

EAST WINDSOR REGIONAL SCHOOL DISTRICT

Hightstown, New Jersey
County of Mercer

*Comprehensive Annual Financial Report
For the Fiscal Year Ended
June 30, 2017*

East Windsor Regional School District

Hightstown, New Jersey

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2017

Prepared by

Business Office

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Introductory Section

"PRIDE IN PERFORMANCE"

East Windsor Regional School District

November 17, 2017

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

Dear Board Members and Constituents:

We are pleased to submit the Comprehensive Annual Financial Report of the East Windsor Regional School District (hereafter the "District") for the fiscal year ending June 30, 2017. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the District. To the best of our knowledge, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and the results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: Introductory, Financial, Statistical and Single Audit. The Introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The Financial section includes the independent Auditor's Report, Management Discussion and Analysis (MD&A) and the basic financial statements including the government-wide financial statements presented in conformity with Governmental Accounting Standards Board Statement No. 34. The basic financial statements also include individual fund financial statements, notes to the basic financial statements and required supplemental information (RSI) and other supplementary information. The Statistical section includes selected financial and demographic information presented on a multi-year basis and is unaudited. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996, Title 2 U.S. Code of Federal Regulations (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance), and the New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on internal control and compliance with applicable laws and regulations and findings and questioned costs, are included in the Single Audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: East Windsor Regional School District is an independent reporting entity within the criteria adopted by the GASB. All funds and the government-wide financial statements of the District are included in this report. The East Windsor Regional Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular, vocational as well as special education for handicapped and preschool handicapped children. The District had 5,221 students enrolled on October 14, 2016. Enrollment is defined as students on roll (both full and shared time count as one) and students placed out of district including

Mercer County Special Services School District. The following details the changes in the student enrollment of the District over the last ten years.

ENROLLMENT

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2007-08	4,972	- 0.64%
2008-09	5,025	+1.07%
2009-10	5,029	+0.08%
2010-11	5,075	+0.91%
2011-12	5,072	- 0.06%
2012-13	5,072	+0.00%
2013-14	5,106	+0.67%
2014-15	5,019	-1.70%
2015-16	5,139	+2.39%
2016-17	5,221	+0.15%

2) ECONOMIC CONDITION AND OUTLOOK: New residential development has leveled off. Commercial development continues to increase and is helping to add to the tax base.

3) MAJOR INITIATIVES: Expenditures made during the 2016-2017 school year were designed to support the District's mission, goals and instructional action plans as well as the state's core curriculum standards. The 2016-17 goals were:

- Expanding and enhancing programs, services and rigor for all students, with increased attention on students not enrolled in support or advanced level programs.
- Supporting foundational literacy skills of all students, with specific concentration on the achievement gap of current and former ELL and Special Education students.
- Expanding whole child education programs to include increased character education, mindfulness, mental health and/or soft skills.

Examples of additional resources acquired and services provided:

- New core textbooks and resources: Language Arts K to 2; Science K to 5; Middle School Economics;
- Curriculum revisions and rewrites in many curricular areas;
- Additional electives in high school;
- Expansion of individualized staff development opportunities to all teachers;
- Training to support general education teachers in implementing Wilson Foundations;
- Summer School for students with foundational literacy gaps for students in Grades K to 3;
- Tutoring for seniors in high school to assure graduation requirements were met;

- Additional novels and authentic literature to support literacy (grades 3 to 12);
- Laboratory Science equipment to support Next Gen Science Programs (grades 6 to 12);
- Additional chromebooks to support instruction in all departments;
- PSAT assessment funded for all 9 to 12 grade students;
- World Language Assessment for all 8th grade students;
- Assessment and Data System to support teachers in personalized learning.

4. INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control environment 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 accounting principles generally accepted in the United States of America (GAAP). The internal control environment is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end either are canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as assigned 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 Government Accounting Standards Board (GASB). The accounting system of the District is organized based on funds and government-wide financial statements. These funds and government-wide financial statements are explained in "Notes to the Basic Financial Statements," Note 1.

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

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

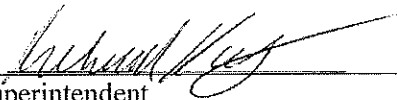
9. OTHER INFORMATION:

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


10. ACKNOWLEDGEMENTS:

We would like to express our appreciation to the members of the East Windsor Regional School District for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation.

Respectfully submitted,



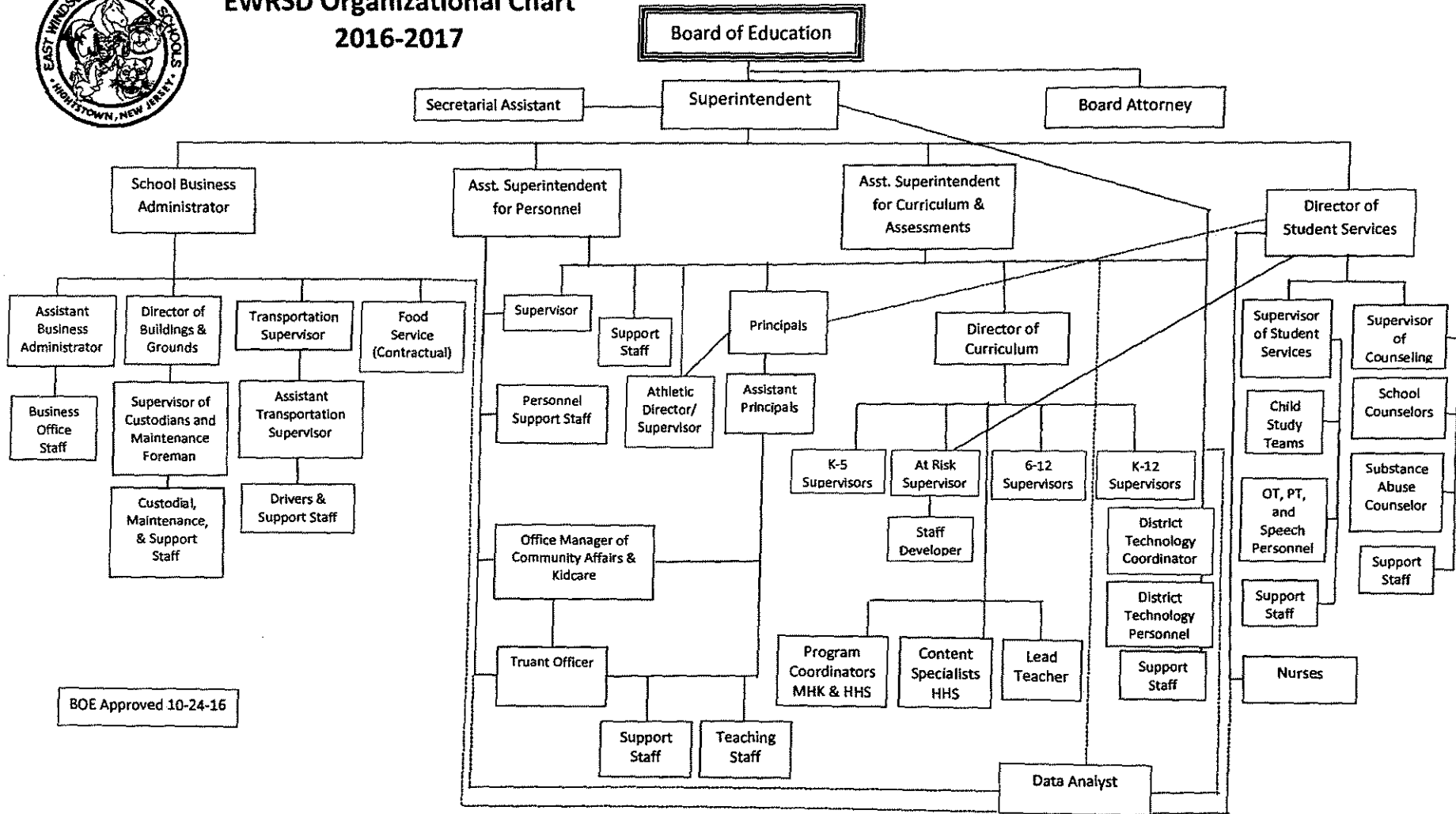
Superintendent



Board Secretary/Business Administrator



EWRSD Organizational Chart 2016-2017



BOE Approved 10-24-16

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

Roster of Officials

June 30, 2017

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Alice Weisman, President	2018
Paul Connolly, Vice President	2018
Peter Bussone	2017
Erica DiRaimondo	2017
Jenna Drake	2017
Christine Harrington	2019
Nicole Larusso	2019
Kennedy Paul	2018
Ram Ramachandran	2019

Other Officials

Richard Katz, Ed.D., Superintendent

Paul Todd, Business Administrator / Board Secretary

Patrick Pisano, Assistant Business Administrator

John Calavano, Treasurer of School Monies

David Coates, Esq., Solicitor

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

Independent Auditors and Advisors

Attorney

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

Independent Auditors

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

Official Depository

Provident Bank
509 Rt. 130 North
East Windsor, New Jersey 08520

Financial Section

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the East Windsor Regional School District, County of Mercer, New Jersey (the "District"), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the District as of June 30, 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 management's discussion and analysis, schedule of the District's proportionate share of the net pension liability-PERS, schedule of District contributions-PERS, schedule of the State's proportionate share of the net pension liability associated with the District-TPAF and budgetary comparison information as identified in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

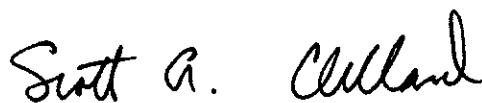
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements, long-term debt schedules and the schedules of expenditures of federal awards and state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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's 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.



Scott A. Clelland

Licensed Public School Accountant
No. 1049



WISS & COMPANY, LLP

November 17, 2017
Livingston, New Jersey

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

East Windsor Regional School District
Hightstown, New Jersey

Management's Discussion and Analysis
Year Ended June 30, 2017

As management of the East Windsor Regional School District ("District"), we offer readers of the District's financial statements this narrative discussion, overview, and analysis of the financial activities of the District for the year ended June 30, 2017. We encourage readers to consider the information presented, in conjunction with additional information that we have furnished in our letter of transmittal.

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

Financial Highlights

Key financial highlights for fiscal 2017 are as follows:

- Total net position of the governmental activities and business-type activities is \$61,909,189 at June 30, 2017. It is comprised of both current and capital assets and deferred outflows of resources less deferred inflows of resources and current and outstanding long-term liabilities (Schedule A-1).
- General revenues accounted for \$113,569,944 of total revenue or 95 percent of all revenues. Program specific revenues in the form of charges for services, grants, aid, and contributions accounted for \$6,314,924 or 5 percent of total revenues of \$119,884,868 (Schedule A-2).
- The District had \$100,597,545 in governmental fund expenditures (Schedule B-2). Of that amount, the General Fund expenditures totaled \$93,042,160, including \$10,352,920 in State on-behalf TPAF pension and social security contributions. Grant-related expenditures in the special revenue fund totaled \$2,113,637. Business-type activities expenses were \$2,384,933.
- The District maintains an internal service fund to provide service and fuel for the District's vehicles. This fund had \$328,257 in service charges and \$329,663 in expenses for supplies and fuel costs.
- The District transferred unrestricted funds during the year into restricted capital reserves in the amount of \$2,000,000 to fund future capital projects.

Using this Comprehensive Annual Financial Report (CAFR)

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

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

The District adopts an annual appropriated budget for its general fund, special revenue fund and debt

service fund. Budgetary comparison statements have been provided as required supplementary information for the general fund and the special revenue fund and as supplementary information for the debt service fund to demonstrate compliance with this budget.

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

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

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

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

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

Notes to the basic financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 30-64 of this report.

Other information. The required supplementary information and combining statements referred to earlier in connection with governmental funds and proprietary funds are presented immediately following the notes to the basic financial statements. Combining and individual fund statements and schedules can be found on pages 64-93 of this report.

The School District as a Whole

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

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

The following table provides a summary of net position relating to the District's governmental and business-type activities as of June 30, 2017 and 2016:

East Windsor Regional School District

Net Position

June 30, 2017 and 2016

	Governmental Business-type		Total	Governmental Business-type		Total
	Activities	Activities		Activities	Activities	
	2017	2017	2017	2016	2016	2016
Current and other Assets	\$ 7,389,576	\$ 1,827,792	\$ 9,217,368	\$ 8,661,830	\$ 1,551,903	\$ 10,213,733
Restricted cash	9,686,444		9,686,444	7,186,444		7,186,444
Capital assets, net	102,240,794	255,267	102,496,061	102,169,856	237,717	102,407,573
Total assets	119,316,814	2,083,059	121,399,873	118,018,130	1,789,620	119,807,750
Deferred Outflows of Resources:						
Deferred loss on refunding of debt	1,010,142		1,010,142	1,105,085		1,105,085
Pension deferrals	10,933,924		10,933,924	5,062,942		5,062,942
Total deferred outflows	11,944,066		11,944,066	6,168,027		6,168,027
Current liabilities	3,673,418	511	3,673,929	2,555,363	7,054	2,562,417
Net pension liability	35,162,975		35,162,975	26,409,585		26,409,585
Unearned revenue	19,283	32,288	51,571	31,842	26,882	58,724
Long-term liabilities outstanding	32,495,584		32,495,584	34,864,506		34,864,506
Total liabilities	71,351,260	32,799	71,384,059	63,861,296	33,936	63,895,232
Deferred Inflow of Resources:						
Pension deferrals	50,691		50,691	488,933		488,933
Net position:						
Net investment in capital assets	72,406,375	255,267	72,661,642	69,467,999	237,717	69,705,716
Restricted	11,385,023		11,385,023	10,665,161		10,665,161
Unrestricted(deficit)	(23,932,469)	1,794,993	(22,137,476)	(20,297,232)	1,517,967	(18,779,265)
Total net position	\$59,858,929	\$ 2,050,260	\$61,909,189	\$59,835,928	\$ 1,755,684	\$61,591,612

The largest portion of the District's net position is its net investment in capital assets, e.g. land, construction in progress, buildings and improvements, and furniture and equipment, less any related debt (general obligation bonds payable and capital leases) used to acquire those assets that are still outstanding, which amounts to \$72,661,642. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The decrease in the District's long-term liabilities is the result of the District paying off debt in the current year in the amount of \$3,325,410.

The net pension liability recorded as of June 30, 2017 is the result of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment to GASB Statement No. 68*. The increase of \$8,753,390 from the prior year relates to changes in the actuarial assumptions from the prior year and the pension funding status of the State of New Jersey.

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

An additional portion of the District's net position (restricted) represents resources that are subject to external restrictions on how they may be used, which total \$11,385,023 at June 30, 2017. Restricted net position is a result of additional funds being deposited into the capital reserve and maintenance reserve with balances of \$4,790,645 and \$4,195,799, respectively at June 30, 2017. Furthermore, \$800,000 was restricted for subsequent year's expenditures from prior year excess fund balance, and \$1,050,464 was recognized as current year excess surplus to be utilized in the 2018-2019 budget. Lastly, \$536,629 is restricted for capital projects within the Capital Projects fund and \$25,967 is restricted in the Debt Service fund. The remaining balance of unrestricted net position may be used to meet the District's ongoing obligations to citizens and creditors.

Business-type assets increased by approximately \$293,000 resulting from increases from the prior year in the cash balances in the food service enterprise fund and the Kid Care enterprise fund in the amounts of \$296,196 and \$106,321, respectively. These increases to cash were directly correlated to increased participation from the prior year in the food service enterprise fund federal reimbursable school lunch program and the reduction of expenses in the Kid Care enterprise fund after school program.

Overall the activity within the business-type activities increased approximately \$295,000. The increase in net position in the food service enterprise fund pertained to increased revenue from the prior year. The increase in net position in the Kid Care enterprise fund was directly related to the District's reduction in expenses for the year ended June 30, 2017.

District activities. The key elements of the District's changes in net position for the years ended June 30, 2017 and 2016 are as follows:

**East Windsor Regional School District
Change in Net Position
Years ended June 30, 2017 and 2016**

	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
	2017	2017	2017	2016	2016	2016
Revenues:						
Program revenues:						
Charges for services	\$ 618,167	\$ 1,420,165	\$ 2,038,332	\$ 525,533	\$ 1,592,802	\$ 2,118,335
Operating and capital grants and contributions	3,017,248	1,259,344	4,275,592	2,772,723	1,174,301	3,947,024
General revenues:						
Property taxes	65,838,240		65,838,240	64,651,590		64,651,590
Grants and contributions not restricted to specific programs	46,732,774		46,732,774	38,936,163		38,936,163
Other	998,930		998,930	199,794	2,545	202,339
Total revenues	<u>117,205,359</u>	<u>2,679,509</u>	<u>119,884,868</u>	<u>107,085,803</u>	<u>2,769,648</u>	<u>109,855,451</u>
Expenses:						
Instructional services	73,723,650		73,723,650	68,396,251		68,396,251
Support services	42,336,911		42,336,911	36,099,134		36,099,134
Special Schools	115,976		115,976	48,765		48,765
Interest and other charges on long-term debt	1,005,821		1,005,821	1,124,003		1,124,003
Food Service Expenses		1,858,803	1,858,803		1,778,459	1,778,459
Kid care Expenses		526,130	526,130		737,167	737,167
Total expenses	<u>117,182,358</u>	<u>2,384,933</u>	<u>119,567,291</u>	<u>105,668,153</u>	<u>2,515,626</u>	<u>108,183,779</u>
Change in net position	<u>23,001</u>	<u>294,576</u>	<u>317,577</u>	<u>1,417,650</u>	<u>254,022</u>	<u>1,671,672</u>
Net position – beginning of year	59,835,928	1,755,684	61,591,612	58,418,278	1,501,662	59,919,940
Net position – end of year	<u>\$ 59,858,929</u>	<u>\$ 2,050,260</u>	<u>\$ 61,909,189</u>	<u>\$ 59,835,928</u>	<u>\$ 1,755,684</u>	<u>\$ 61,591,612</u>

The increase in governmental activities revenues is mainly the result of the increase in the on-behalf TPAF pension amount of \$17,216,882 pertaining to the District's proportionate share of the TPAF liability paid for by the State.

The increase in governmental activities expenses is the result of an increase in instructional expenses primarily driven by full year recognition of Source 4 Teachers, and the expansion of their services to include long-term substitute teachers and the increase in the on-behalf pension liability. Additionally, an increase in salary expense for kindergarten teachers as the kindergarten program transitioned from a half-day to a full-day in the current year.

The activity in the business-type funds improved during the 2017 fiscal year.

Financial Analysis of the District's Funds

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

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

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

**Revenues
Year Ended June 30, 2017**

Revenue	Amount	Percent of Total	Increase from 2016	Percent of Increase
Local sources	\$ 67,509,035	68.1%	\$ 2,072,857	3.17%
State sources	29,399,141	29.7%	1,503,517	5.39%
Federal sources	2,176,690	2.2%	127,931	6.24%
Total	<u>\$ 99,084,866</u>	<u>100.0%</u>	<u>\$ 3,704,305</u>	<u>3.88%</u>

The increase in local sources is mainly related to the increase in the 2017 tax levy.

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

The increase in federal sources is mainly due to the District receiving an increase in SEMI funds in 2017 and an increase in Title I funds during the year ended June 30, 2017.

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

**Expenditures
Year Ended June 30, 2017**

Expenditures	Amount	Percent of Total	Increase (Decrease) from 2016	Percent of Increase (Decrease)
Current expenditures:				
Instruction	\$ 37,435,810	38.1%	\$ 367,289	1.0%
Support services	54,646,566	55.5%	2,728,470	5.0%
Capital outlay	3,073,425	3.1%	1,008,312	48.8%
Debt service	3,241,125	3.3%	(32,460)	(1.0)%
Total	<u>\$ 98,396,922</u>	<u>100.0%</u>	<u>\$ 4,071,611</u>	<u>4.2 %</u>

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

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

General Fund Budgeting Highlights (Schedule C-1)

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

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

- Regular Programs – Instruction – Grades 1-5 – Salaries of Teachers – Due to a reduction in enrollment from projected amounts, the District transferred out approximately \$1,050,000 from this account.
- Unallocated benefits – Health insurance- Due to more favorable premium costs from Aetna, the District transferred out \$1,662,924 from the health insurance account.
- Capital Outlay – Facilities Acquisition and Construction Services – Construction Services – Due to increased construction projects activity in the current year, the District transferred approximately \$2,493,965 to this account line.

Capital Assets and Debt Administration

Capital Assets. At June 30, 2017, the District's governmental funds had capital assets of \$102,240,794 (net of accumulated depreciation), including land, construction in progress, school buildings and improvements, site and site improvements, machinery, equipment and vehicles.

The District's governmental activities capital assets, net of accumulated depreciation consisted of the following at June 30, 2017 and 2016:

	June 30	
	2017	2016
Land	\$ 149,550	\$ 149,550
Construction in progress	88,338	1,007,750
Buildings and improvements	96,331,702	96,047,358
Site and site improvements	2,820,134	2,222,688
Machinery, equipment and vehicles	2,851,070	2,742,510
Total capital assets, net	<u>\$ 102,240,794</u>	<u>\$ 102,169,856</u>

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

Debt Administration and Long-term Liabilities. During the 2017 fiscal year, the District's governmental activities had outstanding long-term liabilities of \$67,658,559, of which \$3,234,092 was classified as the current portion.

At June 30, 2017 and 2016, the District's long-term liabilities consisted of:

	June 30	
	2017	2016
Bonds payable	\$26,305,000	\$28,375,000
Lease obligations payable	2,595,703	2,746,479
Compensated absences payable	1,131,841	1,057,564
Unamortized bond premium	2,463,040	2,685,463
Total long-term liabilities	<u>\$32,495,584</u>	<u>\$34,864,506</u>

The District's net pension obligation as of June 30, 2017 and 2016 was \$35,162,975 and \$26,409,585, respectively.

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

Requests for Information

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

Basic Financial Statements

Government-wide Financial Statements

The government-wide financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all governmental activities and business-type activities as of and for the year ended June 30, 2017.

East Windsor Regional School District

Statement of Net Position

June 30, 2017

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 4,299,227	\$ 1,716,247	\$ 6,015,474
Accounts receivable	3,054,857	80,759	3,135,616
Inventories	35,492	30,786	66,278
Restricted assets:			
Cash and cash equivalents	8,986,444		8,986,444
Cash held by fiscal agent	700,000		700,000
Capital assets, non-depreciable	237,888		237,888
Capital assets, depreciable, net	102,002,906	255,267	102,258,173
Total assets	<u>119,316,814</u>	<u>2,083,059</u>	<u>121,399,873</u>
Deferred Outflows of Resources			
Deferred loss on refunding of debt	1,010,142		1,010,142
Pension deferrals	10,933,924		10,933,924
Total deferred outflows of resources	<u>11,944,066</u>		<u>11,944,066</u>
Liabilities			
Accounts payable and accrued expenses	3,263,358	511	3,263,869
Accrued interest payable	410,060		410,060
Unearned revenue	19,283	32,288	51,571
Net pension liability	35,162,975		35,162,975
Current portion of long-term obligations	3,234,092		3,234,092
Noncurrent portion of long-term obligations	29,261,492		29,261,492
Total liabilities	<u>71,351,260</u>	<u>32,799</u>	<u>71,384,059</u>
Deferred Inflow of Resources			
Pension deferrals	50,691		50,691
Net Position			
Net investment in capital assets	72,406,375	255,267	72,661,642
Restricted for:			
Capital projects	536,629		536,629
Other purposes	10,848,394		10,848,394
Unrestricted (deficit)	(23,932,469)	1,794,993	(22,137,476)
Total net position	<u>\$ 59,858,929</u>	<u>\$ 2,050,260</u>	<u>\$ 61,909,189</u>

East Windsor Regional School District

Statement of Activities

Year ended June 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities							
Instruction							
Regular Instruction	\$ 48,218,048	\$ 471,597	\$ 535,004		\$ (47,211,447)		\$ (47,211,447)
Special Education Instruction	17,694,893		1,213,124		(16,481,769)		(16,481,769)
Other Special Education Instruction	5,533,785				(5,533,785)		(5,533,785)
Other Instruction	2,276,924				(2,276,924)		(2,276,924)
Support Services							
Student and Instruction Related Services	15,681,851		365,509		(15,316,342)		(15,316,342)
School Administration	6,460,488				(6,460,488)		(6,460,488)
Other Administration Services	3,718,895				(3,718,895)		(3,718,895)
Plant Operation and Maintenance	10,536,268			\$ 903,611	(9,632,657)		(9,632,657)
Pupil transportation	5,892,631	146,570			(5,746,061)		(5,746,061)
Charter Schools	46,778				(46,778)		(46,778)
Special schools	115,976				(115,976)		(115,976)
Interest on long-term debt	1,005,821				(1,005,821)		(1,005,821)
Total governmental activities	117,182,358	618,167	2,113,637	903,611	(113,546,943)		(113,546,943)
Business-type activities							
Food service	1,858,803	781,171	1,259,344		\$ 181,712		181,712
Kid Care	526,130	638,994			112,864		112,864
Total business-type activities	2,384,933	1,420,165	1,259,344		294,576		294,576
Total primary government	\$ 119,567,291	\$ 2,038,332	\$ 3,372,981	\$ 903,611	(113,546,943)	294,576	(113,252,367)
General revenues:							
Taxes:							
Property taxes, levied for general purposes					62,713,366		62,713,366
Property taxes, levied for debt service					3,124,874		3,124,874
Federal sources					132,982		132,982
State sources—unrestricted					46,599,792		46,599,792
Investment income					52,598		52,598
Miscellaneous					946,332		946,332
Total general revenues					113,569,944	-	113,569,944
Change in net position					23,001	294,576	317,577
Net Position—beginning					59,835,928	1,755,684	61,591,612
Net Position—ending					\$ 59,858,929	\$ 2,050,260	\$ 61,909,189

See accompanying notes to basic financial statements.

Fund Financial Statements

Governmental Funds

East Windsor Regional School District
Governmental Funds

Balance Sheet

June 30, 2017

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Assets					
Cash and cash equivalents	\$ 4,194,257		\$ 79,003	\$ 25,967	\$ 4,299,227
Accounts receivable:					
State	501,210		1,813,370		2,314,580
Federal		\$ 617,362			617,362
Other	73,111	7,983			81,094
Interfund	1,496,057				1,496,057
Restricted assets:					
Cash and cash equivalents	8,986,444				8,986,444
Cash held by fiscal agent	700,000				700,000
Total assets	<u>\$ 15,951,079</u>	<u>\$ 625,345</u>	<u>\$ 1,892,373</u>	<u>\$ 25,967</u>	<u>\$ 18,494,764</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable and accrued expenses	\$ 1,679,927	\$ 300,070			\$ 1,979,997
Intergovernmental payables:					
State		137,730			137,730
Federal		85,794			85,794
Other liabilities	700,000				700,000
Interfund payable		82,468	\$ 1,355,744		1,438,212
Unearned revenue		19,283			19,283
Total liabilities	<u>2,379,927</u>	<u>625,345</u>	<u>1,355,744</u>		<u>4,361,016</u>
Fund balances:					
Restricted for:					
Excess surplus - current year	1,050,464				1,050,464
Excess surplus - prior year - designated for subsequent year's expenditures	800,000				800,000
Capital reserve	4,790,645				4,790,645
Maintenance reserve	4,195,799				4,195,799
Debt service				\$ 25,967	25,967
Capital projects			536,629		536,629
Assigned to:					
Designated for subsequent year's expenditures	112,772				112,772
Designated for subsequent year's expenditures - (SEMI-ARRA)	10,213				10,213
Other purposes	2,356,702				2,356,702
Unassigned:					
General fund	254,557				254,557
Total fund balances	<u>13,571,152</u>	<u>-</u>	<u>536,629</u>	<u>25,967</u>	<u>14,133,748</u>
Total liabilities and fund balances	<u>\$ 15,951,079</u>	<u>\$ 625,345</u>	<u>\$ 1,892,373</u>	<u>\$ 25,967</u>	<u>\$ 18,494,764</u>

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$165,499,798 and the accumulated depreciation is \$63,259,004.	102,240,794
Internal service funds are used by the District to charge the costs of the District's fuel facility fund to the individual funds. The assets and liabilities of the internal service funds are included with governmental activities.	19,468
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.	(410,060)
Deferred loss on bond refunding.	1,010,142
Deferred pension costs in governmental activities are not financial resources and therefore are not reported in the funds.	10,883,233
Accrued pension contributions for the June 30, 2017 plan year end are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.	(1,059,837)
Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds.	(35,162,975)
Long-term liabilities, including bonds payable, capital leases and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(31,795,584)
Net position of governmental activities	<u>\$ 59,858,929</u>

East Windsor Regional School District
Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

Year Ended June 30, 2017

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Revenues					
Local sources:					
Local tax levy	\$ 62,713,366			\$ 3,124,874	\$ 65,838,240
Transportation fees	146,570				146,570
Tuition	471,597				471,597
Rents and royalties	38,469				38,469
Interest on investments	52,598				52,598
Miscellaneous	907,863	\$ 53,698			961,561
Total local sources	64,330,463	53,698		3,124,874	67,509,035
State sources	29,266,660	16,231	\$ 903,611	116,250	30,302,752
Federal sources	132,982	2,043,708			2,176,690
Total revenues	93,730,105	2,113,637	903,611	3,241,124	99,988,477
Expenditures					
Instruction:					
Regular instruction	25,411,094	535,004			25,946,098
Special education instruction	6,237,021	1,213,124			7,450,145
Other special instruction	2,851,959				2,851,959
Other instruction	1,185,551				1,185,551
Community Svc Program/Operations	2,057				2,057
Support services:					
Tuition	5,163,274				5,163,274
Student and instruction related services	8,293,601	362,009			8,655,610
School administration services	3,342,918				3,342,918
Other admin services	2,335,736				2,335,736
Plant operations and maintenance	6,616,091				6,616,091
Pupil transportation	3,564,618				3,564,618
Employee benefits and on-behalf TPAF social security and pension contributions	24,860,559				24,860,559
Capital outlay	3,069,925	3,500	2,200,623		5,274,048
Special schools	60,978				60,978
Debt service:					
Principal				2,070,000	2,070,000
Interest				1,171,125	1,171,125
Contribution to charter schools	46,778				46,778
Total expenditures	93,042,160	2,113,637	2,200,623	3,241,125	100,597,545
Net change in fund balances	687,945	-	(1,297,012)	(1)	(609,068)
Fund balances, July 1	12,883,207	-	1,833,641	25,968	14,742,816
Fund balances, June 30	<u>\$ 13,571,152</u>	<u>\$ -</u>	<u>\$ 536,629</u>	<u>\$ 25,967</u>	<u>\$ 14,133,748</u>

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

East Windsor Regional School District
Governmental Funds

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

Year Ended June 30, 2017

Total net change in fund balances - governmental funds (from B-2) \$ (609,068)

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

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

	Depreciation expense	\$ (4,206,204)	
	Capital asset additions	<u>4,277,142</u>	70,938

In the statement of activities, interest on long-term debt is accrued, regardless of when due.

In the governmental funds, interest is reported when due. This represents the change from the prior year. 37,824

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

The net effect of these transactions is as follows:

	Amortization of premium on bonds	222,423	
	Amortization of deferred loss on defeasance	<u>(94,943)</u>	127,480

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

(1,406)

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

	Repayment of long-term debt	2,070,000	
	Payments on capital leases	<u>850,776</u>	2,920,776

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

(74,277)

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

	Pension expense	<u>(2,449,266)</u>	
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Change in net position of governmental activities (A-2)

\$ 23,001

Proprietary Funds

East Windsor Regional School District
Proprietary Funds

Statement of Net Position

June 30, 2017

	Major Funds			Governmental Activities
	Business Type Activities - Enterprise Funds			
	Food Service	Kid Care	Totals	
Assets				
Current assets:				
Cash and cash equivalents	\$ 697,453	\$ 1,018,794	\$ 1,716,247	
Accounts receivable:				
State	1,552		1,552	
Federal	79,207		79,207	
Other				\$ 41,821
Inventory	30,786		30,786	35,492
Total current assets	808,998	1,018,794	1,827,792	77,313
Noncurrent assets:				
Equipment	1,123,626		1,123,626	30,025
Accumulated depreciation	(868,359)		(868,359)	(30,025)
Total capital assets, net	255,267	-	255,267	-
Total assets	1,064,265	1,018,794	2,083,059	77,313
Liabilities				
Current liabilities:				
Accounts payable		511	511	
Interfund payable				57,845
Unearned revenue	32,288		32,288	
Total current liabilities	32,288	511	32,799	57,845
Total liabilities	32,288	511	32,799	57,845
Net Position				
Net investment in capital assets	255,267		255,267	
Unrestricted	776,710	1,018,283	1,794,993	19,468
Total net position	\$ 1,031,977	\$ 1,018,283	\$ 2,050,260	\$ 19,468

East Windsor Regional School District
Proprietary Funds

Statements of Revenues, Expenditures and Changes in Net Position

Year Ended June 30, 2017

	Major Funds			
	Business Type Activities - Enterprise Funds			Governmental Activities
	Food Service	Kid Care	Totals	Internal Service Fund
Operating revenues:				
Local sources:				
Daily sales reimbursable programs	\$ 471,105		\$ 471,105	
Daily sales non-reimbursable programs	310,066		310,066	
Tuition		\$ 638,994	638,994	
Charges for Services				\$ 328,257
Total operating revenues	781,171	638,994	1,420,165	328,257
Operating expenses				
Salaries	565,404	433,750	999,154	
Employee benefits	173,223	33,182	206,405	
Purchased professional services		25,359	25,359	10,513
Management and admin services	156,084		156,084	
Supplies and materials	168,731	33,839	202,570	319,150
Depreciation	43,850		43,850	
Cost of sales - non-reimbursable programs	77,516		77,516	
Cost of sales - reimbursable programs	616,580		616,580	
Miscellaneous	57,415		57,415	
Total operating expenses	1,858,803	526,130	2,384,933	329,663
Operating (loss) income	(1,077,632)	112,864	(964,768)	(1,406)
Non-operating revenues:				
State sources:				
State school lunch program	22,112		22,112	
Federal sources:				
School breakfast program	163,195		163,195	
National school lunch program	893,460		893,460	
HHFKA	27,103		27,103	
Food donation program	153,474		153,474	
Total nonoperating revenues	1,259,344		1,259,344	
Change in net position	181,712	112,864	294,576	(1,406)
Total net position-beginning	850,265	905,419	1,755,684	20,874
Total net position-ending	\$ 1,031,977	\$ 1,018,283	\$ 2,050,260	\$ 19,468

East Windsor Regional School District
Proprietary Funds

Statement of Cash Flows

Year Ended June 30, 2017

	Major Funds			
	Business Type Activities - Enterprise Funds			Governmental Activities
	Food Service	Kid Care	Total	Internal Service Fund
Cash flows from operating activities				
Receipts from customers	\$ 810,723	\$ 638,994	\$ 1,449,717	\$ 332,063
Payments to employees	(565,404)	(466,932)	(1,032,336)	
Payments for benefits	(173,223)		(173,223)	
Payments to suppliers	(1,073,894)	(65,741)	(1,139,635)	(338,097)
Net cash (used in) provided by operating activities	(1,001,798)	106,321	(895,477)	(6,034)
Cash flows from noncapital financing activities				
Cash received from state and federal sources	1,359,394		1,359,394	
Transfer from other funds				6,034
Net cash provided by noncapital financing activities	1,359,394		1,359,394	6,034
Cash flows from capital and related financing activities				
Purchase of capital assets	(61,400)		(61,400)	
Net cash (used in) capital and related financing activities	(61,400)		(61,400)	
Net increase in cash and cash equivalents	296,196	106,321	402,517	
Cash and cash equivalents, beginning of year	401,257	912,473	1,313,730	
Cash and cash equivalents, end of year	<u>\$ 697,453</u>	<u>\$ 1,018,794</u>	<u>\$ 1,716,247</u>	<u>\$ -</u>
Reconciliation of operating (loss) income to net cash (used in) provided by operating activities:				
Operating (loss) income	\$ (1,077,632)	\$ 112,864	\$ (964,768)	\$ (1,406)
Adjustments to reconcile operating (loss) income to net cash (used in) provided by operating activities:				
Depreciation	43,850		43,850	
Change in assets and liabilities:				
Decrease in other accounts receivable				3,806
Decrease (increase) in inventory	14,505		14,505	(8,434)
Decrease in accounts payable		(6,543)	(6,543)	
Increase in unearned revenue	17,479		17,479	
Net cash (used in) provided by operating activities	<u>\$ (1,001,798)</u>	<u>\$ 106,321</u>	<u>\$ (895,477)</u>	<u>\$ (6,034)</u>

Noncash noncapital financing activities:

The District received \$141,401 of food commodities from the U.S. Department of Agriculture for the year ended June 30, 2017.

Fiduciary Funds

East Windsor Regional School District
Fiduciary Funds

Statement of Fiduciary Net Position

June 30, 2017

	Private-Purpose Scholarship Trust Fund	Unemployment Compensation Trust Fund	Agency Fund
Assets			
Cash and cash equivalents	\$ 12,808	\$ 1,428,564	\$ 277,881
Investments	34,944		
Total assets	<u>47,752</u>	<u>1,428,564</u>	<u>277,881</u>
Liabilities			
Accounts payable		5,862	
Payroll deductions payable			\$ 23,837
Due to student groups			254,044
Total liabilities		<u>5,862</u>	<u>\$ 277,881</u>
Net position			
Held in trust for unemployment claims		<u>\$ 1,422,702</u>	
Held in trust for scholarships	<u>\$ 47,752</u>		

East Windsor Regional School District
Fiduciary Funds

Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2017

	<u>Private-Purpose Scholarship Trust Funds</u>	<u>Unemployment Compensation Trust Fund</u>
Additions		
Interest income	\$ 32	
Employee contributions	15,034	\$ 105,404
Total additions	<u>15,066</u>	<u>105,404</u>
Deductions		
Scholarship payments	25,589	
Miscellaneous	126	
Unemployment payments		51,916
Change in investment value	(3,405)	
Total deductions	<u>22,310</u>	<u>51,916</u>
Change in net position	(7,244)	53,488
Net position-beginning	54,996	1,369,214
Net position-ending	<u>\$ 47,752</u>	<u>\$ 1,422,702</u>

East Windsor Regional School District

Notes to the Basic Financial Statements

Year ended June 30, 2017

1. Summary of Significant Accounting Policies

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

The more significant of the District's accounting policies are disclosed below:

A. Reporting Entity

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

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

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

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

B. Government-wide and Fund Financial Statements

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

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2017

1. Summary of Significant Accounting Policies (continued)

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements. The New Jersey Department of Education ("DOE") requires all funds be reported as major to promote consistency among school districts in the State of New Jersey.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers all revenue to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, the net pension liability and capital leases, are recorded only when payment is due.

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

Year ended June 30, 2017

1. Summary of Significant Accounting Policies (continued)

Property taxes, interest, and state aid associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when the District receives cash.

The District has reported the following major governmental funds:

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

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

Capital Projects Fund: The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to an expenditure for capital outlays, including the acquisition or construction of major capital facilities and other capital assets (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds and state aid that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund: The debt service fund accounts for and reports financial resources that are restricted, committed, or assigned to an expenditure for the principal and interest on long-term general obligation debt of governmental funds.

The District reports the following major proprietary funds:

Food Service Enterprise Fund: The food service enterprise fund accounts for all revenues and expenses pertaining to cafeteria operations. This 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 or other entities on a continuing basis are financed or recovered primarily through user charges.

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

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

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

Year ended June 30, 2017

1. Summary of Significant Accounting Policies (continued)

Additionally, the District reports the following fund types:

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

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

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

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

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

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

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

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

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2017

1. Summary of Significant Accounting Policies (continued)

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

The County Board of Taxation is responsible for the assessment of properties and the Township of East Windsor and Borough of Hightstown Tax Collectors are responsible for collection of taxes. Assessments are certified and taxes are levied on January 1; taxes are due February 1, May 1, August 1 and November 1. Unpaid taxes are considered delinquent the following January 1 and are then subject to lien.

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds and submitted to the county office. In accordance with P.L. 2011, c. 202, which became effective January 17, 2012, the District elected to move the annual School Board election to the date of the November general election thereby eliminating the vote on the annual base budget. Budgets are prepared using the modified accrual basis of accounting and the special revenue fund uses a non-GAAP budget (budgetary basis). The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referred in N.J.A.C. 6A:23. All budget amendments must be approved by School Board resolution and certain others require approval by the County Superintendent of Schools. Budgetary transfers were made during the current year in accordance with statutory guidelines. The amendments made by the District were part of the normal course of operations.

The over-expenditures related to on-behalf payments in the general fund are due to the inclusion of the non-budgeted on-behalf payments made by the State of New Jersey as District expenditures. These amounts are offset by related revenues and as such do not represent budgetary over-expenditures.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition in the general fund of the last state aid payments for budgetary purposes and the treatment of encumbrances in 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.

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2017

1. Summary of Significant Accounting Policies (continued)

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. Cash, Cash Equivalents and Investments

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

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

F. Interfund Receivables/Payables

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

G. Inventories

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

Proprietary funds inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. At June 30, 2017, the unused Food Donation Program commodities of \$6,733 are reported as unearned revenue in the food service enterprise fund.

H. Capital Assets

Capital assets, which include land, construction in progress, site and site improvements, buildings and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair value on the date of donation.

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

Year ended June 30, 2017

1. Summary of Significant Accounting Policies (continued)

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

Capital assets, being depreciated, of the District are depreciated using the straight-line method. The following estimated useful lives are used to compute depreciation:

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

I. Compensated Absences

A liability for compensated absences that is attributable to services already rendered and that are not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits. The District uses the “vesting method” for estimating its accrued sick and vacation leave liability.

District employees earn vacation and sick leave in varying amounts under the District’s existing collective bargaining agreements. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee after one year of service.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2017, a liability existed for compensated absences in the government-wide financial statements in the amount of \$1,131,841 and no liability existed for compensated absences in the proprietary fund types.

J. 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 future periods and so will not be recognized as an outflow of resources (expense / expenditure) until then. Currently, the District has two items that qualify for reporting in this category, including deferred amounts from the refunding of debt and deferred amounts related to pensions.

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

Year ended June 30, 2017

1. Summary of Significant Accounting Policies (continued)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category, deferred amounts related to pensions.

K. Long-Term Obligations

In the government-wide financial statements, and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

L. Deferred Loss on Defeasance of Debt

Deferred loss on defeasance of debt arising from the issuance of the refunding bonds is recorded as a deferred outflow of resources. It is amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense. As of June 30, 2017, the District has recorded an unamortized balance of \$1,010,142 as a deferred outflow of resources. Amortization expense for the year ended June 30, 2017 was \$94,943.

M. Unearned Revenue

Unearned revenue in the special revenue fund represents cash which has been received but not yet earned. Unearned revenue in the food service enterprise fund represents unused food donation commodities and student deposits made for the use of purchasing food in a future period.

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

Year ended June 30, 2017

1. Summary of Significant Accounting Policies (continued)

N. Net Position

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

O. Fund Balances

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

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

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2017

1. Summary of Significant Accounting Policies (continued)

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

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

Of the \$13,571,152 of fund balances in the General Fund, \$2,356,702 of encumbrances is assigned to other purposes, \$800,000 has been classified as restricted excess surplus – prior year- designated for subsequent years expenditures, \$1,050,464 has been classified as restricted excess surplus – current year, \$8,986,444 has been classified as restricted for maintenance reserve and capital reserve in the amounts of \$4,195,799 and \$4,790,645, respectively, \$112,772 is assigned to designated for subsequent year's expenditures, \$10,213 is assigned to designated for subsequent year's expenditures (ARRA SEMI) and \$254,557 is classified as unassigned.

All of the fund balance in the Capital Projects Fund of \$536,629 is restricted for capital projects. All of the fund balance in the debt service fund in the amount of \$25,967 is restricted for future debt service payments.

P. Management Estimates

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

Q. On-Behalf Payments

Revenues and expenditures of the general fund include payments made or reimbursed by the State of New Jersey for social security and post-retirement medical and pension contributions for certified teachers and other members of the New Jersey Teachers Pension and Annuity Fund. Additionally, revenues and expenses related to on-behalf pension contributions in the government-wide financial statements have been increased by \$17,216,882 to adjust for the full accrual basis expense incurred by the State of New Jersey during the most recent measurement period. The amounts are not required to be included in the District's annual budget.

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2017

1. Summary of Significant Accounting Policies (continued)

R. Calculation of Excess Surplus

The designation for restricted fund balance - excess surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to reserve fund balance of the General Fund 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 District has excess fund balance at June 30, 2017 in the amount of \$1,850,464. Of this amount, \$800,000 has been appropriated in the 2017/18 budget and the remaining \$1,050,464, which was generated during the 2017 fiscal year, is required to be appropriated in the 2018/19 budget.

S. GASB Pronouncements

Recently Issued and Adopted Accounting Principles

The GASB issued Statement No. 77, *Tax Abatement Disclosures* in August 2015. This Statement is intended to improve financial reporting by requiring disclosure of tax abatement information about a reporting government's own tax abatement agreements and those that are entered into by other governments and that reduce the reporting government's tax revenues. The requirements of this Statement are effective for financial statements for reporting periods beginning after December 15, 2015. As the District is not a taxing government, the Statement did not result in a change in the District's assets, revenues or fund balance. However, certain required disclosures were included in Note 18.

Recently Issued Accounting Pronouncements

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"). This Statement replaces the requirement of Statement 45 and the primary objective of this Statement is to improve accounting and reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local government employers about financial support for OPEB that is provided by other entities. The requirements of this Statement are effective for financial statements for fiscal years beginning after June 15, 2017. Management has not yet determined the impact of the Statement on the financial statements.

T. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2017 and November 17, 2017, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

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

Year ended June 30, 2017

2. Reconciliation of Government-Wide and Fund Financial Statements

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

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

The details of this \$31,795,584 difference are as follows:

Bonds payable	\$ 26,305,000
Premium on bonds	2,463,040
Capital leases payable	1,895,703
Compensated absences	<u>1,131,841</u>
Net adjustment to reduce fund balance-total governmental funds to arrive at net position – governmental activities	<u>\$ 31,795,584</u>

The total balance of capital leases payable at June 30, 2017 was \$2,595,703. There was \$700,000 of capital lease proceeds unexpended at June 30, 2017, which was included as a liability on the Schedule B-1, therefore the amount above reflects the adjustment to arrive at net position – governmental activities, and not the entire balance of \$2,595,703.

3. Deposits and Investments

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

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (“GUDPA”). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

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

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

Year ended June 30, 2017

3. Deposits and Investments (continued)

public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

Deposits

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

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

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

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

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

The District's cash and cash equivalents are classified below to inform financial statement users about the extent to which the District's deposits and investments are exposed to custodial credit risk.

At June 30, 2017 the carrying amount of the District's deposits was \$16,721,171 and the bank balance was \$20,796,536. Of the bank balance, \$398,314 of the District's cash deposits on June 30, 2017 was secured by federal depository insurance. The New Jersey Governmental Unit Deposit Protection Act (GUDPA) covered the bank balance of \$19,735,338. \$662,884 held in the District's agency accounts are not covered by GUDPA.

GASB Statement No. 40, "Deposit and Investment Risk Disclosures" ("GASB 40") requires that the District disclose whether its deposits are exposed to custodial credit risk (risk that in the event of failure of the counterparty, the District would not be able to recover the value of its deposit or investment). Deposits are considered to be exposed to custodial credit risk if they are: uncollateralized (securities are not pledged to the depositor), collateralized with the securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the name of the District.

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

Year ended June 30, 2017

3. Deposits and Investments (continued)

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

As of June 30, 2017, the District had \$700,000 held by fiscal agents.

Investments

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

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

The following presents the investments held at June 30, 2017:

Investment Type	Fair Value	Investment Maturities Less than 1 year
Mutual Funds	\$34,944	\$34,944
Total investments	\$34,944	\$34,944

The investments in mutual funds are recorded as investments in the private-purpose scholarship trust fund.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles for governmental entities. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

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

Year ended June 30, 2017

3. Deposits and Investments (continued)

The following table set forth by level, with fair value hierarchy the investment assets at fair value as of June 30, 2017:

	Assets at Fair Value	
	<u>As of June 30, 2017</u>	
	<u>Level 1</u>	<u>Total</u>
Mutual Funds	\$34,944	\$34,944
	<u>\$34,944</u>	<u>\$34,944</u>

New Jersey Cash Management Fund

In order to maximize liquidity, the District utilized the New Jersey Cash Management Fund (“NJCMF”). The NJCMF is administered by the State of New Jersey, Department of the Treasury and issues a separate report that can be obtained directly from the Department of the Treasury. It invests pooled monies from various State and non-State agencies in primarily short-term investments. The pooled shares are equal to the value of the District’s shares. These investments include: U.S. Treasuries, short-term Commercial Paper, U.S. Agency Bonds, Corporate Bonds, and Certificates of Deposit. Agencies that participate in the NJCMF typically earn returns that mirror short-term investments rates. Monies can be freely added or withdrawn from the NJCMF on a daily basis without penalty. During the fiscal year ended June 30, 2017, the District closed its account with NJCMF.

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

Custodial Credit Risk: All of the District’s investments are uncollateralized. Pursuant to GASB 40, the NJCMF, which is a pooled investment, is exempt from custodial credit risk exposure. The District does not have a policy for custodial credit risk for its investment.

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

Concentration of Credit Risk: The District places no limit on the amount the District may invest in any one issuer. At June 30, 2017, no more than 5% of the District’s investments were in any one security.

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2017

3. Deposits and Investments (continued)

Interest Rate Risk: The District does not have a policy to limit interest rate risk, however, its practice is typically to invest in investments with short maturities.

4. Capital Assets

The following is a summarization of the governmental activities changes in capital assets for the fiscal year ended June 30, 2017:

	Beginning Balance	Increases	Transfers	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 149,550			\$ 149,550
Construction in progress	1,007,750	\$ 88,338	\$(1,007,750)	88,338
Total capital assets, not being depreciated	1,157,300	88,338	(1,007,750)	237,888
Capital assets, being depreciated:				
Site and site improvements	4,278,545	834,569	42,245	5,155,359
Buildings and building improvements	144,187,275	2,803,759	965,505	147,956,539
Machinery, equipment and vehicles	11,569,511	550,476		12,119,987
Machinery, equipment – Internal Service	30,025			30,025
Total capital assets being depreciated	160,065,356	4,188,804	1,007,750	165,261,910
Less accumulated depreciation for:				
Site and site improvements	2,055,857	279,368		2,335,225
Buildings and building improvements	48,139,917	3,484,920		51,624,837
Machinery, equipment and vehicles	8,827,001	441,916		9,268,917
Machinery, equipment – Internal Service	30,025			30,025
Total accumulated depreciation	59,052,800	4,206,204		63,259,004
Total capital assets, being depreciated, net	101,012,556	(17,400)	1,007,750	102,002,906
Governmental activities capital assets, net	\$ 102,169,856	\$ 70,938	\$ -	\$ 102,240,794

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

Year ended June 30, 2017

4. Capital Assets (continued)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$1,761,635
Special Education Instruction	505,834
Other Special Instruction	193,636
Other Instruction	80,494
Community Svc Program/Operations	140
Student and Instruction Related Services	587,680
School Administration Services	226,970
Other Admin Services	158,587
Plant Operations and Maintenance	449,205
Pupil Transportation	<u>242,023</u>
Total	<u>\$4,206,204</u>

The following is a summarization of the business-type activities changes in capital assets for the fiscal year ended June 30, 2017:

	Beginning Balance	Increases	Ending Balance
Business-type activities:			
Capital assets, being depreciated:			
Equipment	\$1,062,226	\$ 61,400	\$1,123,626
Less accumulated depreciation for:			
Equipment	<u>824,509</u>	<u>43,850</u>	<u>868,359</u>
Total business-type activities capital assets, net	<u>\$ 237,717</u>	<u>\$ 17,550</u>	<u>\$255,267</u>

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

Year ended June 30, 2017

5. Long-Term Liabilities

During the fiscal year ended June 30, 2017, the following changes occurred in long-term liabilities:

	Beginning Balances	Additions	Reductions	Ending Balances	Due within One Year
Governmental Activities					
Compensated absences payable	\$ 1,057,564	\$ 256,488	\$ 182,211	\$ 1,131,841	\$ 56,500
Bonds payable	28,375,000		2,070,000	26,305,000	2,105,000
Premium on bonds	2,685,463		222,423	2,463,040	222,423
Obligations under capital leases	2,746,479	700,000	850,776	2,595,703	850,169
Subtotal	34,864,506	956,488	3,325,410	32,495,584	3,234,092
Net pension liability	26,409,585	8,753,390		35,162,975	
Governmental activities long-term liabilities	<u>\$ 61,274,091</u>	<u>\$ 9,709,878</u>	<u>\$ 3,325,410</u>	<u>\$ 67,658,559</u>	<u>\$ 3,234,092</u>

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

Bonds Payable

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

Bonds payable at June 30, 2017 are comprised of the following issues:

\$29,900,000, 2012 refunding bonds, due in annual installments ranging from \$1,680,000 to \$2,115,000 through March 1, 2029 at interest rates ranging from 4.00% to 5.00%. These bonds were issued to provide resources to refund a portion of the District's outstanding debt. As of June 30, 2017, \$25,009,000 of this defeased debt remains outstanding.

\$3,280,000, 2015 refunding bonds, due in annual installments ranging from \$375,000 to \$425,000 through July 15, 2023 at an interest rate of 3.00%. These bonds were issued to provide resources to refund a portion of the District's outstanding debt. As of June 30, 2017, \$2,875,000 of this defeased debt remains outstanding.

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

Year ended June 30, 2017

5. Long-Term Liabilities (continued)

Principal and interest due on all bonds outstanding at June 30, 2017 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
2018	\$ 2,105,000	\$ 1,092,825	\$ 3,197,825
2019	2,145,000	1,013,025	3,158,025
2020	2,180,000	931,450	3,111,450
2021	2,230,000	830,800	3,060,800
2022	2,285,000	727,375	3,012,375
2023-2027	11,190,000	2,135,925	13,325,925
2028-2029	4,170,000	250,000	4,420,000
	<u>\$ 26,305,000</u>	<u>\$ 6,981,400</u>	<u>\$ 33,286,400</u>

Bonds Authorized But Not Issued

As of June 30, 2017, the District had no authorized but not issued bonds.

Other Capital Leases

Governmental Funds

The District has a capital lease outstanding for the science lab and classroom renovations for the high school with an interest rate of 1.64% and a capital lease outstanding for equipment with an interest rate of 2.25%. The following is a schedule of the future minimum lease payments under these capital leases and the present value of the net future minimum lease payments at June 30, 2017:

<u>Fiscal Year</u>	<u>Amounts</u>
Year ending June 30:	
2018	\$ 895,906
2019	895,906
2020	895,906
Total minimum lease payment	<u>2,687,715</u>
Less amount representing interest	<u>(92,015)</u>
Present value of net future minimum lease payments	<u>\$ 2,595,703</u>

The assets acquired through capital leases are as follows at June 30, 2017:

Asset:	
Building and building improvements	\$ 3,419,534
Less accumulated depreciation	(114,712)
Total	<u>\$3,304,822</u>

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2017

6. Pension Plans

Description of Systems

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

Teachers' Pension and Annuity Fund

The Teachers' Pension and Annuity Fund was established in January 1955 under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment.

Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively, with an annual benefit generally determined to be $1/55^{\text{th}}$ of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively, with an annual benefit generally determined to be $1/60^{\text{th}}$ of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

Public Employee's Retirement System

The Public Employees' Retirement System was established in January 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school Board or public agency provided the employee is not a member of another State-administered retirement system. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively with an annual benefit generally determined to be $1/55^{\text{th}}$ of the average annual compensation for the highest three fiscal years' compensation for each year of

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

Year ended June 30, 2017

6. Pension Plans (continued)

membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

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

Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing members. Plan member and employer contributions may be amended by State of New Jersey legislation. Under the provisions of Chapter 78, P.L. 2011, employee contribution rates for TPAF and PERS increased from 5.5% to 6.5% of employees' annual compensation. An additional increase is to be phased in annually through July 2018 that will bring the total pension contribution rate to 7.5% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate in both the TPAF and PERS. The actuarially determined contribution includes funding for noncontributory death benefits and post-retirement medical premiums. Under current statute the Board is a non-contributing employer of the TPAF.

During the year ended June 30, 2017, the State of New Jersey contributed \$7,636,615 to the TPAF for post-retirement medical benefits and other pension costs on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$2,716,305 during the year ended June 30, 2017 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the government-wide and fund financial statements.

The Board's actuarially determined contributions to PERS for each of the years ended June 30, 2017, 2016, and 2015 was \$1,054,737, \$1,021,477, and \$983,231, respectively, equal to the required contributions for each year.

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

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

Year ended June 30, 2017

6. Pension Plans (continued)

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

Public Employee's Retirement System (PERS)

At June 30, 2017, the District reported a liability of \$35,162,975 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2015, which was rolled forward to June 30, 2016. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2016, the District's proportion was 0.1187251190 percent, which was an increase of 0.0010772670 from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized full accrual pension expense of \$3,504,003 in the government-wide financial statements. 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
Difference between expected and actual experience	\$ 653,925	
Changes of assumptions	7,283,890	
Net difference between projected and actual earnings on pension plan investments	1,340,796	
Changes in proportion and differences between District contributions and proportionate share of contributions	595,476	\$ 50,691
District contributions subsequent to the measurement date	1,059,837	
	\$ 10,933,924	\$ 50,691

\$1,059,837 is reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2018	\$ 2,235,380
2019	2,235,380
2020	2,564,678
2021	2,115,795
2022	672,163
	\$ 9,823,396

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2017

6. Pension Plans (continued)

Additional Information

Actuarial Assumptions

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 included in the measurement:

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

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.

Mortality Rates

Pre-retirement mortality rates were based on the RP-2000 Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables 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. Post-retirement 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).

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2017

6. Pension Plans (continued)

Long-Term 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 Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expecting future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic 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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade 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 US Equities	26.00%	8.53%
Developed Foreign Markets	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 US	5.00%	-0.25%
REIT	5.25%	5.63%
	<u>100.00%</u>	

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

Year ended June 30, 2017

6. Pension Plans (continued)

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 contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan member through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the District's proportionate share of the net pension liability as of June 30, 2016 calculated using the discount rate as disclosed on the previous page as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.98 percent) or 1-percentage-point higher (4.98 percent) than the current rate:

	At 1% Decrease (2.98%)	At Current Discount Rate (3.98%)	At 1% Increase (4.98%)
State's proportionate share of the net pension liability associated with the District	\$ 43,088,122	\$ 35,162,975	\$ 28,620,079

Pension Plan Fiduciary Net Position

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

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

Year ended June 30, 2017

6. Pension Plans (continued)

Additional Information

Collective balances of the local group at June 30, 2016 are as follows:

Deferred outflows of resources	\$	8,685,338,380
Deferred inflows of resources	\$	870,133,595
Net pension liability	\$	29,617,131,759
 District's Proportion		 0.1187251190%

Collective pension expense for the Local Group for the measurement period ended June 30, 2016 is \$2,830,763,540.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined July 1, 2015 (the beginning of the measurement period ended June 30, 2016) is 5.57 years and 5.72 years for the measurement period ended June 30, 2015.

Teachers Pensions and Annuity Fund (TPAF)

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. The State's proportionate share of the TPAF net pension liability associated with the District as of June 30, 2016 was \$284,489,960. The District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. The State's proportionate share of the net pension liability associated with the District was based on a projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2016, the State's proportionate share of the TPAF net pension liability associated with the District was 0.3616411567 percent, which was an increase of 0.0027738517 from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the District recognized on-behalf pension expense and revenue in the government wide financial statements of \$21,375,462 for contributions incurred by the State.

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

Year ended June 30, 2017

6. Pension Plans (continued)

Actuarial assumptions

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

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

Mortality Rates

Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based 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 experience 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 Investments and Divisions 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 by adding expected inflation.

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2017

6. Pension Plans (continued)

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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	0.39%
US Government Bonds	1.50%	1.28%
US Credit Bonds	13.00%	2.76%
US Mortgages	2.00%	2.38%
US Inflation-Indexed Bonds	1.50%	1.41%
US High Yield Bonds	2.00%	4.70%
US Equity Market	26.00%	5.14%
Foreign-Developed Equity	13.25%	5.19%
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	0.50%	2.87%
Hedge Funds - MultiStrategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%
	<u>100.00%</u>	

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 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 contribution rate in the most recent fiscal year. The State contributed 30% of the actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan member 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 Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2017

6. Pension Plans (continued)

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

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2016 calculated using the discount rate as disclosed above as well as what the State's proportionate share of the net pension liability associated with the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	At 1% Decrease (2.22%)	At Current Discount Rate (3.22%)	At 1% Increase (4.22%)
State's proportionate share of the net pension liability associated with the District	\$ 339,744,589	\$ 284,489,960	\$ 239,367,425

Pension plan fiduciary net position

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

Additional Information

Collective balances of the local group at June 30, 2016 are as follows:

Deferred outflows of resources	\$ 17,440,003,201
Deferred inflows of resources	\$ 195,027,919
Net pension liability	\$ 78,666,367,052

State's proportionate share associated with the District	0.3616411567%
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Collective pension expense-Local Group for the plan for the measurement period ended June 30, 2016 is \$5,915,082,656.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at July 1, 2015 (the beginning of the measurement period ended June 30, 2016) is 8.3 years.

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

Year ended June 30, 2017

7. Post-Retirement Benefits

Plan Description

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

Funding Policy

P.L. 1987, chapter 384 and P.L. 1990, chapter 6 required Teachers’ Pension and Annuity Fund (TPAF) and Public Employees’ Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, chapter 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2016, there were 110,512 retirees receiving 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 P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in fiscal year 2016. The State will set the contribution rate based on the *annual required contribution of the employers* (ARC), an amount actuarially determined in accordance with parameters of GASB 45. The ARC represents the level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State’s contributions to the SHBP Fund for TPAF retirees’ post-retirement benefits on behalf of the District for the years ended June 30, 2017, 2016, and 2015 were \$3,465,043, \$3,447,668, and \$3,080,017, respectively, which equaled the required contributions for each year. The State’s contributions to the SHBP Fund for PERS retirees’ post-retirement benefits on behalf of the District was not determined or made available by the State of New Jersey.

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

Year ended June 30, 2017

8. Interfund Receivables and Payables

The total interfund accounts receivable and payable for the District at June 30, 2017 are as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$1,496,057	
Special Revenue Fund		\$ 82,468
Capital Projects Fund		1,355,744
Internal Service Fund – Fueling Facility		57,845
	\$1,496,057	\$1,496,057

The interfund receivable in the General Fund of \$1,496,057 is comprised of an interfund payable from the special revenue fund in the amount of \$82,468, capital projects fund in the amount of \$1,355,744 and internal service fund – fueling facility in the amount of \$57,845, which represent short-term loans to provide on funds with sufficient cash flow until cash is received for accounts receivable. All interfunds are expected to be repaid within one year.

9. Economic Dependency

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

10. Contingent Liabilities

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable at June 30, 2017 may be impaired. In addition, the District received funding from the New Jersey Schools Development Authority (NJSDA), in connection with certain approved projects. The costs associated with the funding received from the NJSDA are subject to a final review of eligible costs and compliance by the New Jersey Department of Education and the NJSDA. To the extent that the District has not complied with the rules and regulations governing the NJSDA funds or has not met the final eligible costs requirement, refunds of any money received may be required.

In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations or final eligible cost requirements governing the respective grants or funding; therefore, no provisions have been recorded in the accompanying basic financial statements for such contingencies.

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

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2017

11. Risk Management

The District is exposed to various risks of loss related to torts; theft, damage, and destruction of assets; errors and omissions; employee health and accident claims; and natural disasters.

Property and Liability Insurance

The District maintains commercial insurance coverage for property, liability, and student accident and surety bonds and does not retain risk of loss. There have been no significant reductions in insurance coverage from the prior year and no settlements have exceeded insurance coverages over the past three years. A complete schedule of insurance coverage can be found in the statistical section of this report.

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

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

New Jersey Unemployment Compensation Insurance

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

12. Deferred Compensation Plans

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

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

Participant's rights under the plans are equal to those of general creditors in an amount equal to the fair market value of the deferred account of each participant. The District has no liability for losses under the plan.

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

Year ended June 30, 2017

13. Restricted Assets

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

14. Maintenance Reserve Account

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

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

The activity of the maintenance reserve for the July 1, 2016 to June 30, 2017 fiscal year is as follows:

Beginning balance, July 1, 2016	\$	4,395,799
Withdrawal:		
Approved by a resolution of the Board of Education		(200,000)
Ending balance, June 30, 2017	\$	4,195,799

The balance in the maintenance reserve does not exceed four percent of the replacement cost of the school district's school facilities for the current year at June 30, 2017. The District has budgeted \$950,000 of the June 30, 2017 maintenance reserve balance in its 2017-18 fiscal year budget.

15. Capital Reserve Account

A capital reserve account was established by the District in July 1, 2001, by way of a Board resolution, and issued for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

Year ended June 30, 2017

15. Capital Reserve Account (continued)

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

The activity of the capital reserve for July 1, 2016 to June 30, 2017 fiscal year is as follows:

Beginning balance, July 1, 2016	\$	2,790,645
Deposit:		
Approved by June 2017 Board resolution		2,000,000
Ending balance, June 30, 2017	\$	4,790,645

The June 30, 2017 long-range facility plan (LRFP) balance of local support costs of uncompleted projects exceeds the amount set aside in the capital reserve. The District has budgeted \$1,046,313 of the June 30, 2017 capital reserve balance in its 2017-18 fiscal year budget.

16. Commitments

The District also has contracts with several vendors for goods and services that have not been received as of June 30, 2017. These encumbrances, in the amount of \$2,356,702, are recorded as assigned to other purposes on the general fund balance sheet.

East Windsor Regional School District

Notes to the Basic Financial Statements (continued)

Year ended June 30, 2017

17. Net Position - Net Investment in Capital Assets

Net investment in capital assets, Governmental Activities, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. The net investment in capital assets of \$72,406,375 indicated as part of the Governmental Activities net position is calculated as follows:

Capital assets, net of depreciation	\$102,240,794
Bonds payable (used to build or acquire capital assets)	(26,305,000)
Unamortized premium	(2,463,040)
Deferred loss on defeasance of debt	1,010,142
Unspent funds from capital lease	519,182
Capital lease	(2,595,703)
Total net investment in capital assets	<u>\$ 72,406,375</u>

18. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreement will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provision at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

East Windsor Township provides for long-term tax exemptions, as authorized by New Jersey State Statutes. N.J.S.A. 40A:20-1 et seq. sets forth the criteria and mechanism by which property taxes can and are abated. The exemptions provided by East Windsor Township are for affordable housing projects and other permitted purposes. Taxes abated include municipal, local school and county taxes.

East Windsor Township recognized revenue of \$148,459 from the annual service charge in lieu of payment of taxes in 2016 and taxes in 2016 that otherwise would have been due on these long-term tax exemptions amount to \$505,760, based upon the assessed valuations of the long-term tax exemptions properties. A portion of the \$357,301 abatement would have been allocated to the District. Hightstown Borough does not currently have any such long-term tax exemptions in place.

Required Supplementary Information – Part II

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

East Windsor Regional School District
 Schedule of the District's Proportionate Share of the Net Pension Liability
 Public Employee's Retirement System

Last Ten Fiscal Years

	Year Ended June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
District's proportion of the net pension liability (asset) - Local Group	0.1187251190%	0.1176478520%	0.1180527689%	0.1139395185%	n/a	n/a	n/a	n/a	n/a	n/a
District's proportionate share of the net pension liability (asset)	\$ 35,162,975	\$ 26,409,585	\$ 22,102,707	\$ 21,776,106	n/a	n/a	n/a	n/a	n/a	n/a
District's covered-employee payroll	\$ 8,047,029	\$ 7,900,026	\$ 8,106,472	\$ 8,075,037	\$ 7,919,559	\$ 7,668,007	\$ 7,558,262	\$ 8,255,842	\$ 7,995,582	\$ 7,786,158
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	436.97%	334.30%	272.66%	269.67%	n/a	n/a	n/a	n/a	n/a	n/a
Plan fiduciary net position as a percentage of the total pension liability - Local Group	40.14%	47.93%	52.08%	48.72%	n/a	n/a	n/a	n/a	n/a	n/a

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

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

Last Ten Fiscal Years

	Year Ended June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Contractually required contribution	\$ 1,059,837	\$ 1,054,733	\$ 1,021,477	\$ 983,231	\$ 868,532	\$ 934,611	\$ 837,121	\$ 629,897	\$ 753,376	\$ 492,026
Contributions in relation to the contractually required contribution	(1,059,837)	(1,054,733)	(1,021,477)	(983,231)	(868,532)	(934,611)	(837,121)	(629,897)	(753,376)	(492,026)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 7,900,026	\$ 8,106,472	\$ 8,075,037	\$ 7,919,559	\$ 7,668,007	\$ 7,558,262	\$ 8,255,842	\$ 7,995,582	\$ 7,786,158	\$ 8,075,882
Contributions as a percentage of covered-employee payroll	13.42%	13.01%	12.65%	12.42%	11.33%	12.37%	10.14%	7.88%	9.68%	6.09%

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

Last Ten Fiscal Years*

	2017	2016	2015	2014
State's proportion of the net pension liability (asset) associated with the District - Local Group	0.3588673050%	0.3588673050%	0.3524449084%	0.3442334350%
District's proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	\$ 284,489,960	\$ 226,819,461	\$ 188,370,333	\$ 173,972,871
Total proportionate share of the net pension liability (asset) associated with the District	<u>\$ 284,489,960</u>	<u>\$ 226,819,461</u>	<u>\$ 188,370,333</u>	<u>\$ 173,972,871</u>
Plan fiduciary net position as a percentage of the total pension liability	22.33%	28.71%	33.64%	33.76%

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

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

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

East Windsor Regional School District

Notes to Required Supplementary Information
Year Ended June 30, 2017

1. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.90% as of June 30, 2015 to 3.98% as of June 30, 2016.

2. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.13% as of June 30, 2015 to 3.22% as of June 30, 2016.

Required Supplementary Information – Part III

Budgetary Comparison Schedules

East Windsor Regional School District
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)
Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 62,713,366		\$ 62,713,366	\$ 62,713,366	
Tuition from Individuals				20,677	\$ 20,677
Tuition from other LEAs within the State	347,587		347,587	450,920	103,333
Transportation fees from other LEAs within the State	52,413		52,413	146,570	94,157
Rents and Royalties	35,000		35,000	38,469	3,469
Interest Earned on Investments				52,598	52,598
Miscellaneous	167,360		167,360	907,863	740,503
Total - Local Sources	63,315,726		63,315,726	64,330,463	1,014,737
State Sources:					
Equalization Aid	14,555,021		14,555,021	14,555,021	
Categorical Special Education Aid	2,987,642		2,987,642	2,987,642	
Transportation Aid	464,451		464,451	464,451	
Security Aid	524,828		524,828	524,828	
PARCC Readiness Aid	49,945		49,945	49,945	
Per Pupil Growth Aid	49,945		49,945	49,945	
Professional Learning Community Aid	49,970		49,970	49,970	
Non-Public Transportation Aid				22,968	22,968
Extraordinary Aid	160,000		160,000	342,443	182,443
TPAF Pension (On-Behalf - Non-Budgeted)				4,158,580	4,158,580
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				3,465,043	3,465,043
TPAF Non-contributory Insurance (On-Behalf - Non-Budgeted)				12,992	12,992
TPAF Social Security (Reimbursed - Non-Budgeted)				2,716,305	2,716,305
Total State Sources	18,841,802		18,841,802	29,400,133	10,558,331
Federal Sources:					
Medical Assistance Program	85,639		85,639	132,982	47,343
Total - Federal Sources	85,639		85,639	132,982	47,343
Total Revenues	82,243,167		82,243,167	93,863,578	11,620,411
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	544,894	\$ 418,438	963,332	963,332	
Grades 1-5 - Salaries of Teachers	9,184,748	(1,049,784)	8,134,964	8,080,019	54,945
Grades 6-8 - Salaries of Teachers	5,680,242	(153,898)	5,526,344	5,507,939	18,405
Grades 9-12 - Salaries of Teachers	7,436,885	(27,790)	7,409,095	7,400,296	8,799
Regular Programs - Home Instruction					
Salaries of Teachers		50,485	50,485	48,634	1,851
Purchased Professional-Educational Services	125,000	(18,500)	106,500	94,788	11,712
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	25,742	(25,592)	150		150
Purchased Professional-Educational Services	607,300	531,281	1,138,581	1,056,944	81,637
Purchased Technical Services	163,269	10,105	173,374	131,979	41,395
Other Purchased Services	17,350	(11,643)	5,707	92	5,615
General Supplies	2,796,550	(285,433)	2,511,117	1,843,742	667,375
Textbooks	576,570	(266,396)	310,174	277,757	32,417
Other Objects	9,400	(2,287)	7,113	5,572	1,541
TOTAL REGULAR PROGRAMS - INSTRUCTION	27,167,950	(831,014)	26,336,936	25,411,094	925,842
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities					
Salaries of Teachers	526,767	(17,782)	508,985	506,083	2,902
Other Salaries for Instruction	152,511	64,042	216,553	213,933	2,620
General Supplies	5,000	(1,300)	3,700	3,635	65
Total Learning and/or Language Disabilities	684,278	44,960	729,238	723,651	5,587
Multiple Disabilities					
Salaries of Teachers	134,392	42,240	176,632	147,025	29,607
Other Salaries for Instruction	60,658	(26,219)	34,439	34,267	172
General Supplies	3,000	(2,149)	851	851	
Total Multiple Disabilities	198,050	13,872	211,922	182,143	29,779

East Windsor Regional School District
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)
Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Resource Room/Resource Center					
Salaries of Teachers	\$ 4,136,598	\$ (105,771)	\$ 4,030,827	\$ 4,021,177	\$ 9,650
Other Salaries for Instruction	336,218	(123,215)	213,003	210,890	2,113
Purchased Professional-Educational Services	54,158	230,550	284,708	284,688	20
Total Resource Room/Resource Center	4,526,974	1,564	4,528,538	4,516,755	11,783
Autism					
Salaries of Teachers	301,031	(75,375)	225,656	224,952	704
Other Salaries for Instruction	125,295	(31,412)	93,883	92,623	1,260
Purchased Professional-Educational Services	5,000		5,000		5,000
General Supplies	3,000	(722)	2,278	2,278	
Total Autism	434,326	(107,509)	326,817	319,853	6,964
Preschool Disabilities - Part-Time					
Salaries of Teachers	229,778	83,969	313,747	312,937	810
Other Salaries for Instruction	141,685	27,559	169,244	168,744	500
Purchased Professional-Educational Services		376	376	357	19
General Supplies	11,195	1,397	12,592	12,581	11
Total Preschool Disabilities - Part-Time	382,658	113,301	495,959	494,619	1,340
TOTAL SPECIAL EDUCATION - INSTRUCTION	6,226,286	66,188	6,292,474	6,237,021	55,453
Basic Skills/Remedial - Instruction					
Salaries of Teachers	839,066	8,733	847,799	844,020	3,779
Purchased Professional-Educational Services	20,000		20,000	6,731	13,269
Total Basic Skills/Remedial - Instruction	859,066	8,733	867,799	850,751	17,048
Bilingual Education - Instruction					
Salaries of Teachers	1,857,714	3,708	1,861,422	1,851,913	9,509
Other Salaries for Instruction	62,792	869	63,661	62,818	843
Purchased Professional-Educational Services		24,502	24,502	19,550	4,952
General Supplies	4,000	29,680	33,680	26,733	6,947
Textbooks	10,000	40,000	50,000	40,194	9,806
Total Bilingual Education - Instruction	1,934,506	98,759	2,033,265	2,001,208	32,057
School-Spon. Cocurricular Actvts. - Inst.					
Salaries	280,000	75,956	355,956	346,219	9,737
Purchased Services	5,500		5,500	3,282	2,218
Supplies and Materials	1,000	503	1,503	836	667
Other Objects	15,100	14,223	29,323	27,136	2,187
Total School-Spon. Cocurricular Actvts. - Inst.	301,600	90,682	392,282	377,473	14,809
School-Spon. Athletics					
Salaries	742,931	(127,220)	615,711	605,940	9,771
Purchased Services	75,375	(2,642)	72,733	69,727	3,006
Supplies and Materials	78,230	23,839	102,069	73,437	28,632
Other Objects	11,000	(851)	10,149	10,149	
Total School-Spon. Athletics	907,536	(106,874)	800,662	759,253	41,409
Other Supplementary/At-Risk Program- Instruction					
Salaries of Teachers	30,000	14,419	44,419	44,419	
Other Salaries for Instruction		2,704	2,704	2,704	
General Supplies		2,050	2,050	1,702	348
Total Other Supplementary/At-Risk Program- Instruction	30,000	19,173	49,173	48,825	348
Total Other Supplementary/At-Risk Program	30,000	19,173	49,173	48,825	348
Community Services Programs/Operations					
Salaries	17,763	(16,451)	1,312		1,312
Purchased Services	3,000		3,000	2,057	943
Supplies and Materials	500		500		500
Total Community Services Programs/Operations	21,263	(16,451)	4,812	2,057	2,755
TOTAL INSTRUCTION	37,448,207	(670,804)	36,777,403	35,687,682	1,089,721

East Windsor Regional School District
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)
Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Instruction					
Tuition to Other LEAs Within the State - Special		\$ 9,004	\$ 9,004	\$ 9,004	
Tuition to County Voc. School Dist. - Regular	\$ 403,000	352,550	755,550	667,750	\$ 87,800
Tuition to CSSD & Regional Day Schools	3,844,740	223,375	4,068,115	3,698,156	369,959
Tuition to Private Schools for the Disabled - Within State	631,225	97,304	728,529	680,060	48,469
Tuition to Priv. Sch. Disabled & Other LEAs-Spl, O/S		900	900	900	
Tuition - Other	192,800	(85,396)	107,404	107,404	
Total Undistributed Expenditures - Instruction	5,071,765	597,737	5,669,502	5,163,274	506,228
Undistributed Expend. - Attend. & Social Work					
Salaries	60,208	18,881	79,089	75,639	3,450
Purchased Professional and Technical Services		4,155	4,155	4,014	141
Travel	250		250	89	161
Supplies and Materials	3,000	1,645	4,645	3,763	882
Total Undistributed Expend. - Attend. & Social Work	63,458	24,681	88,139	83,505	4,634
Undist. Expend. - Health Services					
Salaries	704,138	22,011	726,149	723,865	2,284
Purchased Professional and Technical Services	50,080	145,776	195,856	172,789	23,067
Supplies and Materials	15,000	(266)	14,734	13,896	838
Total Undistributed Expenditures - Health Services	769,218	167,521	936,739	910,550	26,189
Undist. Expend. - Other Supp. Serv. Students - Related Serv.					
Salaries	471,656	204,022	675,678	674,478	1,200
Purchased Professional - Educational Services	15,400	(7,800)	7,600	7,600	
Supplies and Materials	5,000		5,000	4,403	597
Total Undist. Expend. - Other Supp. Serv. Students - Related Serv.	492,056	196,222	688,278	686,481	1,797
Undist. Expend. - Other Supp. Serv. Students - Extra Serv.					
Other Salaries for Instruction	114,597	218,951	333,548	333,298	250
Purchased Professional - Educational Services	500		500		500
Total Undist. Expend. - Other Supp. Serv. Students - Extra Serv.	115,097	218,951	334,048	333,298	750
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	1,392,638	(10,099)	1,382,539	1,382,539	
Salaries of Secretarial and Clerical Assistants	90,504	(23,052)	67,452	67,044	408
Purchased Professional - Educational Services	2,000		2,000	1,535	465
Other Purchased Prof. and Tech. Services	20,000	4,483	24,483	23,832	651
Other Purchased Services	3,000	1,452	4,452	4,175	277
Supplies and Materials	52,410	(9,115)	43,295	35,599	7,696
Other Objects	5,000		5,000	1,797	3,203
Total Undist. Expend. - Guidance	1,565,552	(36,331)	1,529,221	1,516,521	12,700
Undist. Expend. - Child Study Team					
Salaries of Other Professional Staff	1,760,856	(3,503)	1,757,353	1,757,353	
Salaries of Secretarial and Clerical Assistants	135,555	916	156,471	155,868	603
Purchased Prof. - Educational Services	317,000	(102,924)	214,076	186,689	27,387
Other Purchased Prof. and Tech. Services	35,000	(9,910)	25,090	21,583	3,507
Miscellaneous Purchased Services	65,500	(56,465)	9,035	7,302	1,733
Supplies and Materials	30,000	36,058	66,058	64,273	1,785
Other Objects	5,000	(517)	4,483	4,483	
Total Undist. Expend. - Child Study Team	2,368,911	(136,345)	2,232,566	2,197,551	35,015
Undist. Expend. - Improvement of Inst. Serv.					
Salaries of Supervisors of Instruction	1,100,077	(316,289)	783,788	783,788	
Salaries of Secretarial and Clerical Assistants	49,367	7,400	56,767	55,126	1,641
Other Salaries	30,600	21,829	52,429	52,429	
Purchased Prof. - Educational Services	140,215	(2,292)	137,923	137,922	1
Other Purchased Prof. and Tech. Services	22,000	2,210	24,210	23,120	1,090
Other Purchased Services	3,000	(3,000)			
Supplies and Materials	4,500	19,465	23,965	12,455	11,510
Other Objects	15,000	(4,561)	10,439	10,439	
Total Undist. Expend. - Improvement of Inst. Serv.	1,364,759	(275,238)	1,089,521	1,075,279	14,242

East Windsor Regional School District
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)
Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Edu. Media Serv./Sch. Library					
Salaries	\$ 955,609	\$ (88,050)	\$ 867,559	\$ 863,691	\$ 3,868
Purchased Professional & Technical Services	223,590	79,025	302,615	291,757	10,858
Other Purchased Services	350		350		350
Supplies and Materials	1,325	5,869	7,194	7,104	90
Other Objects	38,875	(8,902)	29,973	29,270	703
Total Undist. Expend. - Edu. Media Serv./Sch. Library	1,219,749	(12,058)	1,207,691	1,191,822	15,869
Undist. Expend. - Instructional Staff Training Serv.					
Salaries of Supervisors of Instruction	229,951	(16,162)	213,789	213,559	230
Purchased Professional - Educational Services	28,500	(12,431)	16,069	16,069	
Other Purchased Services	229,798	(132,869)	96,929	68,767	28,162
Supplies and Materials	1,000	(800)	200	199	1
Total Undist. Expend. - Instructional Staff Training Serv.	489,249	(162,262)	326,987	298,594	28,393
Undist. Expend. - Supp. Serv. - General Admin.					
Salaries	233,243	52,504	285,747	284,109	1,638
Legal Services	125,000	(21,748)	103,252	64,818	38,434
Audit Fees	55,000	10,000	65,000	65,000	
Architectural/Engineering Services	50,000	(10,613)	39,387	9,707	29,680
Other Purchased Professional Services	50,000	(22,768)	27,232	5,829	21,403
Communications/Telephone	270,000	28,951	298,951	296,174	2,777
Board of Education Other Purchased Services	8,000	1,716	9,716	4,161	5,555
Miscellaneous Purchased Services	250,600	(89,165)	161,435	148,118	13,317
General Supplies	10,500	(3,194)	7,306	3,026	4,280
Miscellaneous Expenditures	10,500	10,400	20,900	20,229	671
Board of Education Dues and Fees	27,000	(337)	26,663	26,663	
Total Undist. Expend. - Supp. Serv. - General Admin.	1,089,843	(44,254)	1,045,589	927,834	117,755
Undist. Expend. - Support Serv. - School Admin.					
Salaries of Principals/Assistant Principals	1,993,317	244,599	2,237,916	2,234,455	3,461
Salaries - Other Professional Staff	121,316	(49,482)	71,834	71,823	11
Salaries of Secretarial and Clerical Assistants	933,261	(25,200)	908,061	898,641	9,420
Unused Vacation Payment to Terminated/Retired Staff		30,237	30,237	30,237	
Purchased Prof. and Tech. Services	62,500	(8,500)	54,000	43,742	10,258
Travel	1,129	2,205	3,334	1,584	1,750
Supplies and Materials	22,760	(4,571)	18,189	15,098	3,091
Other Objects	46,420	7,240	53,660	47,338	6,322
Total Undist. Expend. - Support Serv. - School Admin.	3,180,703	196,528	3,377,231	3,342,918	34,313
Undist. Expend. - Central Services					
Salaries	842,628	78,699	921,327	918,446	2,881
Purchased Professional Services	24,000	(6,080)	17,920	15,590	2,330
Purchased Technical Services	125,000	23,768	148,768	132,655	16,113
Misc Purchased Services	4,100	3,150	7,250	4,700	2,550
Interest on lease purchase agreements	12,500	(2,085)	10,415	9,634	781
Supplies and Materials	48,000	(3,168)	44,832	16,998	27,834
Sales/Leaseback Payments	45,045	70	45,115	45,112	3
Miscellaneous Expenditures	4,900	500	5,400	4,490	910
Total Undist. Expend. - Central Services	1,106,173	94,854	1,201,027	1,147,625	53,402
Undist. Expend. - Technology Admin.					
Salaries	155,013	437	155,450	155,175	275
Purchased Professional Services		15,224	15,224	15,224	
Purchased Technical Services	10,000	(500)	9,500		9,500
Travel	2,000	500	2,500	2,229	271
Supplies and Materials	100,000	14,166	114,166	87,649	26,517
Total Undist. Expend. - Technology Admin.	267,013	29,827	296,840	260,277	36,563
Undist. Expend. - Required Maint. for Sch. Facil.					
Salaries	1,365,851	(47,368)	1,318,483	1,309,242	9,241
Cleaning, Repair and Maintenance Services	299,730	20,025	319,755	303,729	16,026
General Supplies	225,000	79,144	304,144	241,032	63,112
Other Objects	8,000	3,367	11,367	11,230	137
Total Undist. Expend. - Required Maint. for Sch. Facil.	1,898,581	55,168	1,953,749	1,865,233	88,516

East Windsor Regional School District
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)
Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Custodial Services					
Salaries	\$ 1,916,516	\$ (3,322)	\$ 1,913,194	\$ 1,913,193	\$ 1
Unused Vacation Payment to Terminated/Retired Staff		5,000	5,000	4,678	322
Purchased Professional - Technical Services	100,000	60,000	160,000	145,295	14,705
Cleaning, Repair and Maintenance Services	65,000	(29,297)	35,703	20,802	14,901
Other Purchased Property Services	80,000	14,893	94,893	81,135	13,758
Insurance	265,382	162,451	427,833	427,833	
Travel	4,000		4,000	895	3,105
General Supplies	255,000	2,123	257,123	200,130	56,993
Natural Gas	350,000		350,000	304,718	45,282
Electricity	1,150,000		1,150,000	1,144,688	5,312
Total Undist. Expend. - Custodial Services	4,185,898	211,848	4,397,746	4,243,367	154,379
Undist. Expend. - Care and Upkeep of Grounds					
Salaries		10,997	10,997	7,872	3,125
Cleaning, Repair and Maintenance Services	22,000	(6,126)	15,874	13,974	1,900
General Supplies	20,000		20,000	15,028	4,972
Total Undist. Expend. - Care and Upkeep of Grounds	42,000	4,871	46,871	36,874	9,997
Undist. Expend. - Security					
Salaries	357,394	102,637	460,031	454,514	5,517
Purchased Professional & Technical Services		22,501	22,501	16,103	6,398
Total Undist. Expend. - Security	357,394	125,138	482,532	470,617	11,915
Undist. Expend. - Student Transportation Serv.					
Salaries for Non-Instructional Aids	175,512	(12,156)	163,356	160,778	2,578
Salaries for Pupil Trans. (Between Home & School) - Regular	1,503,127	(67,716)	1,435,411	1,425,545	9,866
Salaries for Pupil Trans. (Between Home & School) - Sp. Ed.	252,902	46,509	299,411	294,597	4,814
Salaries for Pupil Trans. Other than Between Home & School	384,749	55,813	440,562	431,898	8,664
Other Purchased Professional and Technical Services	35,000	(5,878)	29,122	26,488	2,634
Cleaning, Repair & Maintenance Services	30,000	35,084	65,084	57,582	7,502
Contracted Services Aid In Lieu of Payment for Non-public School Students	140,000		140,000	119,782	20,218
Contracted Services (Between Home and School) - Vendors	30,000	(19,652)	10,348	10,348	
Contracted Services (Sp. Ed.) - Joint Agreements	545,000	176,617	721,617	650,710	70,907
Travel	5,000	(5,000)			
Miscellaneous Purchased Services - Transportation	180,000	(96,126)	83,874	83,874	
General Supplies	203,000	(31,930)	171,070	159,625	11,445
Transportation Supplies	135,000	23,547	158,547	135,063	23,484
Other Objects	13,000	(4,138)	8,862	8,328	534
Total Undist. Expend. - Student Transportation Serv.	3,632,290	94,974	3,727,264	3,564,618	162,646
Unallocated Benefits					
Group Insurance	4,000		4,000	3,851	149
Social Security Contributions	1,000,000		1,000,000	970,931	29,069
TPAF Contributions ERIP	20,000	1,063,200	1,083,200	1,077,478	5,722
Other Retirement Contributions - PERS	1,094,700	(29,200)	1,065,500	1,058,368	7,132
Other Retirement Contributions - ERIP	10,000		10,000	2,567	7,433
Other Retirement Contributions - Regular	45,000	1,450	46,450	43,914	2,536
Workmen's Compensation	557,600		557,600	546,093	11,507
Health Benefits	12,257,617	(1,662,924)	10,594,693	10,582,974	11,719
Tuition Reimbursement	50,000	620	50,620	50,620	
Other Employee Benefits	255,000	(49,208)	205,792	170,843	34,949
Total Unallocated Benefits	15,293,917	(676,062)	14,617,855	14,507,639	110,216
TPAF Pension Contributions (On-behalf - Non-Budgeted)				4,158,580	(4,158,580)
TPAF Post Retirement Medical (On-behalf - Non-Budgeted)				3,465,043	(3,465,043)
TPAF Non-contributory Insurance (On-behalf - Non-Budgeted)				12,992	(12,992)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				2,716,305	(2,716,305)
Total On-behalf Contributions				10,352,920	(10,352,920)
TOTAL UNDISTRIBUTED EXPENDITURES	44,573,626	675,770	45,249,396	54,176,797	(8,927,401)
TOTAL GENERAL CURRENT EXPENSE	82,021,833	4,966	82,026,799	89,864,479	(7,837,680)

East Windsor Regional School District
General Fund
Budgetary Comparison Schedule
(Budgetary Basis)
Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY					
Equipment					
Regular Programs-Instruction:					
Grades 1-5		\$ 152,912	\$ 152,912	\$ 147,259	\$ 5,653
Grades 9-12		39,200	39,200		39,200
Special Education-Instruction:					
School- Spons. & Other Instruction Program		17,396	17,396	3,675	13,721
Undistributed Expenditures:					
Support Services - Child Study Teams		9,124	9,124	9,124	
Admin Info Tech		122,600	122,600	122,600	
Req. Maint. of School Facilities		14,000	14,000	11,692	2,308
Custodial Services		2,752	2,752	2,752	
Non-Instructional Equipment		9,190	9,190	2,605	6,585
School buses-regular	\$ 380,000	307,555	687,555	430,987	256,568
Total Equipment	380,000	674,729	1,054,729	727,942	326,787
Facilities Acquisition and Construction Services					
Architectural/Engineering Services		244,390	244,390	76,525	167,865
Construction Services		2,493,965	2,493,965	1,212,145	1,281,820
Lease purchase agreements-principal	669,958	179,711	849,669	849,668	1
Other Objects - Debt Service Assessment	203,645		203,645	203,645	
Total Facilities Acquisition and Construction Services	873,603	2,918,066	3,791,669	2,341,983	1,449,686
TOTAL CAPITAL OUTLAY	1,253,603	3,592,795	4,846,398	3,069,925	1,776,473
SPECIAL SCHOOLS					
Summer School - Instruction					
Salaries of Teachers	38,000	11,730	49,730	49,730	
Other Salaries of Instruction	11,000	248	11,248	11,248	
Total Summer School Instruction	49,000	11,978	60,978	60,978	
TOTAL SPECIAL SCHOOLS	49,000	11,978	60,978	60,978	
Contribution to Charter Schools	19,490	27,288	46,778	46,778	
TOTAL EXPENDITURES	83,343,926	3,637,027	86,980,953	93,042,160	(6,061,207)
(Deficiency) Excess of Revenues (Under) Over Expenditures	(1,100,759)	(3,637,027)	(4,737,786)	821,418	5,559,204
Fund Balance, July 1	14,354,373		14,354,373	14,354,373	
Fund Balance, June 30	\$ 13,253,614	\$ (3,637,027)	\$ 9,616,587	\$ 15,175,791	\$ 5,559,204
Recapitulation of (Deficiency) Excess of Revenues and Other Financing Sources (uses) (Under) Over Expenditures:					
Budgeted Fund Balance	\$ (900,759)		\$ (900,759)	\$ 4,658,445	\$ 5,559,204
Adjustment for Prior Year Encumbrances, net cancellations		\$ (3,637,027)	(3,637,027)	(3,637,027)	
Withdrawal Maintenance Reserve	(200,000)		(200,000)	(200,000)	
Total	\$ (1,100,759)	\$ (3,637,027)	\$ (4,737,786)	\$ 821,418	\$ 5,559,204
Recapitulation of Fund Balance:					
Restricted Fund Balance:					
Excess Surplus Designated for Subsequent Year's Expenditures				\$ 800,000	
Excess Surplus-current year				1,050,464	
Capital Reserve				4,790,645	
Maintenance Reserve				4,195,799	
Assigned to:					
Designated for Subsequent Year's Expenditures				112,772	
Designated for Subsequent Year's Expenditures-Assigned-SEMI ARRA				10,213	
Year End Encumbrances				2,356,702	
Unassigned Fund Balance				1,859,196	
				15,175,791	
Reconciliation of Budgetary Fund Balance to GAAP Fund Balance:					
Final State Aid Payments Not Realized on GAAP Basis				(1,604,639)	
Fund balance per Government Funds (GAAP)				\$ 13,571,152	

**East Windsor Regional School District
Special Revenue Fund**

**Budgetary Comparison Schedule
(Budgetary Basis)
Year ended June 30, 2017**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Federal sources	\$ 2,533,942	\$ 115,820	\$ 2,649,762	\$ 2,091,028	\$ 558,734
State sources	125,480		125,480	14,903	110,577
Local sources	33,649	29,832	63,481	53,759	9,722
Total revenues	<u>2,693,071</u>	<u>145,652</u>	<u>2,838,723</u>	<u>2,159,690</u>	<u>679,033</u>
Expenditures					
Current expenditures:					
Instruction:					
Salaries:					
Salaries of teachers	631,219	110,222	741,441	503,601	237,840
Purchased professional services	295,088		295,088	16,407	278,681
Other purchased services	1,082,374		1,082,374	1,001,492	80,882
General supplies	291,297	23,274	314,571	280,381	34,190
Total instruction	<u>2,299,978</u>	<u>133,496</u>	<u>2,433,474</u>	<u>1,801,881</u>	<u>631,593</u>
Support services:					
Salaries	22,000		22,000	22,000	
Personal services—employee benefits	132,674	3,062	135,736	117,604	18,132
Purchased professional services	129,509	(6,590)	122,919	118,325	4,594
Cleaning, repair and maint. Services		30,878	30,878	30,878	
Other purchased professional services	34,542	(2,635)	31,907	20,185	11,722
Supplies and materials	70,868	(14,559)	56,309	45,317	10,992
Total support services	<u>389,593</u>	<u>10,156</u>	<u>399,749</u>	<u>354,309</u>	<u>45,440</u>
Capital outlay:					
Noninstructional equipment	3,500	2,000	5,500	3,500	2,000
Total capital outlay	<u>3,500</u>	<u>2,000</u>	<u>5,500</u>	<u>3,500</u>	<u>2,000</u>
Total expenditures	<u>2,693,071</u>	<u>145,652</u>	<u>2,838,723</u>	<u>2,159,690</u>	<u>679,033</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

East Windsor Regional School District
Note to Required Supplementary Information

Budget to GAAP Reconciliation

Year ended June 30, 2017

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-1, C-2)	\$ 93,863,578	\$ 2,159,690
Differences - Budgetary to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior year		11,106
Current year		(57,159)
State aid payments recognized for budgetary purposes, not recognized for GAAP statements.		
Prior year	1,471,166	
Current year	(1,604,639)	
	\$ 93,730,105	\$ 2,113,637
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule (C-1, C-2)	\$ 93,042,160	\$ 2,159,690
Differences - Budgetary to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Prior year		11,106
Current year		(57,159)
	\$ 93,042,160	\$ 2,113,637

Supplementary Information

Special Revenue Fund

East Windsor Regional School District
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures
Budgetary Basis

Year ended June 30, 2017

	<u>N.C.L.B.</u>					<u>I.D.E.I.A.</u> <u>Part B</u> <u>Basic</u>
	<u>Title I</u> <u>Part A</u>	<u>Title II A</u>	<u>Title III</u>	<u>Title III</u> <u>Immigrant</u>	<u>Carl D. Perkins</u> <u>Secondary</u>	
Revenues:						
State sources						
Federal sources	\$ 573,928	\$ 89,889	\$ 127,315	\$ 2,883	\$ 23,244	\$ 1,273,769
Local sources						
Total revenues	<u>\$ 573,928</u>	<u>\$ 89,889</u>	<u>\$ 127,315</u>	<u>\$ 2,883</u>	<u>\$ 23,244</u>	<u>\$ 1,273,769</u>
Expenditures:						
Instruction:						
Salaries of teachers	\$ 268,693		\$ 29,915		\$ 2,125	\$ 202,868
Purchased professional services						2,719
Other purchased services						1,001,492
General supplies	<u>148,982</u>		<u>84,049</u>	<u>\$ 2,883</u>	<u>21,119</u>	<u>3,967</u>
Total instruction	417,675		113,964	2,883	23,244	1,211,046
Undistributed:						
Support services:						
Salaries	22,000					
Personal services—employee benefits	54,881					62,723
Purchased professional services	55,700	\$ 61,410				
Cleaning, repair and maint. services						
Other purchased professional services	6,834		13,351			
Supplies and materials	<u>16,838</u>	<u>28,479</u>				
Total support services	156,253	89,889	13,351			62,723
Capital outlay:						
Noninstructional equipment						
Total capital outlay						
Total expenditures	<u>\$ 573,928</u>	<u>\$ 89,889</u>	<u>\$ 127,315</u>	<u>\$ 2,883</u>	<u>\$ 23,244</u>	<u>\$ 1,273,769</u>

East Windsor Regional School District
Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures
Budgetary Basis

Year ended June 30, 2017

	Nonpublic Aid		Safety Grant	Other Local	Totals
	Nursing	Handicapped			
Revenues:					
State sources	\$ 1,215	\$ 13,688			\$ 14,903
Federal sources					2,091,028
Local sources			\$ 30,878	\$ 22,881	53,759
Total revenues	<u>\$ 1,215</u>	<u>\$ 13,688</u>	<u>\$ 30,878</u>	<u>\$ 22,881</u>	<u>\$ 2,159,690</u>
Expenditures:					
Instruction:					
Salaries of teachers					\$ 503,601
Purchased professional services		\$ 13,688			16,407
Other purchased services					1,001,492
General supplies				\$ 19,381	280,381
Total instruction		<u>13,688</u>		<u>19,381</u>	<u>1,801,881</u>
Undistributed:					
Support services:					
Salaries					22,000
Personal services—employee benefits					117,604
Purchased professional services	\$ 1,215				118,325
Cleaning, repair and maint. services			\$ 30,878		30,878
Other purchased professional services					20,185
Supplies and materials					45,317
Total support services	<u>1,215</u>		<u>30,878</u>		<u>354,309</u>
Capital outlay:					
Noninstructional equipment				3,500	3,500
Total capital outlay				<u>3,500</u>	<u>3,500</u>
Total expenditures	<u>\$ 1,215</u>	<u>\$ 13,688</u>	<u>\$ 30,878</u>	<u>\$ 22,881</u>	<u>\$ 2,159,690</u>

Capital Projects Fund

East Windsor Regional School District
Capital Projects Fund

Summary Schedule of Project Revenues, Expenditures,
Project Balance and Project Status

(Budgetary Basis)

Year ended June 30, 2017

	Current Year
Revenues	
State Sources - SDA Grant	\$ -
Transfer from Capital Reserve	-
Other revenue	-
Interest on investments	-
Total Revenues	-
Expenditures	
Construction Services	2,160,974
Purchased Professional Services	39,649
Total Expenditures	2,200,623
Deficiency of Revenues Under Expenditures	(2,200,623)
Fund Balance, July 1	2,929,362
Fund Balance, June 30	\$ 728,739
<u>Reconciliation of budgetary basis to GAAP basis:</u>	
Fund Balance, Budgetary Basis	\$ 728,739
Less: Revenue not recognized on a GAAP basis	(192,110)
Fund Balance - June 30, 2017 GAAP Basis	\$ 536,629

East Windsor Regional School District
Capital Projects Fund

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

From Inception and for the year ended June 30, 2017

	Prior Periods	Current Year	Totals	Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 3,387,116		\$ 3,387,116	\$ 3,387,116
Capital Lease Proceeds	5,651,534		5,651,534	5,651,534
Transfer from Capital Reserve	5,121,865		5,121,865	5,121,865
Total Revenues	<u>14,160,515</u>	-	<u>14,160,515</u>	<u>14,160,515</u>
Expenditures and Other Financing Uses				
Purchased Professional Services	207,022	\$ 39,649	246,671	
Construction Services	11,024,176	2,160,974	13,185,150	
Other Expense				
Transfer Out to Other Funds				
Total Expenditures	<u>11,231,198</u>	<u>2,200,623</u>	<u>13,431,821</u>	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 2,929,317</u>	<u>\$ (2,200,623)</u>	<u>\$ 728,694</u>	<u>\$ 14,160,515</u>
Other revenue in FY2016	45		45	
Budgetary Fund Balance	<u>\$ 2,929,362</u>		<u>\$ 728,739</u>	

East Windsor Regional School District
Capital Projects Fund

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

High School Turf Field Construction Project

From Inception and for the year ended June 30, 2017

	Prior Periods	Current Year	Totals	Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant				
Capital Lease Proceeds	\$ 2,232,000		\$ 2,232,000	\$ 2,232,000
Transfer from Capital Reserve				
Total Revenues	<u>2,232,000</u>	<u>-</u>	<u>2,232,000</u>	<u>2,232,000</u>
Expenditures and Other Financing Uses				
Purchased Professional Services				
Construction Services	2,232,000		2,232,000	
Other Expense				
Transfer Out to Debt Service Fund				
Total Expenditures	<u>2,232,000</u>	<u>-</u>	<u>2,232,000</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,232,000</u>
Additional project information				
Project number		NA		
Grant date		NA		
Bond authorization date		NA		
Bonds Authorized		NA		
Bonds Issued		NA		
Original Authorized Cost	\$ 2,232,000			
Additional Authorized Cost				
Revised Authorized Cost	\$ 2,232,000			
Percentage Increase over Original Authorized Cost		0%		
Percentage completion		100%		
Original target completion date		June 2016		
Revised target completion date		Complete		

East Windsor Regional School District
Capital Projects Fund

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

Telecommunication Replacement for Various Schools

From Inception and for the year ended June 30, 2017

	Prior Periods	Current Year	Totals	Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 226,679		\$ 226,679	\$ 226,679
Capital Lease Proceeds				
Transfer from Capital Reserve	340,872		340,872	340,872
Total Revenues	<u>567,551</u>	<u>-</u>	<u>567,551</u>	<u>567,551</u>
Expenditures and Other Financing Uses				
Purchased Professional Services				
Construction Services	520,550		520,550	
Other Expense				
Transfer Out to Debt Service Fund				
Total Expenditures	<u>520,550</u>	<u>-</u>	<u>520,550</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 47,001</u>	<u>\$ -</u>	<u>\$ 47,001</u>	<u>\$ 567,551</u>
Additional project information				
Project number	050-14-1001;055-14-1002;060-14-1003;070-14-1004;075-14-1005			
Grant date	January 6, 2014			
Bond authorization date	NA			
Bonds Authorized	NA			
Bonds Issued	NA			
Original Authorized Cost	\$ 578,390			
Additional Authorized Cost	(10,839)			
Revised Authorized Cost	\$ 567,551			
Percentage Increase over Original Authorized Cost	-2%			
Percentage completion	100%			
Original target completion date	December 2016			
Revised target completion date	Complete			

East Windsor Regional School District
Capital Projects Fund

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

Roof and Door Replacement for Various Schools

From Inception and for the year ended June 30, 2017

	Prior Periods	Current Year	Totals	Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 1,385,506		\$ 1,385,506	\$ 1,385,506
Capital Lease Proceeds				
Transfer from Capital Reserve	2,233,717		2,233,717	2,233,717
Total Revenues	<u>3,619,223</u>	<u>-</u>	<u>3,619,223</u>	<u>3,619,223</u>
Expenditures and Other Financing Uses				
Purchased Professional Services				
Construction Services	3,364,160		3,364,160	
Other Expense				
Transfer Out to Debt Service Fund				
Total Expenditures	<u>3,364,160</u>	<u>-</u>	<u>3,364,160</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 255,063</u>	<u>\$ -</u>	<u>\$ 255,063</u>	<u>\$ 3,619,223</u>
Additional project information				
Project number	050-14-1007;055-14-1008;070-14-1010;075-14-1011			
Grant date	February 21, 2014			
Bond authorization date	12/10/2014			
Bonds Authorized	NA			
Bonds Issued	NA			
Original Authorized Cost	\$ 3,619,223			
Additional Authorized Cost				
Revised Authorized Cost	3,619,223			
Percentage Increase over Original				
Authorized Cost		0%		
Percentage completion		100%		
Original target completion date	June 2016			
Revised target completion date	Complete			

East Windsor Regional School District
Capital Projects Fund

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

High School Science Labs Construction Project

From Inception and for the year ended June 30, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant				
Capital Lease Proceeds	\$ 3,419,534		\$ 3,419,534	\$ 3,419,534
Transfer from Capital Reserve				
Total Revenues	<u>3,419,534</u>	<u>-</u>	<u>3,419,534</u>	<u>3,419,534</u>
Expenditures and Other Financing Uses				
Purchased Professional Services				
Construction Services	3,419,534		3,419,534	
Other Expense				
Transfer Out to Debt Service Fund				
Total Expenditures	<u>3,419,534</u>	<u>-</u>	<u>3,419,534</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,419,534</u>
Additional project information				
Project number	NA			
Grant date	NA			
Bond authorization date	NA			
Bonds Authorized	NA			
Bonds Issued	NA			
Original Authorized Cost	\$ 3,419,534			
Additional Authorized Cost				
Revised Authorized Cost	\$ 3,419,534			
Percentage Increase over Original Authorized Cost	0%			
Percentage completion	100%			
Original target completion date	June 2016			
Revised target completion date	Complete			

East Windsor Regional School District
Capital Projects Fund

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

Walter Black Elementary School Roof Project

From Inception and for the year ended June 30, 2017

	Prior Periods	Current Year	Totals	Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 972,888		\$ 972,888	\$ 972,888
Capital Lease Proceeds				
Transfer from Capital Reserve	1,396,231		1,396,231	1,396,231
Total Revenues	<u>2,369,119</u>	-	<u>2,369,119</u>	<u>2,369,119</u>
Expenditures and Other Financing Uses				
Purchased Professional Services	106,654	\$ 22,203	128,857	
Construction Services	1,038,566	948,752	1,987,318	
Other Expense				
Transfer Out to Debt Service Fund				
Total Expenditures	<u>1,145,220</u>	<u>970,955</u>	<u>2,116,175</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,223,899</u>	<u>\$ (970,955)</u>	<u>\$ 252,944</u>	<u>\$ 2,369,119</u>
Additional project information				
Project number	1245-080-14-G3HQ-00			
Grant date	October 1, 2015			
Bond authorization date	NA			
Bonds Authorized	NA			
Bonds Issued	NA			
Original Authorized Cost	\$ 2,369,119			
Additional Authorized Cost				
Revised Authorized Cost	\$ 2,369,119			
Percentage Increase over Original Authorized Cost		0%		
Percentage completion		100%		
Original target completion date	December 2016			
Revised target completion date	Complete			

East Windsor Regional School District
Capital Projects Fund

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

Grace Norton Elementary School Roof Project

From Inception and for the year ended June 30, 2017

	Prior Periods	Current Year	Totals	Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 802,043		\$ 802,043	\$ 802,043
Capital Lease Proceeds				
Transfer from Capital Reserve	1,151,045		1,151,045	1,151,045
Total Revenues	<u>1,953,088</u>	-	<u>1,953,088</u>	<u>1,953,088</u>
Expenditures and Other Financing Uses				
Purchased Professional Services	100,368	\$ 17,446	117,814	
Construction Services	449,366	1,212,222	1,661,588	
Other Expense				
Transfer Out to Debt Service Fund				
Total Expenditures	<u>549,734</u>	<u>1,229,668</u>	<u>1,779,402</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 1,403,354</u>	<u>\$ (1,229,668)</u>	<u>\$ 173,686</u>	<u>\$ 1,953,088</u>
Additional project information				
Project number	1245-060-14-G3HN-00			
Grant date	October 1, 2015			
Bond authorization date	NA			
Bonds Authorized	NA			
Bonds Issued	NA			
Original Authorized Cost	\$ 1,953,088			
Additional Authorized Cost				
Revised Authorized Cost	\$ 1,953,088			
Percentage Increase over Original Authorized Cost	0%			
Percentage completion	100%			
Original target completion date	December 2016			
Revised target completion date	Complete			

East Windsor Regional School District
Capital Projects Fund

Summary Schedule of Project Expenditures

Year ended June 30, 2017

Issue/Project Title	Date	Appropriations	Expenditures to Date		Unexpended Balance
			Prior Year	Current Year	
Hightstown High School Turf Field Construction	2/14/13	\$ 2,232,000	\$ 2,232,000		
Telecommunication Replacement for Various Schools	1/27/14	567,551	520,550		\$ 47,001
Roof Replacement for Various Schools	5/12/14	3,619,223	3,364,160		255,063
Class Room Renovations for High School	3/15/15	3,419,534	3,419,534		
Walter Black Elementary School Roof Project	10/1/15	2,369,119	1,145,220	\$ 970,955	252,944
Grace Norton Elementary School Roof Project	10/1/15	1,953,088	549,734	1,229,668	173,686
		<u>\$ 14,160,515</u>	<u>\$ 11,231,198</u>	<u>\$ 2,200,623</u>	728,694
Other					45
					<u>\$ 728,739</u>

Fiduciary Funds

East Windsor Regional School District
Trust and Agency Funds

Combining Statement of Fiduciary Net Position

June 30, 2017

	Trust			Agency		
	Private- Purpose Scholarship Trust Funds	Unemployment Compensation Trust Funds	Total Trust	Student Activity	Payroll	Total Agency
Assets						
Cash and cash equivalents	\$ 12,808	\$ 1,428,564	\$ 1,441,372	\$ 254,044	\$ 23,837	\$ 277,881
Investments	34,944		34,944			
Total assets	<u>47,752</u>	<u>1,428,564</u>	<u>1,476,316</u>	<u>\$ 254,044</u>	<u>\$ 23,837</u>	<u>\$ 277,881</u>
Liabilities						
Accounts payable		5,862	5,862			
Payroll deductions payable					\$ 23,837	\$ 23,837
Due to student groups				\$ 254,044		254,044
Total liabilities		<u>5,862</u>	<u>5,862</u>	<u>\$ 254,044</u>	<u>\$ 23,837</u>	<u>\$ 277,881</u>
Net position						
Held in trust for unemployment claims		1,422,702	1,422,702			
Held in trust for scholarships	47,752		47,752			
Total net position	<u>\$ 47,752</u>	<u>\$ 1,422,702</u>	<u>\$ 1,470,454</u>			

East Windsor Regional School District
Student Activity Agency Fund

Schedule of Cash Receipts and Cash Disbursements

Year ended June 30, 2017

	Balance July 1, 2016	Cash Receipts	Cash Disbursements	Balance June 30, 2017
Elementary Schools	\$ 11,522	\$ 68,877	\$ 69,005	\$ 11,394
Middle Schools	65,308	241,226	235,281	71,253
High Schools	141,538	541,936	512,080	171,394
Officials Department	811	61,406	62,214	3
Total	\$ 219,179	\$ 913,445	\$ 878,580	\$ 254,044

East Windsor Regional School District
Payroll Agency Fund

Schedule of Cash Receipts and Cash Disbursements

Year ended June 30, 2017

	Balance July 1, 2016	Cash Receipts	Cash Disbursements	Balance June 30, 2017
Assets				
Cash and equivalents	\$ 46,336	\$ 56,101,387	\$ 56,123,886	\$ 23,837
Total assets	<u>\$ 46,336</u>	<u>\$ 56,101,387</u>	<u>\$ 56,123,886</u>	<u>\$ 23,837</u>
Liabilities				
Payroll deductions and withholdings	\$ 46,336	\$ 56,101,387	\$ 56,123,886	\$ 23,837
Total liabilities	<u>\$ 46,336</u>	<u>\$ 56,101,387</u>	<u>\$ 56,123,886</u>	<u>\$ 23,837</u>

Long-Term Debt

East Windsor Regional School District
Long-Term Debt

Schedule of Serial Bonds Payable

Year ended June 30, 2017

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2016	Retired	Balance June 30, 2017			
			Date	Amount							
2012 Refunding Bonds	2/7/2012	\$ 29,900,000	3/1/2018	\$ 1,680,000	4.00%						
			3/1/2019	1,730,000	4.00%						
			3/1/2020	1,770,000	5.00%						
			3/1/2021	1,830,000	5.00%						
			3/1/2022	1,890,000	5.00%						
			3/1/2023	2,020,000	5.00%						
			3/1/2024	2,080,000	4.00%						
			3/1/2025	2,115,000	4.00%						
			3/1/2026	2,100,000	4.00%						
			3/1/2027	2,110,000	4.00%						
			3/1/2028	2,090,000	4.00%						
			3/1/2029	2,080,000	4.00%				\$ 25,130,000	\$ 1,635,000	\$ 23,495,000
			2015 Refunding Bonds	3/18/2015	3,280,000				7/15/2017	425,000	3.00%
7/15/2018	415,000	3.00%									
7/15/2019	410,000	3.00%									
7/15/2020	400,000	3.00%									
7/15/2021	395,000	3.00%									
7/15/2022	390,000	3.00%									
7/15/2023	375,000	3.00%				<u>3,245,000</u>	<u>435,000</u>	<u>2,810,000</u>			
			<u>\$ 28,375,000</u>	<u>\$ 2,070,000</u>	<u>\$ 26,305,000</u>						

East Windsor Regional School District
Long-Term Debt

Schedule of Obligations Under Capital Leases

Year ended June 30, 2017

	Interest Rate	Amount of Original Issue	Balance July 1, 2016	Issued	Retired	Balance June 30, 2017
TD Equipment Finance, Inc. - High School Classroom Renovation	1.64%	\$ 3,419,534	\$ 2,746,479		\$ 669,958	\$ 2,076,521
TD Equipment Finance, Inc.	2.25%	700,000		\$ 700,000	180,818	519,182
			<u>\$ 2,746,479</u>	<u>\$ 700,000</u>	<u>\$ 850,776</u>	<u>\$ 2,595,703</u>

East Windsor Regional School District
Debt Service Fund

Budgetary Comparison Schedule

Year ended June 30, 2017

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:					
Local sources:					
Local tax levy	\$ 3,124,874		\$ 3,124,874	\$ 3,124,874	
State sources:					
Debt Service Aid Type II	116,250		116,250	116,250	
Total revenues	<u>3,241,124</u>		<u>3,241,124</u>	<u>3,241,124</u>	
Expenditures:					
Principal on bonds	2,070,000		2,070,000	2,070,000	
Interest on bonds	1,171,125		1,171,125	1,171,125	
Total expenditures	<u>3,241,125</u>		<u>3,241,125</u>	<u>3,241,125</u>	
Net change in fund balances	(1)		(1)	(1)	
Fund balance, July 1	25,968		25,968	25,968	
Fund balance, June 30	<u>\$ 25,967</u>	<u>\$ -</u>	<u>\$ 25,967</u>	<u>\$ 25,967</u>	<u>\$ -</u>

Statistical Section

Statistical Section
Unaudited

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.

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

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

(Accrual Basis of Accounting)
 Unaudited

	As of June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015 (As restated)	2016	2017
Governmental activities										
Net investment in capital assets	\$ 38,604,144	\$ 79,348,470	\$ 78,261,276	\$ 74,974,954	\$ 67,200,853	\$ 64,359,111	\$ 63,790,253	\$ 66,115,732	\$ 69,467,999	\$ 72,406,375
Restricted	2,731,814	1,416,897	1,651,286	160,932	1,358,893	1,197,379	12,504,920	9,808,188	10,665,161	11,385,023
Unrestricted (deficit)	(289,893)	(2,634,915)	(1,867,704)	3,477,402	5,036,348	11,961,799	1,321,990	(17,505,642)	(20,297,232)	(23,932,469)
Total governmental activities net position	\$ 41,046,065	\$ 78,130,452	\$ 78,044,858	\$ 78,613,288	\$ 73,596,094	\$ 77,518,289	\$ 77,617,163	\$ 58,418,278	\$ 59,835,928	\$ 59,858,929
Business-type activities										
Net investment in capital assets	\$ 26,620	\$ 17,427	\$ 336,040	\$ 259,112	\$ 427,651	\$ 374,041	\$ 32,670	\$ 278,395	\$ 237,717	\$ 255,267
Unrestricted	611,530	783,219	559,374	1,048,146	1,360,951	1,234,892	1,338,750	1,223,267	1,517,967	1,794,993
Total business-type activities net position	\$ 638,150	\$ 800,646	\$ 895,414	\$ 1,307,258	\$ 1,788,602	\$ 1,608,933	\$ 1,371,420	\$ 1,501,662	\$ 1,755,684	\$ 2,050,260
Government-wide										
Net investment in capital assets	\$ 38,630,764	\$ 79,365,897	\$ 78,597,316	\$ 75,234,066	\$ 67,628,504	\$ 64,733,152	\$ 64,111,923	\$ 66,394,127	\$ 69,705,716	\$ 72,661,642
Restricted	2,731,814	1,416,897	1,651,286	160,932	1,358,893	1,197,379	12,504,920	9,808,188	10,665,161	11,385,023
Unrestricted (deficit)	321,637	(1,851,696)	(1,308,330)	4,525,548	6,397,299	13,196,691	2,660,740	(16,282,375)	(18,779,265)	(22,137,476)
Total government-wide net position	\$ 41,684,215	\$ 78,931,098	\$ 78,940,272	\$ 79,920,546	\$ 75,384,696	\$ 79,127,222	\$ 79,277,583	\$ 59,919,940	\$ 61,591,612	\$ 61,909,189

Source: CAFR Schedule A-1 and District records.

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

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

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

(Accrual Basis of Accounting)
Unaudited

	Year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities										
Instruction										
Regular	\$ 23,449,840	\$ 25,345,118	\$ 23,886,709	\$ 24,278,169	\$ 24,762,899	\$ 25,042,178	\$ 25,711,382	\$ 25,670,386	\$ 43,048,737	\$ 48,218,048
Special Education	5,095,269	4,773,122	5,397,548	5,581,332	5,468,678	5,889,788	6,190,211	6,096,653	18,572,594	17,694,893
Other Instruction	1,871,884	1,911,816	2,092,737	1,823,344	2,247,777	2,881,786	2,965,778	2,992,569	6,747,736	7,808,512
Adult/Continuing Education Programs	1,003,549	957,710	1,085,409	972,437	978,725	1,062,581	1,127,451	1,197,485	27,184	2,197
Support services:										
Tuition	3,821,728	4,126,763	3,945,612	4,120,939	5,117,547	5,534,737	6,103,650	6,491,066		
Student & Instruction Related Services	8,072,949	8,251,907	7,823,749	6,960,700	7,332,658	7,619,049	7,643,146	7,829,405	13,487,234	15,681,851
School Administrative Services	2,761,945	2,869,315	2,752,790	2,487,568	2,588,907	2,746,109	2,916,851	3,042,989	6,227,047	6,460,488
General and Business Administrative Services	751,280	3,299,393	878,198	692,000	624,850	642,886	806,864	987,075	2,505,451	3,718,895
Central Services	899,115	924,094	1,074,239	1,007,249	1,108,804	1,216,913	1,030,751	979,006		
Administrative Information Technology	23,435	19,782	3,994	2,400	2,400	8,650	197,839	235,688		
Plant Operations and Maintenance	7,314,063	7,242,233	7,138,784	6,880,987	6,358,065	7,540,292	7,498,827	7,230,915	9,715,746	10,536,268
Pupil Transportation	2,820,432	2,788,233	2,769,108	2,742,578	2,975,875	3,345,266	3,717,215	3,491,546	4,153,905	5,892,631
Other Support Services	11,455	6,087	7,591	5,500	5,500					
Transfers to Charter Schools			4,625		21,904	35,589	11,137		9,751	46,778
Special Schools	114,607	84,087	90,369	31,322	31,247	33,247	38,685		48,765	115,976
Interest on Long-Term Debt	1,954,706	1,894,783	1,813,441	1,745,893	1,658,548	1,443,322	1,557,907	42,676	1,124,003	1,005,821
Unallocated Employee Benefits	21,608,173	19,138,142	20,955,114	19,713,416	19,353,724	19,902,244	19,412,671	29,249,738		
Unallocated Amortization of Bond Costs	10,295	10,295	10,295	10,293	(33,828)	(95,599)	(119,974)	(119,329)		
Unallocated Depreciation	3,082,090	4,234,890	4,359,390	4,884,213	4,006,499	3,868,597	3,816,984	3,842,200		
Cancellation of Intergovernmental Accounts Receivable				741,280						
Unallocated Compensated Absences	19,059	108,933	52,343	(34,057)	(177,261)	665,839	(55,173)	(237,384)		
Loss/Adjustment to Fixed Assets	1,740,424						1,283,869	2,509,558		
Total governmental activities	86,426,298	87,986,903	86,142,045	84,647,563	84,433,518	89,390,174	91,860,071	103,064,518	105,668,153	117,182,358
Business-type activities:										
Food service	1,171,247	1,315,536	1,387,949	1,370,210	1,708,043	2,089,683	1,655,075	1,681,029	1,778,459	1,858,803
Kid Care	767,276	736,575	798,266	484,139	514,615	525,226	714,803	753,458	737,167	526,130
Total business-type activities expense	1,938,523	2,052,111	2,186,215	1,854,349	2,222,658	2,614,909	2,369,878	2,434,487	2,515,626	2,384,933
Total district expenses	88,364,821	90,039,014	88,328,260	86,501,912	86,656,176	92,005,083	94,229,949	105,499,005	108,183,779	119,567,291
Program Revenues										
Governmental activities:										
Charges for services	1,503,227	1,384,912	1,236,468	1,260,235	1,341,045	1,388,295	1,289,218	1,146,167	525,533	618,167
Operating grants and contributions	2,436,666	2,002,750	2,204,545	3,147,814	2,273,215	2,269,808	2,100,542	18,026,976	2,021,484	2,113,637
Capital grants and contributions									751,239	903,611
Total governmental activities program revenues	3,939,893	3,387,662	3,441,013	4,408,049	3,614,260	3,658,103	3,389,760	19,173,143	3,298,256	3,635,415
Business-type activities:										
Charges for services										
Food service	780,950	885,664	811,520	775,048	844,718	794,854	816,347	736,272	751,380	781,171
Kid Care	770,818	736,575	745,628	756,865	781,268	727,527	847,004	866,156	841,422	638,994
Operating grants and contributions	467,327	592,368	723,835	734,280	855,844	912,859	988,014	1,073,302	1,174,301	1,259,344
Total business type activities program revenues	2,019,095	2,214,607	2,280,983	2,266,193	2,481,830	2,435,240	2,651,365	2,675,730	2,767,103	2,679,509
Total district program revenues	5,958,988	5,602,269	5,721,996	6,674,242	6,096,090	6,093,343	6,041,125	21,848,873	6,065,359	6,314,924
Net (Expense)/Revenue										
Governmental activities	(82,486,405)	(84,599,237)	(82,701,032)	(80,239,514)	(80,819,258)	(85,732,071)	(88,470,311)	(83,891,375)	(102,369,897)	(113,546,943)
Business-type activities	80,572	162,496	94,768	411,844	259,172	(179,669)	281,487	241,243	251,477	294,576
Total government-wide net expense	\$ (82,405,833)	\$ (84,436,741)	\$ (82,606,264)	\$ (79,827,670)	\$ (80,560,086)	\$ (85,911,740)	\$ (88,188,824)	\$ (83,650,132)	\$ (102,118,420)	\$ (113,252,367)

East Windsor Regional School District
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)
Unaudited

	Year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes	\$ 52,872,974	\$ 53,719,279	\$ 54,619,664	\$ 55,836,916	\$ 56,953,654	\$ 57,937,456	\$ 59,096,205	\$ 60,278,129	\$ 61,483,692	\$ 62,713,366
Property taxes levied for debt service	3,392,838	3,487,972	3,399,308	3,498,316	3,477,380	3,364,921	3,231,358	3,201,658	3,167,898	3,124,874
Unrestricted grants and contributions	24,219,874	26,843,711	24,357,173	21,378,829	24,113,975	26,214,282	25,840,199	20,526,963	38,936,163	46,732,774
Investment earnings	323,676	3,969	2,774	2,965	5,491	47,851	4,698	19,457	33,883	52,598
Miscellaneous income	475,670	419,197	236,519	90,918	74,470	1,747,468	458,385	318,898	165,911	946,332
Transfers						342,288	230,000	400,000		
Total governmental activities	81,285,032	84,474,128	82,615,438	80,807,944	84,624,970	89,654,266	88,860,845	84,745,105	103,787,547	113,569,944
Business-type activities:									2,545	
Special Items						(342,288)	(230,000)	(400,000)		
Transfers						(342,288)	(230,000)	(400,000)	2,545	
Total business-type activities										
Total district-wide	81,285,032	84,474,128	82,615,438	80,807,944	84,624,970	89,311,978	88,630,845	84,345,105	103,790,092	113,569,944
Change in Net Position										
Governmental activities	(1,201,373)	(125,109)	(85,594)	568,430	3,805,712	3,922,195	390,534	853,730	1,417,650	23,001
Business-type activities	80,572	162,496	94,768	411,844	259,172	(521,957)	51,487	(158,757)	254,022	294,576
Total district	\$ (1,120,801)	\$ 37,387	\$ 9,174	\$ 980,274	\$ 4,064,884	\$ 3,400,238	\$ 442,021	\$ 694,973	\$ 1,671,672	\$ 317,577

Source: CAFR Schedules A-2 and District records

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

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

(Modified Accrual Basis of Accounting)
Unaudited

	As of June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Reserved				\$ 339,549						
Restricted	\$ 3,302,724	\$ 1,970,932	\$ 2,333,238	4,744,225	\$ 7,583,719	\$ 10,866,901	\$ 10,139,379	\$ 9,848,926	\$ 8,831,520	\$ 10,836,908
Assigned to				921,208	2,424,858	3,891,165	2,651,497	4,313,306	3,732,985	2,479,687
Unassigned	630,260	12,824	405,956	343,789	381,295	367,106	489,774	238,946	318,702	254,557
Total general fund	<u>\$ 3,932,984</u>	<u>\$ 1,983,756</u>	<u>\$ 2,739,194</u>	<u>\$ 6,348,771</u>	<u>\$ 10,389,872</u>	<u>\$ 15,125,172</u>	<u>\$ 13,280,650</u>	<u>\$ 14,401,178</u>	<u>\$ 12,883,207</u>	<u>\$ 13,571,152</u>
All Other Governmental Funds										
Restricted for:										
Capital projects fund	\$ 444,764	\$ 190,022	\$ 7,274,856	\$ 1,789,041			\$ 2,836,234	\$ 364,249	\$ 1,833,641	\$ 536,629
Special revenue fund		(21,816)								
Debt service fund	189,848	93,390	93,390				489,774	1	25,968	25,967
Assigned to:										
Debt service fund	396,333	259,869								
Total all other governmental funds	<u>\$ 1,030,945</u>	<u>\$ 521,465</u>	<u>\$ 7,368,246</u>	<u>\$ 1,789,041</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,326,008</u>	<u>\$ 364,250</u>	<u>\$ 1,859,609</u>	<u>\$ 562,596</u>

Source: CAFR Schedule B-1 and District records.

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

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

(Modified Accrual Basis of Accounting)
 Unaudited

	Year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Tax Levy	\$ 56,265,812	\$ 57,207,251	\$ 58,018,972	\$ 59,335,232	\$ 60,431,034	\$ 61,302,377	\$ 62,327,563	\$ 63,479,787	\$ 64,651,590	\$ 65,838,240
Transportation Fees				78,274	63,778.00	79,835	61,721.00	43,521.24	83,599	146,570
Tuition Charges	791,483	801,497	741,119	651,805	643,297	633,498	541,560	560,407	441,934	471,597
Interest on Investments	323,676	3,969	2,774	2,965	5,491	4,806	4,698		33,883	52,598
Rents & Royalties									23,011	38,469
Miscellaneous	183,015	459,257	253,494	160,631	161,779	1,807,862	485,027	375,525	1,375,584	961,561
State Sources	24,821,624	26,978,059	21,778,799	21,395,164	23,479,316	26,347,826	25,843,624	28,221,958	28,646,863	30,302,752
Federal Sources	1,812,072	1,828,931	4,765,944	3,061,766	2,820,565	2,118,915	2,070,475	2,098,887	2,048,759	2,176,690
Total revenue	84,197,682	87,278,964	83,561,102	84,685,837	87,605,260	92,295,119	91,334,668	94,780,086	97,305,223	99,988,477
Expenditures										
Instruction										
Regular Instruction	23,449,840	25,345,118	23,886,709	24,278,169	24,762,899	25,042,178	25,711,382	25,670,386	25,349,163	25,946,098
Special Education Instruction	5,095,269	4,773,122	5,397,548	5,296,541	5,468,678	5,889,788	6,190,211	6,096,653	7,875,334	7,450,145
Other Special Instruction									2,727,733	2,851,959
Other Instruction	1,871,884	1,911,816	2,092,737	1,823,344	2,247,777	2,881,786	2,965,778	2,992,569	1,100,372	1,185,551
Community Svc Program/Operations	1,003,549	957,710	1,085,409	972,437	978,725	1,062,581	1,127,451	1,197,485	15,899	2,057
Support Services:										
Tuition	3,821,728	4,126,763	3,945,612	4,120,939	5,117,547	5,534,737	6,103,650	6,491,066	5,652,013	5,163,274
Student and Instruction Related Services	8,072,949	8,251,907	7,823,749	6,668,667	7,332,638	7,619,049	7,643,146	7,829,405	7,949,697	8,655,610
General administration	846,957	1,646,843	1,091,451	942,000	874,850	892,886	1,056,864	1,487,075		
School Administration Services	2,761,945	2,869,315	2,752,790	2,487,568	2,588,907	2,746,109	2,916,851	3,042,989	3,062,994	3,342,918
Central services	899,115	924,094	1,074,239	1,007,249	1,108,804	1,216,913	1,034,212	979,006		
Other Admin Services									2,210,539	2,335,736
Admin. Information Technology	23,435	19,782	3,994	2,400	2,400	8,650	197,839	235,688		
Plant Operations and maintenance	6,648,420	6,754,205	6,687,831	6,346,535	5,720,704	6,271,234	6,809,832	6,699,051	6,749,160	6,616,091
Pupil transportation	2,820,432	2,788,233	2,769,108	2,742,578	2,975,875	3,345,266	3,717,215	3,491,546	3,782,275	3,564,618
Business and Other Support Services	11,455	6,087	7,591	5,500	5,500	6,500				
Employee Benefits	21,628,323	19,158,292	21,032,390	19,701,063	19,382,683	19,933,393	19,446,606	20,805,829	22,452,902	24,860,559
Transfer to Charter School			4,625	21,904	2,904	35,589	11,317		9,751	46,778
Capital Outlay	2,007,204	1,923,379	6,959,047	2,083,045	1,315,593	1,871,098	4,461,944	8,313,481	5,067,632	5,274,048
Special Schools	114,607	84,087	90,369	31,322	31,247	33,247	38,685	42,676	48,765	60,978
Debt Service:										
Principal	1,979,882	1,911,658	1,839,670	1,767,264	1,692,408	1,525,903	1,367,153	2,020,000	2,065,000	2,070,000
Interest and other charges	1,710,000	1,760,000	1,840,000	1,885,000	1,935,000	1,985,000	2,005,000	1,394,335	1,208,585	1,171,125
Total expenditures	84,766,994	85,212,411	90,384,869	82,161,621	83,364,159	87,902,107	92,805,136	98,989,240	97,327,834	100,597,545
Excess (Deficiency) of revenues over (under) expenditures	(569,312)	2,066,553	(4,823,767)	2,524,216	4,041,101	4,393,012	(1,470,468)	(4,209,154)	(22,611)	(609,068)
Other financing sources (uses)										
Lease proceeds		2,831,000					2,232,000	2,246,183		
Payment to bond refunding escrow agent								(3,366,301)		
Refunding bonds issued								3,442,184		
Recognition of Accounts Receivable										
Cancelled in prior year				(741,280)						
Cancellation of Accounts Receivable	315,499								2,547,303	
Transfers In	24,262	2,000,000		1,085,361		342,288	2,804,589	535,632		
Transfers Out	(24,262)	(2,000,000)		(1,047,761)			(2,574,589)		(2,547,303)	
Total other financing sources (uses)	315,499	2,831,000	-	(703,680)	-	342,288	2,462,000	2,857,698	-	-
Net change in fund balances	\$ (253,813)	\$ 4,897,553	\$ (4,823,767)	\$ 1,820,536	\$ 4,041,101	\$ 4,735,300	\$ 991,532	\$ (1,351,456)	\$ (22,611)	\$ (609,068)
Debt service as a percentage of noncapital expenditures	4.46%	4.41%	4.41%	4.56%	4.41%	4.08%	3.82%	3.77%	3.55%	3.40%
Source: District records										
Note: Noncapital expenditures are total expenditures less capital outlay.										

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

FISCAL YEAR ENDED JUNE 30,	PRIOR YEAR REFUNDS	RENTAL OF FACILITIES	TUITION	TRANSPORTATION FEES	INTEREST EARNINGS	MISCELLANEOUS	Annual Totals
2017	\$ 499,994	\$ 38,469	\$ 471,597	\$ 146,570	\$ 52,598	\$ 407,869	1,617,097
2016		23,011	441,934	83,599	33,856	142,855	725,255
2015		19,457	560,407	43,521		318,898	942,283
2014	378,518	50,626	541,560	61,721	4,698	29,241	1,066,364
2013	1,397,230	43,045				355,044	1,795,319
2012		28,320				51,641	79,961
2011		33,636				60,247	93,883
2010		24,198				215,095	239,293
2009		380,931				42,824	423,755
2008	147	109,197				346,961	456,305

Source: District records

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

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	PERS. PROP	TOTAL ASSESSED VALUE	TAX EXEMPT PROPERTY	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE ^b	ACTUAL (COUNTY EQUALIZED) VALUE
East Windsor													
2017	\$ 53,385,400	\$ 2,008,698,197	\$ 10,283,500	\$ 1,299,900	\$ 416,028,050	\$ 104,470,200	\$ 158,328,000	\$ 4,679,638	\$ 2,757,172,885	\$ 199,061,000	\$ 2,757,172,885	\$ 2.09	\$ 2,801,966,101
2016	40,292,200	2,004,509,297	10,264,300	1,327,800	418,307,250	103,107,300	158,328,000	4,537,469	2,740,673,616	193,193,200	2,740,673,616	2.07	2,700,842,361
2015	36,112,600	2,007,679,679	17,725,000	1,675,100	421,826,350	105,287,300	158,560,400	4,536,175	2,753,402,604	193,637,200	2,753,402,604	2.01	2,753,402,604
2014	33,339,600	2,009,223,497	15,586,700	1,844,800	427,125,450	105,284,500	158,844,400	4,913,771	2,756,162,718	187,119,800	2,756,162,718	1.97	2,668,935,776
2013	42,318,800	2,017,628,000	11,034,300	1,860,900	434,078,250	109,938,400	152,967,200	4,448,001	2,774,273,851	186,132,200	2,774,273,851	1.92	2,772,380,870
2012	46,305,400	2,048,055,300	11,100,600	1,858,600	441,903,650	112,938,400	152,967,200	4,455,660	2,819,584,810	185,285,000	2,819,584,810	1.87	2,918,188,719
2011	48,562,100	2,048,383,100	11,100,600	1,840,700	457,874,800	120,663,500	155,671,800	4,449,450	2,848,545,850	183,809,900	2,848,545,850	1.81	3,103,069,331
2010*	52,958,300	2,041,720,300	10,529,400	1,909,800	459,545,200	122,349,100	168,316,900	5,209,306	2,862,538,306	185,533,900	2,862,538,306	1.76	3,116,896,718
2009	21,696,100	1,028,563,300	5,530,300	1,457,280	224,893,200	66,250,800	72,171,000	1,999,449	1,422,563,429	72,900,600	1,422,563,429	3.49	3,157,202,285
2008	25,868,000	1,024,066,400	5,841,500	1,457,280	224,239,200	52,647,300	72,789,000	1,661,633	1,408,570,313	94,406,400	1,408,570,313	3.46	3,136,963,914
Hightstown													
2017	\$ 2,652,000	\$ 312,588,100			\$ 57,330,600	\$ 3,149,400	\$ 13,043,900	\$ 3,416,396	\$ 392,180,396	\$ 146,885,100	\$ 392,180,396	\$ 2.20	\$ 412,573,255
2016	3,121,500	310,610,300			57,167,600	3,149,400	13,043,900	3,374,648	390,467,348	147,275,600	390,467,348	2.20	414,616,885
2015	3,096,100	310,248,700			57,030,300	3,149,400	13,043,900	2,963,474	389,531,874	193,567,200	389,531,874	2.19	415,656,477
2014	2,562,400	311,352,900			57,641,600	3,909,700	13,043,900	3,348,297	391,858,797	143,473,200	391,858,797	2.19	424,168,571
2013	2,650,500	311,548,000			57,767,400	3,909,700	13,043,900	3,647,607	392,567,107	143,249,900	392,567,107	2.13	422,747,231
2012	4,038,700	385,259,000			66,571,600	6,454,300	14,740,200	4,266,822	481,330,622	154,530,900	481,330,622	1.71	464,031,521
2011	4,802,100	388,457,300			69,680,800	6,454,300	14,740,200	4,212,336	488,347,036	153,254,500	488,347,036	1.69	489,101,889
2010	6,324,300	389,086,800			72,008,500	7,051,600	9,540,200	4,417,747	488,429,147	152,508,100	488,429,147	1.71	505,157,060
2009*	7,038,500	389,033,900			75,358,900	7,051,600	15,796,500	5,449,518	499,729,008	152,348,100	499,729,008	1.64	532,231,357
2008	3,469,600	168,747,700			33,275,800	1,936,000	7,468,000	1,957,588	216,854,688	92,561,400	216,854,688	3.64	521,034,810
East Windsor & Hightstown													
2017	\$ 56,037,400	\$ 2,321,286,297	\$ 10,283,500	\$ 1,299,900	\$ 473,568,650	\$ 107,619,600	\$ 171,371,900	\$ 8,096,034	\$ 3,149,353,281	\$ 345,946,100	\$ 3,149,353,281	\$ 4.29	\$ 3,214,539,356
2016	43,413,700	2,315,119,597	10,264,300	1,327,800	475,474,830	106,256,700	171,371,900	7,912,117	3,131,140,964	340,468,800	3,131,140,964	4.27	3,115,459,246
2015	39,208,700	2,317,928,379	17,725,000	1,675,100	478,836,650	108,456,700	171,604,300	7,499,649	3,142,934,478	387,004,400	3,142,934,478	4.20	3,169,039,081
2014	35,902,000	2,320,576,397	15,586,700	1,844,800	484,767,050	109,194,200	171,888,300	8,262,068	3,148,021,515	330,593,000	3,148,021,515	4.16	3,093,104,147
2013	44,969,300	2,329,176,000	11,034,300	1,860,900	491,845,650	113,848,100	166,011,100	8,093,608	3,166,840,938	329,382,100	3,166,840,938	4.05	3,195,128,101
2012	50,344,100	2,433,314,300	11,100,600	1,858,600	508,475,250	119,392,700	167,707,400	8,722,482	3,300,915,432	339,815,900	3,300,915,432	3.58	3,382,220,240
2011	53,364,200	2,436,840,400	11,100,600	1,840,700	527,555,600	127,117,600	170,412,000	8,661,786	3,336,892,886	339,064,400	3,336,892,886	3.50	3,592,171,220
2010	59,282,600	2,430,807,100	10,529,400	1,909,800	531,553,700	129,400,700	177,857,100	9,627,033	3,350,967,453	338,042,000	3,350,967,453	3.47	3,622,033,778
2009	28,734,600	1,417,597,200	5,530,300	1,457,280	300,254,100	73,302,400	87,967,500	7,448,967	1,922,292,437	225,248,700	1,922,292,437	5.13	3,689,433,642
2008	29,337,600	1,192,814,100	5,841,500	1,457,280	257,515,000	54,583,300	80,257,000	3,619,221	1,625,425,001	186,967,800	1,625,425,001	7.10	3,657,998,724

*Revaluations in 2009 for Hightstown and 2010 for East Windsor

Source: Municipal Tax Assessors

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

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**
(Rate per \$100 of Assessed Value)
Unaudited

EAST WINDSOR REGIONAL SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES		
FISCAL YEAR ENDED JUNE 30,	BASIC RATE	TOTAL DIRECT SCHOOL TAX RATE	BOROUGH OR TOWNSHIP	MERCER COUNTY	TOTAL DIRECT & OVERLAPPING TAX RATE
East Windsor					
2017	\$ 2.09	\$ 2.09	\$ 0.43	\$ 0.60	\$ 3.12
2016	2.07	2.07	0.43	0.58	3.08
2015	2.01	2.01	0.43	0.57	3.02
2014	1.97	1.97	0.46	0.64	3.06
2013	1.92	1.92	0.55	0.65	3.12
2012	1.87	1.19	0.42	0.64	2.25
2011	1.81	1.81	0.40	0.61	2.82
2010*	1.76	1.76	0.38	0.79	2.93
2009	3.47	3.47	0.63	1.17	5.27
2008	3.46	3.46	0.57	1.14	5.17
Hightstown					
2017	\$ 2.20	\$ 2.19	\$ 1.22	\$ 0.62	\$ 4.04
2016	2.20	2.20	1.18	0.71	4.09
2015	2.19	2.19	1.16	0.62	4.06
2014	2.19	2.19	1.18	0.71	4.09
2013	2.13	2.13	1.13	0.70	3.96
2012	1.71	1.71	0.90	0.58	3.19
2011	1.69	1.69	0.88	0.56	3.13
2010	1.71	1.71	0.87	0.57	3.15
2009*	1.64	1.64	0.74	0.56	2.94
2008	3.64	3.64	1.60	1.28	6.47

Source: Municipal Tax Collectors

*Revaluations in 2009 for Hightstown and 2010 for East Windsor

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

NOT AVAILABLE

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

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE TAX LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2017	\$ 65,838,240	\$ 65,838,240	100.00%	
2016	64,651,590	64,651,590	100.00%	
2015	63,479,787	63,479,787	100.00%	
2014	62,327,563	62,327,563	100.00%	
2013	61,302,377	61,302,377	100.00%	
2012	60,431,034	60,431,034	100.00%	
2011	59,335,232	59,335,232	100.00%	
2010	58,018,972	58,018,972	100.00%	
2009	57,207,251	57,207,251	100.00%	
2008	56,265,812	56,265,812	100.00%	

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

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

YEAR ENDED JUNE 20,	GENERAL OBLIGATIONS BONDS ^b	TOTAL DISTRICT	PER CAPITA INCOME	PERCENTAGE OF PERSONAL INCOME ^a	DISTRICT POPULATION	PER CAPITA ^a
2017	\$ 26,305,000	\$ 26,305,000	\$ 53,673	0.20%	32,933	\$ 799
2016	28,375,000	28,375,000	N/A	N/A	N/A	N/A
2015	30,440,000	30,440,000	N/A	N/A	N/A	N/A
2014	32,480,000	32,480,000	N/A	N/A	33,103	N/A
2013	34,485,000	34,485,000	56,906	1.83%	33,160	1,041
2012	36,470,000	36,470,000	55,714	1.98%	32,984	1,106
2011	40,214,000	40,214,000	54,445	2.29%	32,271	1,246
2010	42,099,000	42,099,000	52,496	2.45%	32,684	1,288
2009	43,939,000	43,939,000	51,947	2.64%	32,062	1,370
2008	45,699,000	45,699,000	53,961	2.64%	32,062	1,425

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

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

b Includes Early Retirement Incentive Plan (ERIP) refunding

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

Unaudited

<u>GENERAL BONDED DEBT OUTSTANDING</u>					
<u>FISCAL YEAR ENDED JUNE 30,</u>	<u>GENERAL OBLIGATION BONDS</u>	<u>DEDUCTIONS</u>	<u>NET GENERAL BONDED DEBT OUTSTANDING</u>	<u>PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY</u>	<u>PER CAPITA</u>
2017	\$ 26,305,000	\$ 25,967	\$ 26,279,033	0.835%	\$ 799
2016	28,375,000	25,968	28,349,032	0.905%	867
2015	30,440,000		30,440,000	1.873%	N/A
2014	32,480,000		32,480,000	1.690%	N/A
2013	34,485,000		34,485,000	2.122%	1,040
2012	36,470,000		36,470,000	2.244%	1,106
2011	40,214,000		40,214,000	2.474%	1,246
2010	42,099,000		42,099,000	2.590%	1,288
2009	43,939,000		43,939,000	2.703%	1,370
2008	45,699,000		45,699,000	2.812%	1,425
2007	47,409,000		47,409,000	2.909%	1,484

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

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

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

As of December 31, 2017

Unaudited

GOVERNMENTAL UNIT	<u>DEBT OUTSTANDING</u>	<u>ESTIMATED PERCENTAGE APPLICABLE</u>	<u>SHARE OF OVERLAPPING DEBT</u>
Debt Repaid With Property Taxes			
East Windsor Township Debt*	\$ 46,736,266	100.0000%	\$ 24,304,415
Hightstown Borough Debt*	19,351,066	100.0000%	3,635,585
Mercer County - Township Share*	490,867,547	6.7600%	33,182,646
Mercer County - Borough Share*	490,867,547	0.9600%	<u>4,712,328</u>
Subtotal, Overlapping Debt			65,834,974
East Windsor Regional School District Direct Debt, net			<u>26,279,033</u>
Total Direct & Overlapping Debt			<u><u>\$ 92,114,007</u></u>

* As of December 31, 2016

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

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Debt limit	\$ 126,653,836	\$ 126,096,951	\$ 126,360,057	\$ 130,131,016	\$ 135,939,871	\$ 141,794,070	\$ 143,655,538	\$ 144,776,955	\$ 143,752,169	\$ 136,766,781
Total Net Debt Applicable to Limit	<u>26,279,033</u>	<u>28,375,000</u>	<u>30,440,000</u>	<u>32,480,000</u>	<u>34,485,000</u>	<u>36,470,000</u>	<u>40,214,000</u>	<u>42,099,000.00</u>	<u>43,939,000</u>	<u>45,699,000</u>
Legal Debt Margin	<u>\$ 100,374,803</u>	<u>\$ 97,721,951</u>	<u>\$ 95,920,057</u>	<u>\$ 97,651,016</u>	<u>\$ 101,454,871</u>	<u>\$ 105,324,070</u>	<u>\$ 103,441,538</u>	<u>\$ 102,677,955</u>	<u>\$ 99,813,169</u>	<u>\$ 91,067,781</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	20.75%	22.50%	24.09%	24.96%	25.37%	25.72%	27.99%	29.08%	30.57%	33.41%

Legal Debt Margin Calculation for Fiscal Year 2017

	Equalized valuation basis		
	East Windsor	Hightstown	Total
2017	\$ 2,801,966,101	\$ 412,573,255	\$ 3,214,539,356
2016	2,700,842,361	414,616,885	3,115,459,246
2015	2,753,402,604	415,636,477	3,169,039,081
	<u>\$ 8,256,211,066</u>	<u>\$ 1,242,826,617</u>	<u>\$ 9,499,037,683</u>
Average Equalized Valuation of Taxable Property	\$ 2,752,070,355	\$ 414,275,539	\$ 3,166,345,954
Debt limit (4 % of Average Equalization Value) Net Bonded School Debt			<u>\$ 126,653,836</u> <u>26,279,033</u>
Legal Debt Margin			<u>\$ 100,374,803</u>

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

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

EAST WINDSOR

<u>YEAR</u>	<u>POPULATION (a)</u>	<u>PER CAPITA PERSONAL INCOME (b)</u>	<u>UNEMPLOYMENT RATE (C)</u>
2017	32,933	\$ 53,673	3.60%
2016	32,690	N/A	3.70%
2015	N/A	N/A	N/A
2014	33,103	N/A	4.60%
2013	33,160	56,906	5.11%
2012	32,984	55,933	6.35%
2011	32,271	53,037	7.90%
2010	32,684	51,709	6.55%
2009	32,062	50,991	6.20%
2008	32,062	52,521	3.93%

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development.

^b Per capita information provided by US Dept of Commerce, Bureau of Economic Analysis

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

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

NOT AVAILABLE

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

Function/Program	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Instruction:										
Regular	346	335	320	339	333	326	326	319	327	330
Special Education	72	71	72	72	69	49	50	46	45	69
Other Special Education Aides	29	28	29	28	28	40	36	39	38	30
Other Instruction/ Nurse	9	8	8	8	6	6	6	6	6	6
Guidance	17	15	15	17	17	17	14	14	15	15
Support Services:										
Student & Instruction Related Services	42	46	39	41	41	8	45	45	46	47
General Administration	8	7	7	10	9	9	9	9	11	11
School Administrative Services	18	16	15	15	14	13	13	13	13	12
Other Administrative Services	10	9	10	9	8	8	9	9	13	8
Central Services	17	15	15	20	19	19	44	44	48	45
Administrative Information Technology	1	1	1	1	1	1	1	1	2	2
Plant Operations & Maintenance	53	53	53	54	55	55	54	55	59	60
Pupil Transportation	66	68	74	65	63	59	57	55	50	50
Other Support Services VA	34	34	34	30	25	26	27	27	31	27
Campus Monitor	6	6	6	6	6	6	6	6	6	6
Computer Technician	6	6	6	6	6	6	4	4	3	4
Courier	1	1	1	1	1	1	1	1	1	1
Duplicating Eq. Operator	1	1	1	1	1	1	1	1	1	1
Child Care	31	22	23	23	22	22	20	20	19	19
Custodial Supervisor	1	1	1	1	1	1	1	1	1	1
Director of Buildings & Grounds	1	1	1	1	1	1	1	1	1	1
Lunch Monitors	27	17	16	19	16	8	9	9	11	10
Total	796	761	747	767	742	682	734	725	747	755

Source: District Personnel Records

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

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO			AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						ELEMENTARY	MIDDLE SCHOOL	SENIOR HIGH SCHOOL				
2017	5,221	\$ 92,082,372	\$ 17,637	2.24%	418	14.8	12.2	12.4	5,160	4,947	1.67%	95.89%
2016	5,139	88,986,617	17,316	5.29%	411	14.8	12.2	12.4	5,075	5,022	-0.07%	97.00%
2015	5,019	85,139,792	16,963	1.00%	411	14.8	12.2	12.4	5,112	5,059	9.20%	97.00%
2014	5,106	82,520,106	16,161	-0.31%	411	14.6	11.1	11.7	5,091	4,892	0.61%	96.09%
2013	5,072	82,520,106	16,212	4.50%	402	16.5	13.6	12.4	5,060	4,840	1.83%	95.65%
2012	5,072	78,621,158	15,513	2.34%	387	14.4	12.5	11.7	4,969	4,768	-0.08%	95.95%
2011	5,075	76,426,312	15,158	-4.51%	408	13.7	11.3	11.3	5,025	4,805	-0.16%	95.62%
2010	5,029	79,746,152	15,873	8.42%	431	13.0	10.3	10.8	5,033	4,832	0.54%	96.01%
2009	5,025	79,617,374	14,640	-7.89%	392	13.4	12.1	11.9	5,033	4,806	1.41%	95.49%
2008	4,972	78,249,240	15,895	5.04%	450	13.0	11.4	11.7	4,963	4,719	-1.82%	95.08%

Sources: District records

Note: Enrollment based on annual October district count.

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

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

DISTRICT BUILDINGS	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<u>Elementary Schools:</u>										
McKnight ES (1970):										
Square Feet	84,596	84,596	84,596	84,596	98,976	98,976	98,976	98,976	98,976	98,976
Capacity (Students)	660	660	660	660	660	660	660	660	660	660
Enrollment	521	521	508	644	695	640	607	779	772	736
Drew ES (1975):										
Square Feet	92,224	92,224	92,224	92,244	105,244	105,244	105,244	105,244	105,244	105,244
Capacity (Students)	728	728	728	728	728	728	728	728	728	728
Enrollment (a)	666	666	668	671	571	569	655	672	643	629
Walter C Black ES (1949):										
Square Feet	78,697	78,697	78,697	78,570	97,335	97,335	97,335	97,335	97,335	97,335
Capacity (Students)	615	615	615	615	615	615	615	615	615	615
Enrollment	539	539	541	488	485	512	528	554	589	554
Rogers ES (1924):										
Square Feet	103,470	103,470	103,470	107,908	105,091	105,091	105,091	105,091	105,091	105,091
Capacity (Students)	698	698	698	543	543	543	543	543	543	543
Enrollment	680	680	686	699	710	728	640	455	470	487
<u>Middle School:</u>										
Kreps Middle School (1968):										
Square Feet	205,021	205,021	205,021	205,021	205,021	205,021	205,021	205,021	205,021	205,021
Capacity (Students)	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135	1,135
Enrollment	1,245	1,245	1,256	1,105	1,203	1,229	1,201	1,155	1,127	1,109
<u>High School:</u>										
Hightstown High School (1966):										
Square Feet	271,758	271,758	262,435	262,435	259,660	259,660	259,660	259,660	259,660	259,660
Capacity (Students)	1,274	1,274	1,274	1,274	1,274	1,274	1,274	1,274	1,274	1,274
Enrollment	1,526	1,526	1,527	1,458	1,426	1,394	1,411	1,409	1,367	1,408
<u>Other Buildings:</u>										
Transportation (1979):										
Square Feet	2,000	2,000	2,000	2,000	200	200	200	200	200	200
Central Administration (1846):										
Square Feet	4,150	4,150	4,150	4,150	1,690	1,690	1,690	1,690	1,690	1,690
Maintenance (1986)										
Square Feet	3,600	3,600	3,600	3,600	1,575	1,575	1,575	1,575	1,575	1,575

Number of Schools at June 30, 2017:

- Elementary = 4
- Middle School = 1
- Senior High School = 1
- Other = 3

Source: District Facilities Office

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

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

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

FISCAL YEAR	BLACK ELEMENTARY SCHOOL	DREW ELEMENTARY SCHOOL	MC KNIGHT ELEMENTARY SCHOOL	ROGERS ELEMENTARY SCHOOL	KREPS ELEMENTARY SCHOOL	HIGHTSTOWN HIGH SCHOOL	TOTAL
2017	\$ 174,446	\$ 204,806	\$ 187,825	\$ 239,584	\$ 455,200	\$ 603,372	\$ 1,865,233
2016	222,783	261,555	239,869	305,970	581,330	770,561	2,382,068
2015	219,651	187,368	204,248	167,112	609,527	722,102	2,110,008
2014	220,461	258,830	237,370	302,782	575,273	736,373	2,331,089
2013	158,520	186,108	170,678	217,711	413,643	523,880	1,670,540
2012	107,308	125,382	115,216	148,844	280,132	488,891	1,265,773
2011	132,864	153,988	75,803	154,690	349,991	455,875	1,323,211
2010	133,605	153,720	88,321	175,455	334,555	424,028	1,309,684
2009	160,077	182,052	104,766	208,292	404,627	512,460	1,572,274
2008	141,171	164,852	140,415	159,105	277,931	529,155	1,412,629
Total	\$ 1,670,886	\$ 1,878,661	\$ 1,564,511	\$ 2,079,545	\$ 4,282,209	\$ 5,766,697	\$ 17,242,509

Source: District records M-1

**EAST WINDSOR REGIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2017
Unaudited**

	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
Multiperil Package Policy:		
Property - Blank Building & Contents	\$ 244,982,822	\$ 5,000
Demolition/Increase Cost of Construction	10,000,000	5,000
Extra Expense	50,000,000	5,000
Valuable Papers	10,000,000	5,000
Satellite Dishes	Included	5,000
Commercial General Liability		
Per Occurrence	11,000,000	
Policy Aggregate	11,000,000	
Commercial Crime Coverage		
Blkt Faithful Perf	500,000	1,000
Forgery, M&S, Comp	100,000	1,000
	-	-
Underground Storage Tank Liability:		
Per Occurrence	1,000,000	10,000
Policy Aggregate	1,000,000	
Computers and Schedule Equipment:		
Data Processing Equipment	3,800,000	1,000
Commercial Auto:		
Liability	11,000,000	
Physical Damage	Actual Cash Value	1,000
Boiler and Machinery	244,982,822	5,000
School Board Legal Liability:		
Coverage A	11,000,000	25,000
Coverage B	100,000/300,000	25,000
Professional Nurses Liability:		
Per Occurrence	11,000,000	
Policy Aggregate	11,000,000	
Public Employees' Faithful Performance Bonds:		
Board Secretary- School Business Administrator	400,000	
Treasurer	400,000	
Workers Compensation Excess Liability	Statutory	
Group Accident	2,000,000	Excess
	Each Accident	
CAP Policy	50,000,000	Excess

Source: District records

Single Audit Section

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the East Windsor Regional School District, in the County of Mercer, New Jersey (the "District") as of and for the year ended June 30, 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 17, 2017.

Internal Control Over Financial Reporting

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

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

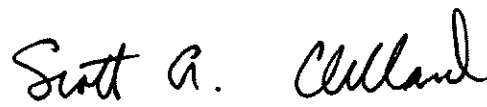
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

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

Purpose of this Report

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


Scott A. Clelland
Licensed Public School Accountant
No. 1049


WISS & COMPANY, LLP

November 17, 2017
Livingston, New Jersey

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

Independent Auditors' Report

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

Report on Compliance for Each Major Federal and State Program

We have audited the East Windsor Regional School District's, in the County of Mercer, New Jersey (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2017. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

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

Opinion on Each Major Federal and State Program

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

Report on Internal Control Over Compliance

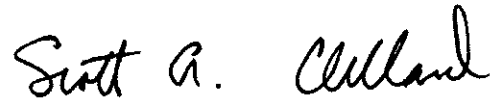
Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the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

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

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

Purpose of this Report

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



Scott A. Clelland
Licensed Public School Accountant
No. 1049



WISS & COMPANY, LLP

November 17, 2017
Livingston, New Jersey

East Windsor Regional School District
Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2017

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2016	Carryover/ (Walkover) Amount	Cash Received	Total Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2017		
					From	To							Accounts Receivable	Unearned Revenue	Due to Grantor
U.S. Department of Health and Human Services															
Passed-through State Department of Education															
General Fund:															
Medical Assistance Program (SEMI)	93.778	1705NJ5MAP	N/A	\$122,769	7/1/16	6/30/17			\$122,769	\$ (122,769)					
Medical Assistance Program (SEMI)	93.778	1605NJ5MAP	N/A	108,840	7/1/15	6/30/16	\$ (14,732)		14,732						
Medical Assistance Program (SEMI)- ARRA	93.778	1705NJ5MAP	N/A	10,213	7/1/16	6/30/17			10,213	(10,213)					
Total General Fund							(14,732)		147,714	(132,982)					
U.S. Department of Education															
Passed-through State Department of Education															
Special Revenue Fund:															
Title I, Part A	84.010A	S010A160030	NCLB-2940-08	605,785	7/1/16	6/30/17			286,448	(573,928)	\$ 5,921		\$ (281,559)		
Title I, Part A	84.010A	S010A150030	NCLB-2940-08	555,752	7/1/15	6/30/16	(114,355)		114,355						
Title II, Part A Improving Teacher Quality	84.367A	S367A160029	NCLB-2940-07	90,212	7/1/16	6/30/17			38,515	(89,889)	6,054		(45,320)		
Title II, Part A Improving Teacher Quality	84.367A	S367A150029	NCLB-2940-07	91,500	7/1/15	6/30/16	(2,032)		8,086		(6,054)				
Language Instruction for English Learners and Immigrant Students:															
Title III	84.365A	S365A160030	NCLB-2940-07	140,210	7/1/16	6/30/17			66,205	(127,315)			(61,110)		
Title III	84.365A	S365A150030	NCLB-2940-07	112,870	7/1/15	6/30/16	(22,085)		22,085						
Title III, Immigrant	84.365A	S365A160030	NCLB-2940-07	51,832	7/1/16	6/30/17			2,883	(2,883)					
Title III, Immigrant	84.365A	S365A150030	NCLB-2940-07	36,705	7/1/15	6/30/16	(7,745)		7,745						
Subtotal Language Instruction for English Learners and Immigrant Students:							(29,830)		98,918	(130,198)					
Special Education Grant Cluster:															
I.D.E.A. Part B, Basic Regular	84.027	H027A160100	FT294008	1,586,604	7/1/16	6/30/17			989,430	(1,273,769)	76		(284,263)		
I.D.E.A. Part B, Basic Regular	84.027	H027A150100	FT294008	1,594,953	7/1/15	6/30/16	(255,428)		255,428						
I.D.E.A., Preschool	84.173A	H173A150114	PS294007	100,898	7/1/15	6/30/16	(7,696)		93,490					\$ 85,794	
Subtotal of Special Education Grant Cluster:							(263,124)		1,338,348	(1,273,769)	76		(284,263)	85,794	
Carl D. Perkins Vocational and Technical Education Act of 1998- Secondary															
Carl D. Perkins Vocational and Technical Education Act of 1998- Secondary	84.048A	S048A160030	N/A	26,810	7/1/16	6/30/17			20,930	(25,244)	106		(2,208)		
Carl D. Perkins Vocational and Technical Education Act of 1998- Secondary	84.048A	S048A150030	N/A	26,051	7/1/15	6/30/16	(213)		213						
Total Special Revenue Fund							(409,554)		1,905,813	(2,091,028)	6,103		(674,460)	85,794	
U.S. Department of Agriculture															
Passed-through State Department of Agriculture															
Enterprise Fund:															
Child Nutrition Program Cluster:															
School Breakfast Program	10.553	171NJ304N1099	N/A	163,195	7/1/16	6/30/17			149,510	(163,195)			(13,685)		
School Breakfast Program	10.553	16161NJ304N1099	N/A	153,682	7/1/15	6/30/16	(52,673)		32,673						
National School Lunch Program	10.555	171NJ304N1099	N/A	893,460	7/1/16	6/30/17			829,832	(893,460)			(63,628)		
National School Lunch Program	10.555	16161NJ304N1099	N/A	818,947	7/1/15	6/30/16	(151,211)		151,211						
Special Milk Program	10.556	16161NJ304N1099	N/A	3,738	7/1/15	6/30/16	(540)		540						
Healthy Hunger-Free Kids Act	10.555	171NJ304N1099	N/A	27,103	7/1/16	6/30/17			25,209	(27,103)			(1,894)		
Healthy Hunger-Free Kids Act	10.555	16161NJ304N1099	N/A	25,568	7/1/15	6/30/16	(4,645)		4,645						
Food Donation (NC)	10.555	171NJ304N1099	N/A	141,401	7/1/16	6/30/17			141,401	(134,668)				\$ 6,733	
Food Donation (NC)	10.555	16161NJ304N1099	N/A	154,792	7/1/15	6/30/16	(18,806)			(18,806)					
Total Enterprise Fund and Child Nutrition Program Cluster							(170,263)		1,335,021	(1,237,252)			(79,207)	6,733	
Total Federal Financial Awards							\$ (894,549)	\$ -	\$ 3,388,548	\$ (3,461,242)	\$ 6,103	\$ -	\$ (753,667)	\$ 6,733	\$ 85,794

NC-represents noncash expenditures

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

East Windsor Regional School District
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2017

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From	Grant Period To	Carryover/(Walkover) Amount	Cash Received	Total Budgetary Expenditures	Adjustments	Payment of Prior Years Balances	Intergovernmental (Accounts Receivable)	Balance at June 30, 2017		MEMO
											Unearned Revenue (Assets Receivable)	Due to Grantor	
State Department of Education													
General Fund:													
Equalization Aid	17-495-034-5120-078	\$ 14,555,021	7/1/16	6/30/17		\$ 13,304,844	\$ (14,555,021)					\$ (1,250,177)	\$ 14,555,021
Equalization Aid	16-495-034-5120-078	14,553,606	7/1/15	6/30/16		1,157,412						(256,618)	2,987,642
Special Education Categorical Aid	17-495-034-5120-089	2,987,642	7/1/16	6/30/17		2,731,024	(2,987,642)						2,987,642
Special Education Categorical Aid	16-495-034-5120-089	2,941,036	7/1/15	6/30/16		233,893							342,443
Extraordinary Aid	17-495-034-5120-044	342,443	7/1/16	6/30/17		276,288	(342,443)						342,443
Extraordinary Aid	16-495-034-5120-044	276,288	7/1/15	6/30/16		479,749							524,828
Security Aid	17-495-034-5120-084	524,828	7/1/16	6/30/17		39,746	(524,828)						524,828
Security Aid	16-495-034-5120-084	499,780	7/1/15	6/30/16		424,538	(464,451)						464,451
Transportation Aid	17-495-034-5120-014	464,451	7/1/16	6/30/17		32,171	(49,945)						49,945
Transportation Aid	16-495-034-5120-014	404,533	7/1/15	6/30/16		45,655	(49,945)						49,945
Per Pupil Growth Aid	17-495-034-5120-097	49,945	7/1/16	6/30/17		3,972	(49,945)						49,945
Per Pupil Growth Aid	16-495-034-5120-097	49,945	7/1/15	6/30/16		45,655	(49,945)						49,945
PARCC Readiness Aid	17-495-034-5120-098	49,945	7/1/16	6/30/17		3,972							49,945
PARCC Readiness Aid	16-495-034-5120-098	49,945	7/1/15	6/30/16		45,678	(49,970)						49,970
Professional Learning	17-495-034-5120-101	49,970	7/1/16	6/30/17		4,158,380	(4,158,380)						4,158,380
On-Behalf Teachers' Pension and Annuity Fund	17-495-034-5094-002	4,158,380	7/1/16	6/30/17		3,465,043	(3,465,043)						3,465,043
On-Behalf Teachers' Pension and Annuity Fund - Post Retirement Medical	17-495-034-5095-001	3,465,043	7/1/16	6/30/17									
On-Behalf Teachers' Pension and Annuity Fund - Non-contributory Insurance	17-495-034-5094-004	12,992	7/1/16	6/30/17		12,992	(12,992)						12,992
Reimbursed TPAS Social Security Contributions	17-495-034-5094-003	2,716,305	7/1/16	6/30/17		2,580,506	(2,716,305)					(135,799)	2,716,305
Reimbursed TPAS Social Security Contributions	16-495-034-5094-003	2,620,439	7/1/15	6/30/16		190,876						(22,968)	22,968
Other State Aid-Aid/1 NP Transportation	Not Available	22,968	7/1/16	6/30/17		21,300	(22,968)						22,968
Other State Aid-Aid/1 NP Transportation	Not Available	21,300	7/1/15	6/30/16									
Total General Fund						29,253,914	(29,400,133)					(501,210)	29,400,133
Special Revenue Fund:													
State Department of Education:													
N.J. Nonpublic Aid:													
Textbook Aid	17-100-034-5120-064	2,133	7/1/16	6/30/17		2,133							2,133
Textbook Aid	16-100-034-5120-064	7,081	7/1/15	6/30/16									
Auxiliary Services (Chapter 192)	17-100-034-5120-067	46,582	7/1/16	6/30/17		46,582							46,582
Compensatory Education	16-100-034-5120-067	51,608	7/1/15	6/30/16									
Compensatory Education	16-100-034-5120-067	863	7/1/15	6/30/16									
English as a Second Language	17-100-034-5120-066	33,443	7/1/16	6/30/17									33,443
English as a Second Language	16-100-034-5120-066	61,409	7/1/15	6/30/16		61,409	(13,688)						13,688
Nonpublic Handicapped Aid (Chapter 193)	17-100-034-5120-066	33,443	7/1/15	6/30/16									
Corrective Speech	16-100-034-5120-066	61,409	7/1/15	6/30/16									
Corrective Speech	17-100-034-5120-066	58,098	7/1/16	6/30/17		14,125							14,125
Examination and Classification	16-100-034-5120-066	14,125	7/1/15	6/30/16									
Examination and Classification	17-100-034-5120-066	17,079	7/1/16	6/30/17		3,330							3,330
Supplemental Instruction	16-100-034-5120-066	3,330	7/1/15	6/30/16									
Supplemental Instruction	17-100-034-5120-070	24,660	7/1/16	6/30/17		962							962
Nursing Services Aid	16-100-034-5120-070	962	7/1/15	6/30/16									
Nursing Services Aid	17-100-034-5120-373	6,604	7/1/16	6/30/17									6,604
Technology Initiative	16-100-034-5120-373	6,604	7/1/15	6/30/16									
Technology Initiative	17-100-034-5120-599	6,850	7/1/16	6/30/17									6,850
State Department of Agriculture:													
Grow Healthy Minn Grant	021-0245	3,771	4/1/11	6/30/12									3,771
Total Special Revenue Fund						148,862	(14,903)					(182,726)	14,903
Total						29,402,776	(29,415,036)					(1,002,936)	29,402,776

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

East Windsor Regional School District
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2017

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2016					Balance at June 30, 2017				MEMO		
			From	To	Unearned Revenue (Accts Receivable)	Due to Grantor	Carryover/ (Walkover) Amount	Cash Received	Total Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Intergovernmental (Accounts Receivable)	Unearned Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
Capital Projects Fund:																
Schools Development Authority:																
SDA Grant High School - Telecommunication	1245-050-14-1001-G04	\$ 129,125	2014	Completion	\$ (103,300)										\$ (103,300)	\$ 116,213
SDA Grant Rogers Elementary School - Telecommunication	1245-060-14-1003-G04	818,863	2014	Completion	(225,776)			\$ (304,942)							(730,718)	730,718
SDA Grant Kreps Middle School - Telecommunication	1245-070-14-1004-G04	33,186	2014	Completion	(55,122)				\$ 55,122							33,186
SDA Grant Drew Elementary School - Telecommunication	1245-080-14-1006-G04	990,016	2014	Completion	(470,341)			(398,669)	(5)						(869,015)	869,015
SDA Grant High School - Roof and Door Replacement	1245-050-14-1007-G04	210,993	2014	Completion	(34,407)				(5,443)						(39,850)	208,645
SDA Grant Kreps Middle School - Roof and Door Replacement	1245-070-14-1010-G04	1,144,372	2014	Completion	(6,620)				(49,672)						(56,292)	1,143,445
SDA Grant Drew Elementary School - Roof and Door Replacement	1245-075-14-1011-G04	30,140	2014	Completion	(14,195)										(14,195)	29,416
Total Capital Projects Fund					<u>(909,761)</u>			<u>(903,611)</u>	<u>2</u>						<u>(1,813,370)</u>	<u>3,014,425</u>
Debt Service Fund:																
Debt Service Aid	17-495-034-5120-075	116,250	7/1/16	6/30/17	-			\$ 116,250	(116,250)						-	116,250
Total Debt Service Fund								<u>116,250</u>	<u>(116,250)</u>							<u>116,250</u>
Enterprise Fund:																
State Department of Agriculture:																
National School Lunch Program (State Share)	17-100-010-3350-023	22,112	7/1/16	6/30/17				30,560	(22,112)						(1,552)	22,112
National School Lunch Program (State Share)	16-100-010-3350-023	20,917	7/1/15	6/30/16	(3,813)			3,813								
Total Enterprise Fund					<u>(3,813)</u>			<u>24,373</u>	<u>(22,112)</u>						<u>(1,552)</u>	<u>22,112</u>
Total State Financial Assistance					<u>\$ (2,873,204)</u>	<u>\$ 186,497</u>	<u>\$ -</u>	<u>\$ 29,543,399</u>	<u>\$ (30,457,009)</u>	<u>\$ 2</u>	<u>\$ (182,726)</u>	<u>\$ (2,316,132)</u>	<u>\$ -</u>	<u>\$ 137,730</u>	<u>\$ (1,604,639)</u>	<u>\$ 32,567,823</u>
Less On-Behalf Amounts:																
On-Behalf Teachers' Pension and Annuity Fund	17-495-034-5094-002	4,158,580	7/1/16	6/30/17				(4,158,580)	4,158,580							(4,158,580)
On-Behalf Teachers' Pension and Annuity Fund - Post Retirement Medical	17-495-034-5095-001	3,465,043	7/1/16	6/30/17				(3,465,043)	3,465,043							(3,465,043)
On-Behalf Teachers' Pension and Annuity Fund - Non-contributory Insurance	17-495-034-5094-004	12,992	7/1/16	6/30/17				(12,992)	12,992							(12,992)
Total State Financial Assistance Subject to Single Audit Determination					<u>\$ (2,873,204)</u>	<u>\$ 186,497</u>	<u>\$ -</u>	<u>\$ 21,906,784</u>	<u>\$ (22,820,394)</u>	<u>\$ 2</u>	<u>\$ (182,726)</u>	<u>\$ (2,316,132)</u>	<u>\$ -</u>	<u>\$ 137,730</u>	<u>\$ (1,604,639)</u>	<u>\$ 24,931,208</u>

East Windsor Regional School District

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

Year ended June 30, 2017

1. General

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

2. Basis of Accounting

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

3. Relationship to Basic Financial Statements

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

The general fund is presented in the accompanying schedules on the modified accrual basis of accounting with the exception of the revenue recognition of the two last state aid payments in the current year, which is mandated pursuant to NJSA 18A:22-44.2. For GAAP purposes, those payments are not recognized until the subsequent year due to the state deferral and recording of the last state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances

East Windsor Regional School District

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

Year ended June 30, 2017

3. Relationship to Basic Financial Statements (continued)

as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payments in the current budget year, consistent with NJSA 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$133,473 for the general fund and \$46,053 for the special revenue fund. See note to Required Supplementary Information (C-3) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. The adjustment to reconcile from budgetary basis accounts receivable to GAAP basis accounts receivable is \$57,098 for the special revenue fund. This is a result of recognizing encumbrances as expenditures on the budgetary basis but not the GAAP basis. Financial award revenues are reported in the District's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 132,982	\$ 29,266,660	\$ 29,399,642
Special Revenue Fund	2,043,708	16,231	2,059,939
Debt Service Fund		116,250	116,250
Capital Projects Fund		903,611	903,611
Food Service Enterprise Fund	1,237,232	22,112	1,259,344
Total award revenues	<u>\$3,413,922</u>	<u>\$30,324,864</u>	<u>\$33,738,786</u>

4. Relationship to Federal and State Financial Reports

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

5. Adjustments

The adjustments presented on schedules K-3 and K-4 are the result of the cancellations of prior year account receivables and encumbrances.

East Windsor Regional School District

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

Year ended June 30, 2017

6. Other

Revenues and expenditures reported under the Food Donation Program represent current year value received and current year distributions, respectively. TPAF Social Security contributions represent the amount reimbursed by the State for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2017.

The post retirement pension, insurance and medical benefits received on-behalf of the District for the year ended June 30, 2017 amounted to \$7,636,615. Since on-behalf post retirement pension and medical benefits are paid by the State directly, these expenditures are not subject to a single audit in accordance with New Jersey OMB Circular 15-08, however, they are required to be reported on the Schedule of Expenditures of State Financial Assistance, as directed by the funding agency.

7. Indirect Costs

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

East Windsor Regional School District
 Schedule of Findings and Questioned Costs
 Year ended June 30, 2017

Part I – Summary of Auditor’s Results

Financial Statements Section

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes X No

Significant deficiency(ies) identified? Yes X None Reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards Section

Internal control over major federal programs:

Material weakness(es) identified? Yes X No

Significant deficiency(ies) identified? Yes X None Reported

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

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

Identification of federal major programs:

CFDA Number(s)	FAIN Number	Name of Federal Program or Cluster
		Child Nutrition Program Cluster:
10.553	171NJ304N1099	National School Breakfast Program (NSBP)
10.555	171NJ304N1099	National School Lunch Program (NSLP)
10.555	171NJ304N1099	Food Donation Program

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

Auditee qualified as low-risk auditee? X Yes No

East Windsor Regional School District

Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2017

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

State Awards Section

Internal control over major state programs:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified? _____ Yes X None reported

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

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

Identification of major state programs:

GMIS/Program Number	Name of State Program or Cluster
	General State Aid Cluster:
495-034-5120-078	Equalization Aid
495-034-5120-089	Special Education Aid
495-034-5120-084	Security Aid
495-034-5120-097	Per Pupil Growth Aid
495-034-5120-098	PARCC Readiness
495-034-5120-101	Professional Learning
495-034-5094-003	Reimbursed TPAF – Social Security

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

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

East Windsor Regional School District

Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2017

Part II – Schedule of Financial Statement Findings

No compliance or internal control over financial reporting findings noted that are required to be reported under *Government Auditing Standards*.

East Windsor Regional School District

Schedule of Findings and Questioned Costs (continued)

Year ended June 30, 2017

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

No compliance or internal control findings noted that are required to be reported in accordance with 2 CFR 200 Section 516(a) and New Jersey State OMB Circular 15-08.

East Windsor Regional School District
Summary Schedule of Prior Year Audit Findings
Year ended June 30, 2017

None.