u>	<u>\$ 395,923</u>	<u>\$ 437,555</u>	<u>\$ 722,878</u>	<u>\$ 1,131,198</u>	<u>\$ 500,190</u>	<u>\$ 644,775</u>

See independent auditors' report.

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

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General fund										
Restricted	\$ 338,940	\$ 414,594	\$ 498,678	\$ 506,332	\$ 709,137	\$ 1,289,743	\$ 1,108,602	\$ 1,192,334	\$ 1,436,901	\$ 1,501,107
Committed	94,113	51,200	69,342	39,655	76,735	49,486	110,787	30,798	450,225	32,200
Assigned	6,377	27,292	25,394	4,651	76,968	3,828	3,654	-	2,088	13,219
Unassigned	216,641	176,270	212,882	243,221	238,474	216,881	209,694	190,705	176,030	175,202
Total general fund	<u>\$ 656,071</u>	<u>\$ 669,356</u>	<u>\$ 806,296</u>	<u>\$ 793,859</u>	<u>\$ 1,101,314</u>	<u>\$ 1,559,938</u>	<u>\$ 1,432,737</u>	<u>\$ 1,413,837</u>	<u>\$ 2,065,244</u>	<u>\$ 1,721,728</u>
All other governmental funds										
Restricted, reported in										
Capital projects fund	\$ (73,343)	\$ -	\$ -	\$ 146,070	\$ 111,547	\$ -	\$ 594,487	\$ 1,069,003	\$ -	\$ 318,869
Debt service fund	8,993	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ (64,350)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 146,070</u>	<u>\$ 111,547</u>	<u>\$ -</u>	<u>\$ 594,487</u>	<u>\$ 1,069,003</u>	<u>\$ -</u>	<u>\$ 318,869</u>

See independent auditors' report.

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

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Tax levy	\$ 5,940,162	\$ 6,149,330	\$ 6,322,072	\$ 6,487,347	\$ 6,611,971	\$ 6,668,547	\$ 6,769,182	\$ 6,865,894	\$ 6,965,968	\$ 7,089,149
Tuition charges	103,141	154,310	165,105	126,182	164,809	225,458	244,521	255,471	276,992	333,472
Interest earnings	39,032	12,262	5,197	6,775	9,428	6,989	7,481	7,594	7,675	7,258
Rents and royalties	-	-	-	-	-	-	-	-	6,001	6,058
Miscellaneous	45,035	72,900	87,854	97,213	116,243	85,513	79,807	103,476	89,548	57,418
State sources	1,581,990	1,257,539	1,250,052	1,078,078	1,348,231	1,419,554	1,401,787	2,058,330	1,711,757	1,897,989
Federal sources	139,036	159,049	270,311	184,790	213,877	193,940	182,159	160,745	183,154	171,113
Total revenues	7,848,396	7,805,390	8,100,591	7,980,385	8,464,559	8,600,001	8,684,937	9,451,510	9,241,095	9,562,457
Expenditures										
Instruction										
Regular instruction	2,455,401	2,466,284	2,616,000	2,525,779	2,604,108	2,570,371	2,524,077	2,598,538	2,489,180	2,559,198
Special education instruction	614,661	739,322	698,990	704,935	718,883	684,787	604,865	638,358	607,723	635,459
Other special instruction	79,369	112,287	117,588	84,454	47,961	47,471	35,438	62,870	77,067	61,670
School sponsored/other instructional	74,434	76,690	76,427	75,481	76,994	82,490	83,497	89,547	80,206	81,915
Support services										
Tuition	29,413	35,974	4,000	68,876	36,000	41,300	41,300	75,555	71,253	94,964
Student & inst related services	643,247	685,502	681,437	689,390	722,184	742,722	807,583	890,500	974,377	922,662
General administration	289,665	289,152	297,667	285,970	306,196	295,625	276,689	278,481	277,838	244,524
School administration services	153,340	159,193	168,036	154,046	159,682	160,734	162,875	170,559	150,076	148,115
Central services	124,642	129,491	131,659	140,594	153,385	157,667	163,686	166,117	178,072	166,345
Administration info technology	7,045	7,345	4,000	2,395	2,395	5,786	4,040	4,790	4,790	4,790
Plant operations & maintenance	568,733	707,954	580,969	571,298	601,933	695,720	652,233	649,605	757,340	671,419
Pupil transportation	454,186	453,296	437,161	420,495	408,958	382,429	386,857	408,896	430,786	448,337
Employee benefits	917,177	946,182	1,057,596	1,091,551	1,107,553	1,153,251	1,166,309	1,155,666	1,228,684	1,238,766
On-behalf TPAF Pension & Social Security Contribution	738,576	474,191	515,812	523,392	649,435	789,070	676,297	789,278	978,100	1,004,181
Capital outlay	42,683	157,095	42,577	32,558	38,981	64,149	174,002	10,207	244,316	719,816
Special revenue funds	153,415	161,014	272,282	197,096	211,666	195,507	183,694	161,467	191,440	178,679
Capital projects	-	-	-	21,930	75,245	-	55,513	612,327	698,310	181,131
Debt service										
Principal	223,343	213,343	150,000	155,000	160,000	165,000	175,000	180,000	190,000	205,000
Interest & other charges	62,393	73,709	65,950	60,512	54,700	49,115	43,696	37,133	29,133	20,133
Total expenditures	7,631,723	7,888,024	7,918,151	7,805,752	8,136,259	8,283,194	8,217,651	8,979,894	9,658,691	9,587,104

See independent auditors' report.

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

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Excess (deficiency) of revenues over (under) expenditures	\$ 216,673	\$ (82,634)	\$ 182,440	\$ 174,633	\$ 328,300	\$ 316,807	\$ 467,286	\$ 471,616	\$ (417,596)	\$ (24,647)
Other financing sources (uses)										
Capital leases (non-budgeted)	-	107,426	-	-	-	-	-	-	-	-
Temporary note paid in debt service fund	73,343	73,343	-	-	-	-	-	-	-	-
Insurance claim proceeds for storm damage	-	-	-	-	-	60,970	-	-	-	-
Transfers in (out)	(18,500)	(20,500)	(45,500)	(41,000)	(55,368)	(30,700)	-	(16,000)	-	-
Total other financing sources (uses)	54,843	160,269	(45,500)	(41,000)	(55,368)	30,270	-	(16,000)	-	-
Net change in fund balances	<u>\$ 271,516</u>	<u>\$ 77,635</u>	<u>\$ 136,940</u>	<u>\$ 133,633</u>	<u>\$ 272,932</u>	<u>\$ 347,077</u>	<u>\$ 467,286</u>	<u>\$ 455,616</u>	<u>\$ (417,596)</u>	<u>\$ (24,647)</u>
Debt service as a percentage of non-capital expenditures	3.91%	3.86%	2.82%	2.86%	2.75%	2.67%	2.81%	2.67%	2.58%	2.66%

Source: District Records

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

See independent auditors' report.

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

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Interest income	\$ 39,032	\$ 12,262	\$ 5,197	\$ 6,775	\$ 9,428	\$ 6,989	\$ 7,481	\$ 7,594	\$ 7,675	\$ 7,258
Tuition	103,141	154,310	165,105	126,182	164,809	225,458	244,521	255,471	276,992	333,472
Building use fees	5,219	5,818	5,350	5,050	6,362	9,826	5,703	5,866	6,001	6,058
Milford Board of Education - interlocal government fees	29,659	51,344	53,514	54,320	56,703	59,708	63,976	78,552	70,540	34,450
Insurance rebates	-	-	3,283	2,962	-	-	-	-	-	-
Prior year refunds	760	4,059	768	-	-	-	1,770	1,300	1,260	2,047
Lost books and fines	1,012	190	199	132	86	120	-	96	44	133
Sale of surplus equipment & supplies	-	-	3,300	-	2,851	200	300	-	-	5,539
Fund 20-cancellation of balance (day care program)	-	3,637	-	-	-	-	-	-	-	-
Consulting services	-	-	13,875	14,250	12,000	1,500	-	-	-	-
E Rate reimbursements	8,026	7,852	7,564	6,874	6,698	3,210	-	12,628	11,936	11,526
Miscellaneous	359	-	1	-	1,179	23	-	3,312	5,768	368
Solar bond excess	-	-	-	-	-	5,000	-	-	-	-
Energy audit	-	-	-	-	-	2,855	-	-	-	-
Transportation fees	-	-	-	405	-	500	-	-	-	-
Safety incentive	-	-	-	-	-	1,000	-	1,000	-	-
Donation	-	-	-	-	-	-	-	-	-	1,000
Sale of plans & specifications	-	-	-	950	-	-	-	-	-	-
Bully Prevention Aid	-	-	-	-	747	-	-	-	-	-
FEMA Aid	-	-	-	-	-	-	750	-	-	-
Prior year accounts payable canceled	-	-	-	-	-	-	3,732	-	-	-
Outstanding checks voided	-	-	-	-	3,507	-	2,253	-	-	-
Annual totals	\$ 187,208	\$ 239,472	\$ 258,156	\$ 217,900	\$ 264,370	\$ 316,389	\$ 330,486	\$ 365,819	\$ 380,216	\$ 401,851

Source: District Records

See independent auditors' report.

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

	Fiscal Year Ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Vacant land	\$ 14,132,800	\$ 13,832,800	\$ 13,767,300	\$ 13,492,900	\$ 12,970,200	\$ 9,304,400	\$ 8,780,700	\$ 8,399,600	\$ 8,636,700	\$ 8,836,200
Residential	523,094,200	527,491,700	527,938,000	531,967,900	533,983,300	447,094,600	448,217,200	450,127,700	451,287,800	453,019,600
Farm regular	141,769,700	140,841,000	141,055,000	138,144,900	138,541,500	118,965,000	118,396,800	116,320,800	115,158,200	115,304,600
Q farm	5,287,057	5,528,620	5,544,700	5,264,900	4,983,300	4,982,900	4,985,500	4,972,000	4,986,275	4,967,585
Commercial	103,980,461	94,686,561	94,870,161	95,119,461	94,992,961	87,525,600	87,284,700	85,051,600	85,095,500	86,788,800
Industrial	-	-	-	-	-	-	-	-	-	-
Apartment	2,188,600	2,188,600	2,142,700	2,142,700	2,142,700	2,262,200	2,262,200	2,262,200	2,262,200	2,262,200
Total assessed value	790,452,818	784,569,281	785,317,861	786,132,761	787,613,961	670,134,700	669,927,100	667,133,900	667,426,675	671,178,985
Public utilities (a)	1,272,179	1,261,509	2,216,404	1,831,762	1,837,214	1,757,313	876,506	916,552	913,321	930,472
Net valuation taxable	\$ 791,724,997	\$ 785,830,790	\$ 787,534,265	\$ 787,964,523	\$ 789,451,175	\$ 671,892,013	\$ 670,803,606	\$ 668,050,452	\$ 668,339,996	\$ 672,109,457
Estimated actual county equalized value	\$ 843,679,175	\$ 808,335,681	\$ 810,322,624	\$ 809,164,636	\$ 785,298,888	\$ 754,125,900	\$ 726,528,329	\$ 726,140,924	\$ 731,145,385	\$ 722,154,783
Percentage of net valuation to estimated actual equalized value	93.84%	97.22%	97.19%	97.38%	100.53%	89.10%	92.33%	92.00%	91.41%	93.07%
Total direct school tax rate (b)	\$ 0.776	\$ 0.804	\$ 0.824	\$ 0.839	\$ 0.845	\$ 1.008	\$ 1.024	\$ 1.043	\$ 1.061	\$ 1.055

*

Source: Municipal Tax Assessor

NOTE: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment.

- (a) Taxable value of machinery, implements and equipments of telephone and messenger system companies
- (b) Tax rates are per \$100

* Revalued/Reassessed

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Rate Per \$100 of Assessed Value)

Assessment Year	School District Direct Rate			Regional School Rate	Overlapping Rates			Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6) Total Direct School Tax Rate		Municipality	County	Fire District	
2008	\$ 0.742	\$ 0.035	\$ 0.777	\$ 0.435	\$ 0.180	\$ 0.355	\$ 0.025	\$ 1.772
2009	0.772	0.032	0.804	0.469	0.189	0.354	0.024	1.840
2010	0.796	0.028	0.824	0.453	0.190	0.352	0.024	1.843
2011	0.814	0.025	0.839	0.519	0.190	0.353	0.024	1.925
2012	0.811	0.034	0.845	0.498	0.189	0.353	0.028	1.913
2013	* 0.975	0.033	1.008	0.584	0.224	0.408	0.033	2.257
2014	0.992	0.032	1.024	0.599	0.224	0.403	0.033	2.283
2015	1.010	0.033	1.043	0.595	0.224	0.404	0.034	2.300
2016	1.028	0.034	1.062	0.622	0.235	0.407	0.035	2.361
2017	1.028	0.027	1.055	0.632	0.254	0.399	0.036	2.376

Sources: Municipal Tax Collector

NOTE: N.J.S.A. 18A:7F-5d limits the amount that the District can submit for a General Fund Tax Levy. The levy when added to other components of the District's net budget may not exceed the pre-budget by more than the spending growth limitation calculated as follows: the pre-budget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

- (a) The District's basic tax rate is calculated from the A4F Form which is submitted with the budget and the net valuation taxable.
(b) Rates for debt service are based on each year's requirements.

* Revalued/Reassessed

See independent auditors' report.

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

	2017			2008		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Texas Eastern Trans Co.	\$ 37,706,600	1	5.61%	\$ 42,282,000	1	5.34%
The Ridge at Back Brook Road	10,500,000	2	1.56%	19,756,700	2	2.50%
Algonquin Gas Trans c/o Duke Energy	6,536,100	3	0.97%	8,288,100	3	1.05%
Bousum/ Neely Partnership	3,527,000	4	0.52%	1,741,800	10	0.22%
Individual Property Owner	2,266,100	5	0.34%	1,947,700	6	0.25%
Hunterdon Storage	1,781,000	6	0.26%	2,781,000	4	0.35%
Southwark Farm, LLC	1,720,900	7	0.26%	-	-	-
Back Brook Farm, LLC	1,708,300	8	0.25%	-	-	-
Ringoes TLC LLC c/o David L. Bonnani	1,513,000	9	0.23%	-	-	-
Jordan Sidney & T/A Ifida Realty	1,511,900	10	0.22%	1,811,600	7	0.23%
Buckeye Pipeline Co	-	-	-	2,639,700	5	0.33%
Individual Property Owner	-	-	-	1,766,100	8	0.22%
Individual Property Owner	-	-	-	1,754,200	9	0.22%
	<u>\$ 68,770,900</u>		<u>10.23%</u>	<u>\$ 84,768,900</u>		<u>10.71%</u>

Source: Municipal Tax Assessor

See independent auditors' report.

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

Year Ending December 31,	Taxes Levied for the Year	Collected within the Year of the Levy (a)	
		Amount	Percentage of Levy
2007	\$ 14,156,590	\$ 13,960,592	98.62%
2008	14,098,240	13,860,768	98.32%
2009	14,486,633	14,207,423	98.07%
2010	14,592,462	14,357,077	98.39%
2011	15,237,105	14,960,953	98.19%
2012	15,139,056	14,824,470	97.92%
2013	15,182,177	14,849,769	97.81%
2014	15,341,328	15,037,558	98.02%
2015	15,377,111	15,108,451	98.25%
2016	15,864,191	15,568,419	98.14%

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

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

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ending June 30,	Governmental Activities			Business-Type Activities		Total District	% of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2008	\$ 1,735,000	\$ -	\$ -	\$ 73,343	\$ -	\$ 1,808,343	0.61%	\$ 402
2009	1,595,000	-	32,426	-	-	1,627,426	0.55%	363
2010	1,445,000	-	22,028	-	-	1,467,028	0.49%	327
2011	1,290,000	-	11,136	-	-	1,301,136	0.44%	326
2012	1,130,000	-	-	-	-	1,130,000	0.38%	284
2013	965,000	-	-	-	-	965,000	0.33%	244
2014	790,000	-	-	-	-	790,000	0.26%	200
2015	610,000	-	-	-	-	610,000	0.20%	155
2016	420,000	-	-	-	-	420,000	0.13%	107
2017	215,000	-	-	-	-	215,000	N/A	55

NOTES: (1) Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

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

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ending June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	% of Actual Taxable Value of Property (a)	Per Capita (b)
	General Obligation Bonds	Deductions			
2008	\$ 1,735,000	-	\$ 1,735,000	0.22%	\$ 402
2009	1,595,000	-	1,595,000	0.20%	363
2010	1,445,000	-	1,445,000	0.18%	327
2011	1,290,000	-	1,290,000	0.16%	326
2012	1,130,000	-	1,130,000	0.14%	284
2013	* 965,000	-	965,000	0.12%	244
2014	790,000	-	790,000	0.12%	200
2015	610,000	-	610,000	0.09%	155
2016	420,000	-	420,000	0.06%	107
2017	215,000	-	215,000	0.03%	55

NOTES: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

- (a) See Exhibit J-6 for property tax data.
- (b) Population data can be found in Exhibit J-14.

* Revalued/Reassessed

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of December 31, 2016

	<u>Debt Outstanding</u>	<u>Estimated % Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Governmental Unit			
Debt repaid with property taxes			
Municipality	\$ 4,146,529	100.00%	\$ 4,146,529
Regional High School	10,025,000	7.87%	788,716
County general obligation debt	75,793,752	3.36%	<u>2,546,670</u>
Subtotal, overlapping debt			7,481,915
School district direct debt			<u>420,000</u>
Total direct and overlapping debt			<u><u>\$ 7,901,915</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the County Board of Taxation. Debt outstanding data provided by each Governmental Unit.

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

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

See independent auditors' report.

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

Legal Debt Margin Calculation for Fiscal Year 2017

		Equalized Valuation Basis
	2016	\$ 717,123,321
	2015	729,825,949
	2014	728,260,789
		\$ 2,175,210,059
Average equalized valuation of taxable property		\$ 725,070,020
Debt limit (3.0% of average equalization value)	(a)	21,752,101
Total net debt applicable to limit		3,530,000
Legal debt margin		\$ 18,222,101

	Fiscal Year				
	2013	2014	2015	2016	2017
Debt limit	\$ 23,417,001	\$ 23,417,001	\$ 22,073,297	\$ 21,798,685	\$ 21,752,101
Total net debt applicable	965,000	965,000	610,000	420,000	3,530,000
Legal debt margin	\$ 22,452,001	\$ 22,452,001	\$ 21,463,297	\$ 21,378,685	\$ 18,222,101
Total net debt applicable to the limit as a percentage of debt limit	4.12%	4.12%	2.76%	1.93%	16.23%

	Fiscal Year				
	2008	2009	2010	2011	2012
Debt limit	\$ 23,836,848	\$ 24,671,896	\$ 23,234,325	\$ 24,486,256	\$ 23,961,866
Total net debt applicable	1,808,343	1,595,000	610,000	1,290,000	1,130,000
Legal debt margin	\$ 22,028,505	\$ 23,076,896	\$ 22,624,325	\$ 23,196,256	\$ 22,831,866
Total net debt applicable to the limit as a percentage of debt limit	7.59%	6.46%	2.63%	5.27%	4.72%

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

(a) Limit set by N.J.S.A. 18A:24-19

See independent auditors' report.

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

Year	Population (a)	Personal Income (b)	Per Capita Personal Income (c)	Unemployment Rate (d)
2008	4,482	\$ 309,508,992	\$ 69,056	3.8%
2009	4,485	295,696,050	65,930	6.8%
2010	3,997	265,468,749	66,417	7.0%
2011	3,978	279,625,554	70,293	6.9%
2012	3,959	295,428,498	74,622	7.1%
2013	3,941	293,044,878	74,358	7.2%
2014	3,929	306,241,976	77,944	4.6%
2015	3,909	315,686,931	80,759	3.9%
2016	3,909	N/A	N/A	3.3%
2017	N/A	N/A	N/A	N/A

Sources:

- (a) Population information provided by the NJ Dept of Labor and Workforce
- (b) Personal income has been estimated based upon the municipal population and per capita personal income presented.
- (c) Per capita personal income by county estimated based upon the 2010 census published by the U.S. Bureau of Economic Analysis.
- (d) Unemployment data provided by the NJ Dept of Labor and Workforce Development

See independent auditors' report.

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

2017

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

2008

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

See independent auditors' report.

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Function/Program										
Instruction										
Regular	36.1	37.1	38.1	38.1	37.7	37.1	37.2	36.7	34.6	34.6
Special education	14.8	18.3	17.3	16.3	16.0	15.5	15.0	17.5	17.0	15.7
Support services										
Student and instruction related services	9.0	6.8	6.8	6.8	6.1	5.2	5.2	5.2	5.2	5.3
General administration	2.1	2.5	2.5	2.5	2.7	2.9	3.0	3.0	3.2	3.2
School administration services	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4
Central services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.2	2.2
Administrative information technology	-	-	-	-	-	-	-	-	1.0	1.0
Plant operations and maintenance	4.5	4.5	4.5	4.5	4.5	4.5	5.0	5.0	5.0	5.0
Food service	2.0	2.0	2.0	1.0	1.0	1.0	-	-	-	-
Total	<u>72.9</u>	<u>75.6</u>	<u>75.6</u>	<u>73.6</u>	<u>72.4</u>	<u>70.6</u>	<u>69.8</u>	<u>71.8</u>	<u>70.6</u>	<u>69.4</u>

Source: District Personnel Records

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures (a)</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff (b)</u>	<u>Teacher Ratio</u>	<u>Average Daily Enrollment (ADE) (c)</u>	<u>Average Daily Attendance (ADA) (c)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2008	489	\$ 7,303,304	\$ 14,935	3.46%	54	1 to 9.05	489.6	480.6	-1.39%	98.16%
2009	487	7,443,877	15,285	2.34%	55	1 to 8.85	488.6	470.4	-0.20%	96.28%
2010	501	7,659,624	15,289	0.02%	58	1 to 8.64	501.3	482.3	2.60%	96.21%
2011	475	7,535,752	15,865	3.77%	57	1 to 8.33	475.4	465.5	-5.17%	97.92%
2012	446	7,807,333	17,505	10.34%	56	1 to 7.96	446.2	430.3	-6.14%	96.44%
2013	425	8,004,930	18,835	7.60%	53	1 to 8.08	429.6	413.0	-3.72%	96.14%
2014	410	7,769,440	18,950	0.61%	52	1 to 7.88	414.5	399.3	-3.51%	96.33%
2015	393	8,156,227	20,754	9.52%	54	1 to 6.70	390.9	375.7	-5.69%	96.11%
2016	371	8,496,932	22,903	10.35%	52	1 to 7.19	368.7	354.7	-5.67%	96.20%
2017	360	8,461,024	23,503	2.62%	50	1 to 7.20	354.5	340.3	-3.86%	95.99%

Source: District Records

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

See independent auditors' report.

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

District Building	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Elementary (1939)										
Square feet	62,500	62,500	62,500	62,500	62,500	62,500	62,500	62,500	62,500	64,000
Capacity (students)	530	530	530	530	530	530	530	530	530	530
Enrollment	489	487	501	475	450	450	410	393	371	360

Number of Schools at June 30, 2017

Elementary 1

Source: District Facilities Office

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

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Schedule of Required Maintenance Expenditures by School Facility
Last Ten Fiscal Years

Undistributed Expenditures - Required Maintenance for School Facilities

<u>Fiscal Year Ending</u>	<u>Amount</u>	<u>Total</u>
2008	\$ 39,782	\$ 39,782
2009	148,187	148,187
2010	57,953	57,953
2011	43,546	43,546
2012	66,245	66,245
2013	75,950	75,950
2014	98,254	98,254
2015	96,765	96,765
2016	183,334	192,515
2017	142,883	142,883
	<hr/>	<hr/>
Total school facilities	<u>\$ 952,899</u>	<u>\$ 962,080</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

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Insurance Schedule
June 30, 2017
(Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
School Commercial Package Policy - NJ Schools Insurance Group		
Property - Building Blanket and Contents (Fund Limit)	\$ 450,000,000	\$ 5,000
Equipment Breakdown	100,000,000	5,000
Electronic Data Processing	945,000	1,000
Comprehensive General Liability	11,000,000	-
Comprehensive Automobile Liability	11,000,000	-
Pollution Liability	1,000,000	25,000
Comprehensive Crime Coverage	100,000	500
Excess Liability	50,000,000	-
Employee Benefits	11,000,000	1,000
Student Accident	5,000,000	-
 School Board Legal Liability - NJ Schools Insurance Group		
Directors and Officers Policy	11,000,000	5,000
 Workmen's Compensation - NJ Schools Insurance Group	2,000,000	-
 Public Employees' Faithful Performance - NJ Schools Insurance Group		
Business Administrative Bond	200,000	-

Source: District Records

See independent auditors' report.



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

Honorable President and
Members of the Board of Education
East Amwell Township School District
County of Hunterdon, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the Governmental Activities, the Business-type Activities, and the aggregate remaining fund information of the East Amwell Township School District, County of Hunterdon, the State of New Jersey, (the District), as of and for the year ended June 30, 2017, and the related Notes to the Financial Statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 14, 2017.

Internal Control over Financial Reporting

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

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

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


Compliance and Other Matters

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

Purpose of this Report

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

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


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

November 14, 2017
Flemington, New Jersey



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

Honorable President and
Members of the Board of Education
East Amwell Township School District
County of Hunterdon, New Jersey

Report on Compliance for Each Major Federal Program and State Program

We have audited the East Amwell Township School District's, (the District), compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the New Jersey OMB Circular Letter 15-08 that could have a direct and material effect on each of the District's major federal and New Jersey programs for the year ended June 30, 2017. East Amwell Township School District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal and State Program

In our opinion, the East Amwell Township School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal and New Jersey programs for the year ended June 30, 2017.

Report on Internal Control over Compliance


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

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

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

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

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


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

November 14, 2017
Flemington, New Jersey

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards - Schedule A
For the Fiscal Year Ended June 30, 2017

Grantor/Program Title	Federal CFDA Number	FAIN Number	Project Number	Program or Award Amount	Grant Period		Balance 06/30/16	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balance	Balance June 30, 2017				
					From	To							Accounts Receivable	Deferred Revenue	Due to Grantor		
U.S. Department of Education passed through State Department of Education Special Revenue Fund																	
IDEA Basic	84.027	H027A150100	IDEA-1160-16	\$ 96,165	07/01/15	06/30/16	\$ (57,699)	\$ -	\$ 57,699	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
IDEA Basic	84.027	H027A160100	IDEA-1160-17	94,499	07/01/16	06/30/17	-	-	94,499	94,499	-	-	-	-	-	-	
IDEA Preschool	84.173	H173S150114	IDEA-1160-16	6,131	07/01/15	06/30/16	(3,092)	-	3,092	-	-	-	-	-	-	-	
IDEA Preschool	84.173	H173S160114	IDEA-1160-17	6,189	07/01/16	06/30/17	-	-	6,189	6,189	-	-	-	-	-	-	
Title I A	84.010A	S010S150030	NCLB-1160-16	21,122	07/01/15	06/30/16	(13,970)	-	13,970	-	-	-	-	-	-	-	
Title I A	84.010A	S010S160030	NCLB-1160-17	21,147	07/01/16	06/30/17	-	-	10,684	21,147	-	-	(10,463)	-	-	-	
Title II A	84.367A	S367A150029	NCLB-1160-16	10,710	07/01/15	06/30/16	(2,638)	-	2,738	100	-	-	-	-	-	-	
Title II A	84.367A	S367A160029	NCLB-1160-17	10,284	07/01/16	06/30/17	-	-	7,329	10,090	-	-	(2,761)	-	-	-	
Rural Education Achievement Program	84.358A	S358B151988	S358A-3750-16	32,231	07/01/15	09/30/16	(6,035)	-	13,724	16,149	-	-	(8,460)	-	-	-	
Rural Education Achievement Program	84.358A	S358B161988	S358A-3750-17	32,221	07/01/16	09/30/17	-	-	-	22,939	-	-	(22,939)	-	-	-	
Total Special Revenue Fund							<u>(83,434)</u>	<u>-</u>	<u>209,924</u>	<u>171,113</u>	<u>-</u>	<u>-</u>	<u>(44,623)</u>	<u>-</u>	<u>-</u>	<u>-</u>	
U.S. Department of Agriculture passed through State Department of Education Enterprise Fund																	
Child Nutrition Center																	
National School Lunch Program non-cash assistance (commodities)	10.555	16161NJ304N1099	N/A	9,737	07/01/15	06/30/16	1,120	-	-	1,120	-	-	-	-	-	-	
National School Lunch Program non-cash assistance (commodities)	10.555	171NJ304N1099	N/A	9,058	10/01/16	09/30/17	-	-	9,058	7,560	-	-	-	1,498	-	-	
National School Lunch Program cash assistance	10.555	16161NJ304N1099	N/A	32,641	07/01/15	06/30/16	(5,680)	-	5,680	-	-	-	-	-	-	-	
National School Lunch Program cash assistance	10.555	171NJ304N1099	N/A	26,877	10/01/16	09/30/17	-	-	25,025	26,877	-	-	(1,852)	-	-	-	
Total Enterprise Fund							<u>(4,560)</u>	<u>-</u>	<u>39,763</u>	<u>35,557</u>	<u>-</u>	<u>-</u>	<u>(1,852)</u>	<u>1,498</u>	<u>-</u>	<u>-</u>	
Total Federal Financial Assistance							<u>\$ (87,994)</u>	<u>\$ -</u>	<u>\$ 249,687</u>	<u>\$ 206,670</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (46,475)</u>	<u>\$ 1,498</u>	<u>\$ -</u>	<u>\$ -</u>	

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance - Schedule B
For the Fiscal Year Ended June 30, 2017

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period		Balance June 30, 2016		Cash Received	Budgetary Expenditure	Adjustments Repayments	Balance June 30, 2017			Memo		
			From	To	Deferred Rev. (Accts. Rec)	Due to Grantor				Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure	
State Department of Education															
General Fund															
School Choice Aid	17-495-034-5120-068	267,200	07/01/16	06/30/17	\$ -	\$ -	\$ 240,515	\$ 267,200	\$ -	\$ -	\$ -	\$ -	\$ (26,685)	\$ 267,200	
Transportation Aid	17-495-034-5120-014	181,957	07/01/16	06/30/17	-	-	163,785	181,957	-	-	-	-	(18,172)	181,957	
Special Education Categorical Aid	17-495-034-5120-089	\$280,435	07/01/16	06/30/17	-	-	252,430	280,435	-	-	-	-	(28,005)	280,435	
Security Aid	17-495-034-5120-084	37,939	07/01/16	06/30/17	-	-	34,150	37,939	-	-	-	-	(3,789)	37,939	
Adjustment Aid	17-495-034-5120-085	98,275	07/01/16	06/30/17	-	-	88,461	98,275	-	-	-	-	(9,814)	98,275	
PARCC Readiness Aid	17-495-034-5120-098	3,620	07/01/16	06/30/17	-	-	3,258	3,620	-	-	-	-	(362)	3,620	
Per Pupil Growth Aid	17-495-034-5120-097	3,620	07/01/16	06/30/17	-	-	3,620	3,620	-	-	-	-	(362)	3,620	
Professional Learning Community Aid	17-495-034-5120-101	3,160	07/01/16	06/30/17	-	-	2,844	3,160	-	-	-	-	(316)	3,160	
Non-public Transportation Aid	16-495-034-5120-014	1,996	07/01/15	06/30/16	(1,996)	-	1,996	-	-	-	-	-	-	1,996	
Non-public Transportation Aid	17-495-034-5120-014	2,436	07/01/16	06/30/17	-	-	-	2,436	-	-	(2,436)	-	-	2,436	
Extraordinary Special Education Costs Aid	16-100-034-5120-473	11,223	07/01/15	06/30/16	(11,223)	-	11,223	-	-	-	-	-	-	11,223	
Extraordinary Special Education Costs Aid	17-100-034-5120-473	10,271	07/01/16	06/30/17	-	-	-	10,271	-	-	(10,271)	-	-	10,271	
On behalf TPAF Pension Contribution - Teachers' Pension & Annuity Fund	17-495-034-5094-002	390,369	07/01/16	06/30/17	-	-	390,369	390,369	-	-	-	-	-	390,369	
On behalf TPAF Pension Contribution - non-contributory insurance	17-495-034-5094-004	14,144	07/01/16	06/30/17	-	-	14,144	14,144	-	-	-	-	-	14,144	
On behalf TPAF Pension Contribution - post retirement medical	17-495-034-5094-001	337,052	07/01/16	06/30/17	-	-	337,052	337,052	-	-	-	-	-	337,052	
On behalf TPAF Pension Contribution - long-term disability insurance	17-495-034-5094-004	536	07/01/16	06/30/17	-	-	536	536	-	-	-	-	-	536	
Reimbursed TPAF Social Security Contribution	17-495-034-5094-003	262,080	07/01/16	06/30/17	-	-	236,768	262,080	-	-	(25,312)	-	-	262,080	
Total General Fund					(13,219)	-	1,780,789	1,893,094	-	-	(38,019)	-	-	(87,505)	1,906,313
Special Revenue Fund															
Nonpublic Auxiliary Aid - ESL	17-100-034-5120-373	914	07/01/16	06/30/17	-	-	914	914	-	-	-	-	-	-	
Nonpublic Textbook Aid	17-100-034-5120-064	1,038	07/01/16	06/30/17	-	-	1,038	1,001	-	-	-	-	37	1,313	
Nonpublic Nursing Services	17-100-034-5120-070	2,790	07/01/16	06/30/17	-	-	2,790	2,787	-	-	-	-	3	3,779	
Nonpublic Technology Initiative	17-100-034-5120-373	468	07/01/16	06/30/17	-	-	468	445	-	-	-	-	23	356	
Nonpublic Security Aid	17-100-034-5120-509	1,550	07/01/16	06/30/17	-	-	1,550	-	-	-	-	-	1,550	1,050	
Nonpublic Textbook Aid	16-100-034-5120-064	1,313	07/01/15	06/30/16	-	66	-	-	66	-	-	-	-	1,313	
Nonpublic Nursing Services	16-100-034-5120-070	3,780	07/01/15	06/30/16	-	1	-	-	1	-	-	-	-	3,779	
Nonpublic Technology Initiative	16-100-034-5120-373	598	07/01/15	06/30/16	-	242	-	-	242	-	-	-	-	356	
Nonpublic Security Aid	16-100-034-5120-509	1,050	07/01/15	06/30/16	-	1,050	-	-	1,050	-	-	-	-	1,050	
Character Education	06-495-034-5120-053	4,000	07/01/05	06/30/06	64	-	-	64	-	-	-	-	-	64	
Total Special Revenue Fund					64	1,359	6,760	5,211	1,359	-	-	1,613	-	13,060	

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance - Schedule B (continued)
For the Fiscal Year Ended June 30, 2017

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period		Balance June 30, 2016			Cash Received	Budgetary Expenditure	Adjustments/ Repayments	Balance June 30, 2017			Memo	
			From	To	Deferred Rev. (Accts. Rec)	Due to Grantor	Accounts Receivable				Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure	
State Department of Agriculture															
Enterprise Fund															
State School Lunch program	16-100-010-3350-023	1,096	07/01/15	06/30/16	\$ (180)	\$ -	\$ 180	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,096
State School Lunch program	17-100-010-3350-023	909	07/01/16	06/30/17	-	-	846	909	-	(63)	-	-	-	-	909
Total Enterprise Fund					<u>(180)</u>	<u>-</u>	<u>1,026</u>	<u>909</u>	<u>-</u>	<u>(63)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,005</u>
Total State Financial Assistance					<u>\$ (13,335)</u>	<u>\$ 1,359</u>	<u>\$ 1,788,575</u>	1,899,214	\$ 1,359	\$ (38,082)	\$ -	\$ 1,613	\$ (87,505)	\$ 1,921,378	
Less: On behalf TPAF Pension System contributions								(742,101)							
Total for State financial assistance - major program determination								<u>\$ 1,157,113</u>							

See independent auditors' report.

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Schedule of Awards and Financial Assistance
June 30, 2017

- Note 1 - General
The accompanying Schedules of Financial Assistance present the activity of all Federal and State financial assistance programs of the Board of Education, East Amwell Township School District. The Board of Education is defined in Note 1 (A) to the Board's financial statements. All federal financial assistance received directly from Federal agencies, as well as federal financial assistance passed through other government agencies, is included on the Schedule of Federal Financial Assistance.
- Note 2 - Basis of accounting
The accompanying Schedules of Financial Assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the Food Service Fund, which are presented using the accrual basis of accounting. This basis of accounting is described in Notes 1 (C) and 1 (D) to the Board's financial statements.
- Note 3 - Relationship of financial statements
The financial statements present the General Fund and Special Revenue Fund on a GAAP basis. Budgetary comparison statements or schedules are presented for the General Fund and Special Revenue Fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The General Fund is presented in the accompanying Schedules on the Modified Accrual Basis with the exception of the revenue recognition of the last State Aid payment in the current budget year, which is mandated pursuant to PL 2003, Ch. 97 (A3521). For GAAP purposes, that payment is not recognized until the subsequent budget year due to the State deferred and recording of the last State Aid payment in the subsequent year. The Special Revenue Fund is presented in the accompanying Schedules on the Grant Accounting Budgetary Basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$316 for the General Fund and \$0 for the Special Revenue Fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds.

Financial assistance revenues are reported in the Board's financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 1,892,778	\$ 1,892,778
Special Revenue Fund	171,113	5,211	176,324
Food Service Fund	35,557	909	36,466
	<u>\$ 206,670</u>	<u>\$ 1,898,898</u>	<u>\$ 2,105,568</u>

EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Notes to the Schedule of Awards and Financial Assistance
June 30, 2017

Note 4 - Relationship to Federal and State financial reports
Amounts reported in the accompanying schedules agree with the amounts reported in the related Federal and State financial reports.

Note 5 - Other
Revenues and expenditures reported under the USDA Commodities Program represent current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2017. TPAF Social Security Contribution represents the amount reimbursed by the State for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2017.

**EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs - Section I
For the Fiscal Year Ended June 30, 2017**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal Control Over Financial Reporting:

1. Were material weakness(es) identified? Yes No
2. Were significant deficiencies identified? Yes None reported

Noncompliance material to basic financial statements noted?

Yes No

Federal Awards

Not Applicable

Internal Control Over Major Programs:

1. Were material weakness(es) identified? Yes No
2. Were significant deficiencies identified? Yes None reported

What was the type of auditor's report issued on compliance for major programs?

Were any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a)?

Yes No

Identification of Major Programs:

CFDA Number(s)	FEIN Number(s)	Name of Federal Program or Cluster
<u>Not Applicable</u>	<u>Not Applicable</u>	<u>Not Applicable</u>

What was the dollar threshold used to distinguish between Type A and Type B programs?

Did the auditee qualify as a low-risk auditee?

Yes No

**EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs - Section I
For the Fiscal Year Ended June 30, 2017**

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

State Awards

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

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

Internal Control Over Major Programs:

- 1. Were material weakness(es) identified? Yes No
- 2. Were there significant deficiencies identified that are not considered to be material weaknesses? Yes None reported

What was the type of auditor's report issued on compliance for major programs? Unmodified

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

Identification of Major Programs:

<u>State Grant/Project Numbers</u>	<u>Name of State Program</u>
	<i>State Aid Public Cluster:</i>
<i>17-495-034-5120-089</i>	<i>Special Education Categorical Aid</i>
<i>17-495-034-5120-084</i>	<i>Security Aid</i>
<i>17-495-034-5120-085</i>	<i>Adjustment Aid</i>
<i>17-495-034-5120-068</i>	<i>School Choice Aid</i>
<i>17-495-034-5120-097</i>	<i>Per Pupil Growth Aid</i>
<i>17-495-034-5120-098</i>	<i>PARCC Readiness Aid</i>
<i>17-495-034-5120-101</i>	<i>Professional Learning Community Aid</i>

**EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs - Sections II and III
For the Fiscal Year Ended June 30, 2017**

Section II - Financial Statement Findings

There were no findings or questioned costs for the year ended June 30, 2017.

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs

There were no findings or questioned costs for the year ended June 30, 2017.

**EAST AMWELL TOWNSHIP SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management
For the Fiscal Year Ended June 30, 2017**

Status of Prior Year Findings

There were no prior year findings or questioned costs.