

**BOARD OF EDUCATION  
OF THE  
TOWNSHIP OF EWING  
SCHOOL DISTRICT  
EWING, NEW JERSEY**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2017**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**of the**

**BOARD OF EDUCATION**

**TOWNSHIP OF EWING**

**COUNTY OF MERCER, NEW JERSEY**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**Prepared by**

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

**EWING TOWNSHIP SCHOOL DISTRICT**  
Table of Contents

---

	<u>Page</u>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal	2
Certificate of Excellence	11
Organizational Chart	12
Roster of Officials	13
Consultants and Advisors	14
<b>FINANCIAL SECTION</b>	
<b>Independent Auditor's Report</b>	16
<b>Required Supplementary Information - Part I Management's Discussion and Analysis</b>	22
<b>Basic Financial Statements</b>	
A. Government-Wide Financial Statements:	
A-1 Statement of Net Position	41
A-2 Statement of Activities	42
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	44
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	45
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	46
Proprietary Funds:	
B-4 Combining Statement of Net Position	47
B-5 Combining Statement of Revenues, Expenses and Changes in Fund Net Position	48
B-6 Combining Statement of Cash Flows	49
Fiduciary Funds:	
B-7 Combining Statement of Fiduciary Net Position	50
B-8 Combining Statement of Changes in Fiduciary Net Position	51
<b>Notes to the Financial Statements</b>	52
<b>Required Supplementary Information - Part II</b>	
C. Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule - General Fund	86
C-1a Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual <b>(if applicable)</b>	N/A
C-1b Community Development Block Grant - Budget and Actual <b>(if applicable)</b>	N/A
C-2 Budgetary Comparison Schedule - Special Revenue Fund	97
C-3 Notes to Required Supplementary Information - Part II Budget-to-GAAP Reconciliation	99

**EWING TOWNSHIP SCHOOL DISTRICT**  
Table of Contents (Cont'd)

	<b>Page</b>
<b>Required Supplementary Information - Part III</b>	
L. Schedules Related to Accounting and Reporting for Pensions	
L-1 Schedule of the School District's Proportionate Share of the Net Pension Liability - PERS	101
L-2 Schedule of the School District's Contributions - PERS	102
L-3 Schedule of the School District's Proportionate Share of the Net Pension Liability - TPAF	103
L-4 Schedule of the School District's Contributions - TPAF	104
L-5 Notes to the Required Supplementary Information - Part III	105
<b>Required Supplementary Information - Part IV (if applicable)</b>	
L-6 Schedule of Funding Progress for Health Benefits Plan	N/A
L-7 Notes to the Required Supplementary Information - Part IV	N/A
<b>Other Supplementary Information</b>	
D. School Based Budget Schedules:	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget and Actual	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis	108
E-2 Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis	N/A
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	113
F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balances	114
F-2a Schedule(s) of Project Revenues, Expenditures, Project Balance and Project Status	115

-2d

**EWING TOWNSHIP SCHOOL DISTRICT**  
Table of Contents (Cont'd)

	<b>Page</b>
<b>Other Supplementary Information (Cont'd)</b>	
G. Proprietary Funds:	
Enterprise Fund:	
G-1 Combining Statement of Net Position	120
G-2 Combining Statement of Revenues, Expenses and Changes in Fund Net Position	121
G-3 Combining Statement of Cash Flows	122
Internal Service Fund:	
G-4 Combining Statement of Net Position	N/A
G-5 Combining Statement of Revenues, Expenses and Changes in Fund Net Position	N/A
G-6 Combining Statement of Cash Flows	N/A
H. Fiduciary Funds:	
H-1 Combining Statement of Fiduciary Net Position	124
H-2 Combining Statement of Changes in Fiduciary Net Position	125
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	126
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	127
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	129
I-2 Schedule of Obligations under Capital Leases	130
I-3 Debt Service Fund Budgetary Comparison Schedule	131

**STATISTICAL SECTION (Unaudited)**

**Introduction to the Statistical Section**

**Financial Trends**

J-1 Net Position by Component	134
J-2 Changes in Net Position	135
J-3 Fund Balances - Governmental Funds	137
J-4 Changes in Fund Balances - Governmental Funds	138
J-5 General Fund Other Local Revenue by Source	139

**Revenue Capacity**

J-6 Assessed Value and Actual Value of Taxable Property	141
J-7 Direct and Overlapping Property Tax Rates	142
J-8 Principal Property Taxpayers	143
J-9 Property Tax Levies and Collections	144

**Debt Capacity**

J-10 Ratios of Outstanding Debt by Type	146
J-11 Ratios of General Bonded Debt Outstanding	147
J-12 Direct and Overlapping Governmental Activities Debt	148
J-13 Legal Debt Margin Information	149

**EWING TOWNSHIP SCHOOL DISTRICT**  
Table of Contents (Cont'd)

---

	<b>Page</b>
<b>STATISTICAL SECTION (Unaudited) (Cont'd)</b>	
<b>Demographic and Economic Information</b>	
J-14 Demographic and Economic Statistics	151
J-15 Principal Non-Governmental Employers	152
<b>Operating Information</b>	
J-16 Full-time Equivalent District Employees by Function/Program	154
J-17 Operating Statistics	155
J-18 School Building Information	156
J-19 Schedule of Required Maintenance	157
J-20 Insurance Schedule	158
<b>SINGLE AUDIT SECTION</b>	
K-1 Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	19
K-2 Report on Compliance for Each Major Program and Report on Internal Control over Compliance Required by the Uniform Guidance and State of New Jersey Circular 15-08-OMB	160
K-3 Schedule of Expenditures of Federal Awards, Schedule A	162
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	164
K-5 Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	166
<b>Schedule of Findings and Questioned Costs:</b>	
K-6 Summary of Auditor's Results	168
K-7 Schedule of Current Year Findings	170
K-8 Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by Management	173

## INTRODUCTORY SECTION



# The Ewing Public Schools

---

## **DISTRICT ADMINISTRATIVE OFFICES**

2099 Pennington Road; Ewing, NJ 08618  
Phone: (609) 538-9800 / Fax: (609) 538-0041  
[www.ewing.k12.nj.us](http://www.ewing.k12.nj.us)

November 27, 2017

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

Dear Board Members and Constituents;

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the Ewing Township School District for the fiscal year ended June 30, 2017. This CAFR includes the basic financial statements prepared in accordance with Generally Accepted Accounting Principles (GAAP) for local governments. Responsibility for both the accuracy of the data, and completeness and fairness of the presentation, including all disclosures, rests with the School District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the School District. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities, including the Management's Discussion, & Analysis (MD&A), have been included.

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

- The Introductory Section contains a Letter of Transmittal, Certificate of Excellence in Financial Reporting Award from the Association of School Business Officials (ASBO) International, a Roster of Officials, List of Consultants and Advisors, and an Organizational Chart of the School District.
- The Financial Section begins with the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the district's financial position and operating results, and other schedules providing detailed budgetary information.
- The Statistical Section includes selected economic and demographic information, financial trends, and the fiscal capacity of the school district, general presented on a multi-year basis.

*Providing A Foundation For Life*





# The Ewing Public Schools

- The Single Audit Section – The District is required to undergo an annual Single Audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, “Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance)” and the New Jersey State Treasury Circular Letter 15-08 OMB, “Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid.” Information related to the Single Audit, including the independent auditors’ report on the internal controls and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, is included in the Single Audit Section of this report.

## REPORTING ENTITY AND ITS SERVICES

The Ewing Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by Statement No. 14. All funds and account groups of the District are included in this report. The Ewing Township Board of Education and its five schools constitute the district’s reporting entity. The District provides a full range of educational services appropriate to grade levels K through 12. These include regular, vocational, as well as special education for handicapped youngsters. The District completed the 2016-2017 fiscal year with an enrollment of 3,530 students, which is 23 students less than the previous year’s enrollment. The following details the changes in Student enrollment of the district over the last five years:

<u>Fiscal Year</u>	<u>Average Daily Enrollment</u>	<u>No. of Students Increase/(Decrease)</u>	<u>Percent Increase/(Decrease)</u>
2016-17	3,530	(23)	(0.65)%
2015-16	3,553	(47)	(1.31)%
2014-15	3,600	(40)	(1.10)%
2013-14	3,640	(3)	(0.08)%
2012-13	3,643	(29)	(0.75)%

A demographic study is conducted annually after the finalization of the October 15, Annual Application for State School Aid (ASSA) is completed. The study includes all of the proposed new housing related to the Township of Ewing’s current redevelopment plans and uses the five-year cohort survival method. The study’s projections were lower for 2016-17, but were within an acceptable range when considering the current redevelopment efforts of the township. The decrease in enrollment recently seen can be largely attributed to declining birth rate, and that trend is expected to continue. However, when combining the declining birthrate with the anticipated influx of students from redevelopment efforts, the student population is expected to stabilize over the time frame of the redevelopment.



# The Ewing Public Schools

---

## **SCHOOL DISTRICT ORGANIZATION**

The Ewing Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by Statement No. 14 and as amended by GASB Statement No. 39. The Ewing Township Board of Education and its five schools constitute the district's reporting entity.

The district continues to maintain a high quality of education and provides a full range of programs and services appropriate to school aged children in grades Pre-school through 12. These include regular education, programs for the very able students (gifted and talented), as well as those for students with disabilities placed both in and out of district. Three elementary schools, a middle school, and high school comprise the district's instructional facilities.

Supervising district-wide goals is a district Superintendent, a School Business Administrator/Board Secretary, an Assistant Superintendent for Curriculum and Instruction, a Director of Special Education/Operations/Technology/Grants Management, and five curriculum supervisors. Each school has a principal and a floating vice-principal on assignment. The Middle School and High School each have two Vice-Principals.

The Board of Education is comprised of nine members, each elected to three-year terms, meets on the fourth Monday of each month for the regular monthly meeting. During the meetings, the Board determines district goals and priorities and conducts the business of the Board. Board meetings are open to the public and generally begin at 7:00 PM.

PTAs/PTOs are highly active in the district and provide community support for a variety of programs and activities for the children.

To maintain effective communications, the district uses several methods to insure that information flows out to stakeholders in an efficient and consistent manner. The district utilizes a monthly newsletter, electronic backpack and Honeywell Instant Alert to communicate with the School Community. Additional Communication tools include the district website and Board Docs eGovernance portal are updated regularly with important information for parents and constituents.



# The Ewing Public Schools

## EDUCATIONAL PROGRAM

### District Mission Statement

*Mission Statement The Ewing Public Schools, an institution governed by the policies, regulations and bylaws developed by The Ewing Public Schools Board of Education and the New Jersey Department of Education, believes that all students can learn. The district's goal is to provide an educational system that dovetails academic excellence with the moral, equal, and respectful treatment of self and others in order to prepare its students to become up-standing, self-sufficient and contributing citizens. This goal will be achieved through teamwork and commitment of the district's network of educators, administrators, board of education members, support staff, parents, elected officials and the greater community. Together they form a partnership whose common vision facilitates, expects and demands ever-improving levels of achievement for Ewing's students and all stakeholders. We will accept nothing less.*

The district follows district-wide goals and educational approaches to the teaching of children, while maintaining a unique personality. All curricula in the district have been aligned to the New Jersey Core Curriculum Content Standards and Common Core State Standards.

The district has expanded its Advanced Placement (AP) programs offerings over the last few years and has been recognized in the current and preceding year with an AP Honor Roll award for increasing the number of students participating in AP courses who were also high achieving. The High School will continue to encourage participation in AP courses and plans to expand course opportunities in the future. The High School is currently examining its prerequisite criteria for courses to expand student opportunities to be exposed to more challenging learning settings.

We are also expanding elective opportunities in our Middle School setting to enhance a more aligned grade 6 through 12 curriculum path for students. The district provides a continuum of services for students who are not meeting expectations or are at-risk. At the K-8 level the district has infused a Response to Intervention (RTI) model in the classroom for Language Arts and Math Instruction through Early Intervention Specialists at the K through 5 levels and in grades 6 through 8.

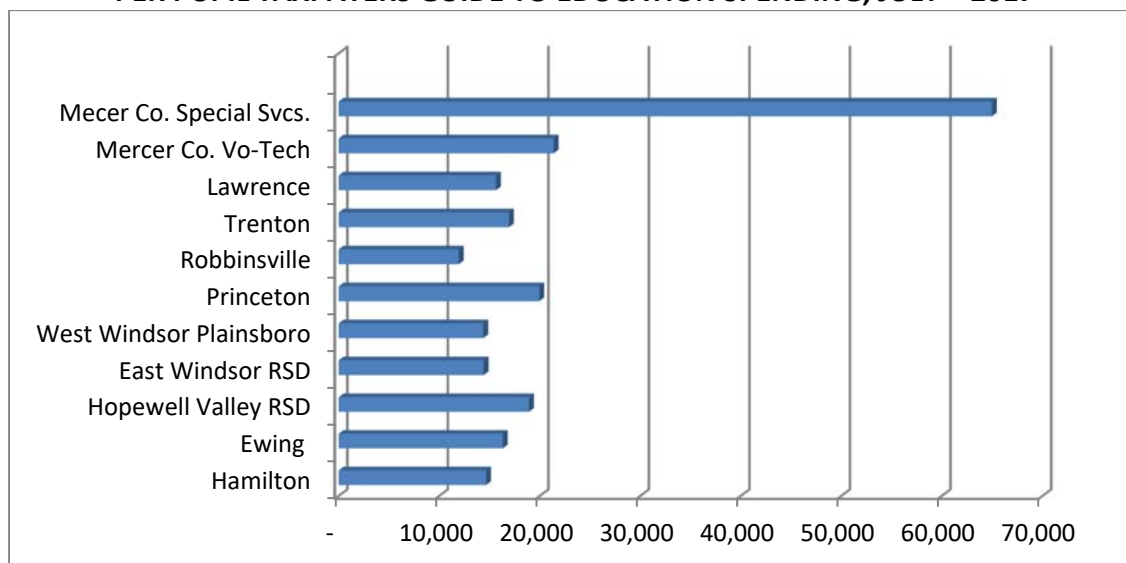
All curriculum provides accommodation/remediation and extension opportunities for students. Beyond the classroom teacher providing interventions, students are screened using multiple assessments in both language arts and math. The district will continue to enhance and adjust its programs to meet the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



# The Ewing Public Schools

In July 2017, the New Jersey Department of Education released its Taxpayers' Guide to Education Spending (formerly the Comparative Spending Guide) for all school districts in the State. The guide compares districts with those similar in enrollment configurations. The information on expenditures was taken from certified budgets on file with the State Department of Education. This report shows that the district's budgetary cost per pupil is \$16,322 while the average cost for similar districts is \$15,714. Within the County of Mercer, per pupil costs range from a low of \$14,425, to a high of \$64,987 for Fiscal Year ending June 30, 2017.

**PER PUPIL TAXPAYERS GUIDE TO EDUCATION SPENDING, JULY – 2017**



## INTERNAL CONTROLS

The administration is responsible for establishing and maintaining internal controls that are designed to ensure that the assets of the District are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements that are in conformity with accounting principles generally accepted in the United States (GAAP). Internal controls are designed to provide reasonable assurance that these goals are achieved. Reasonable assurance takes into account the following:

- The cost of controls should not exceed the benefits anticipated to be derived; and
- The valuation of costs and benefits requires estimates and judgements by administration



# The Ewing Public Schools

---

As a recipient of Federal and State awards, the District is also responsible for ensuring that an adequate control system is in place to ensure compliance with applicable laws and regulations related to those programs. The internal control system is also subject to periodic review by the District management.

As part of the district's Single Audit, described earlier, tests are made to determine adequacy of the internal control system, including the portion related to the Federal and State assistance programs, as well as to determine that the district has complied with applicable laws, regulations, contracts, and grants.

## **BUDGETARY CONTROLS**

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the Township. Annual appropriated budgets are adopted for the general fund, the special revenue fund and the debt service fund (when necessary). Project-length budgets are approved for the capital improvements accounted for in the capital projects fund.

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

## **ACCOUNTING SYSTEM & REPORTS**

The District's accounting records reflect accounting principles generally accepted in the United States (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and a government-wide presentation is also included. These funds and government-wide financial statements are explained in "Notes to the Basic Financial Statements," Note 1.

## **DEBT ADMINISTRATION**

The District's outstanding debt issues included \$5,990,000.00 of general obligation bonds as of June 30, 2017. Under provisions of New Jersey statutes, school districts may not incur indebtedness of greater than 4% of the average equalized valuation of taxable property. At June 30, 2017, the District's outstanding debt issues are well below the legal debt margin. The District continues to be committed to providing the debt rating agencies and all other interested parties with annual audited financial statements and other pertinent credit information relevant to our outstanding securities.



# The Ewing Public Schools

---

## **FINANCIAL STATUS**

The Business Administrator and Board of Education continue to guide the District with fiscal prudence while working within the limitations imposed by the state's 2% cap on the annual increase of the tax revenue collected by Ewing Township. The business office utilizes purchasing cooperatives, state contracts, and bids and quotes to purchase the materials needed to operate the District at the most fiscally responsible cost to the taxpayers of Ewing Township.

## **CASH MANAGEMENT**

The investment policy of the District is guided in large part by state statutes as detailed in "Notes to Basic Financial Statements", Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

## **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. The School Business Administrator oversees risk management for the District. A schedule of insurance coverage is found in the Statistical Section as Schedule J-20.

## **OUTLOOK FOR THE FUTURE: FISCAL YEAR 2017-18 AND BEYOND**

The Ewing Township School District, along with many other public school systems in the State, will continue to face difficult economic realities given that our primary funding source remains property tax revenue. In the 2017-18 school year the district was granted an additional amount of State Aid after the budget was finalized, but it remains to be seen whether that influx of State funding will continue beyond the 2017-18 school year.

The District's administration will continue to monitor closely, the cost of operations and look for new funding sources and efficiencies in order to maintain the high quality of programming currently offered.

The Township of Ewing continues to experience an expansive redevelopment project in many different parts of the community. That coupled with the aging of district infrastructure has created challenges for the district. As the redevelopment continues, the district will monitor student influx and review facilities accordingly.

### **School Buildings**

*Providing A Foundation For Life*



# The Ewing Public Schools

<b>Building</b>	<b>Year Built/Renovated</b>	<b>Functional Capacity</b>	<b>Square Footage</b>
Antheil Elementary	1982	886	111,198
Lore Elementary	1954	839	71,571
Parkway Elementary	1993	534	67,417
Fisher Middle	1960	970	157,085
Ewing High	1950	1,435	202,755
Ryan (O'Brien Academy)	1946	25	3,914
Gusz Building	1979	N/A	23,156

It should be noted that the District Administration currently has no permanent home and is renting office space in town. Due to the age of the buildings and high cost of renovation and maintenance, the Board is currently in the process of exploring a proposed Bond Referendum. In addition, due to the maintenance requirements of all of this older equipment, the district has employed an additional compliment of maintenance professionals comprising of 3 HVAC technicians, 2 full time electricians, and a licensed plumber.

## INDEPENDENT AUDIT

State statutes require an annual audit by independent certified public accountants. The accounting firm of Bowman & Company LLP was selected by the Board of Education through the submission of competitive proposals. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the provisions of Title 2 U.S. Code of Federal Regulations Part 200, "Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance)" and the New Jersey State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid." The auditor's report on the basic financial statements and specific required supplemental information is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

## AWARDS

- *Certificate of Excellence in Financial Reporting:* The District had applied to the Association of School Business Officials (ASBO) International for the "Certificate of Excellence in Financial Reporting" for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ending June 30, 2015 and 2016. The Certificate of Award was granted for both years and has been made a part of the introductory section of this year's CAFR. In order to be awarded this certificate, the District published an easily readable and efficiently organized comprehensive annual financial report and satisfied both account principles generally accepted in the United States (GAAP) and applicable legal requirements.



# The Ewing Public Schools

---

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

## ACKNOWLEDGMENTS

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

Respectfully submitted,

---

Michael A. Nitti  
*Superintendent of Schools*

---

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





ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting  
is presented to**

**Ewing Township Public Schools**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2016.**

The CAFR has been reviewed and met or exceeded  
ASBO International's Certificate of Excellence standards.



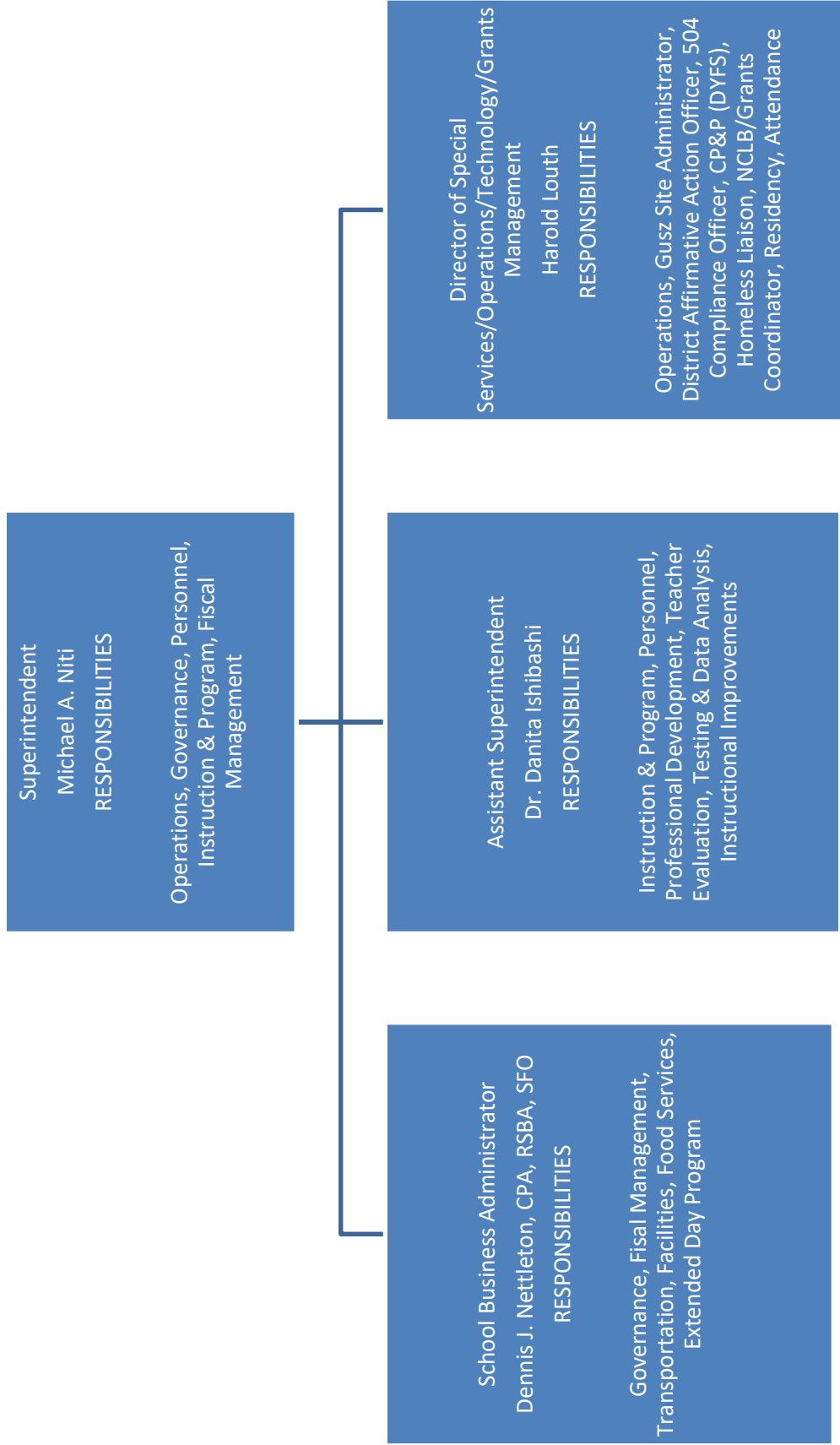
A handwritten signature in black ink, appearing to read 'Anthony N. Dragona', written over a horizontal line.

**Anthony N. Dragona, Ed.D., RSBA**  
President

A handwritten signature in black ink, appearing to read 'John D. Musso', written over a horizontal line.

**John D. Musso, CAE**  
Executive Director

# The Ewing Township Board of Education Central Office Organizational Chart Responsibilities



**Township of Ewing School District  
2099 Pennington Road  
Ewing, New Jersey 08618**

**ROSTER OF OFFICIALS  
JUNE 30, 2017**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Ms. Stephanie F. Staub, President	2019
Ms. Karen A. McKeon, Vice-President	2017
Mr. Carl Benedetti	2017
Ms. Maria C. Benedetti	2018
Mr. Kenneth Bradley	2019
Mr. Kevin J. Ewell	2017
Ms. Lisa McConnell	2018
Mr. Anthony Messina	2018
Mr. Bruce J. White	2019

**OTHER OFFICIALS**

Michael A. Nitti, *Superintendent of Schools*

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

Jill Liedtka, *Treasurer of School Monies*

**Township of Ewing School District  
2099 Pennington Road  
Ewing, New Jersey 08618**

**CONSULTANTS AND ADVISORS  
JUNE 30, 2017**

**Architect**

Fraytak, Veisz, Hopkins, Duthie, P.C.  
1515 Lower Ferry Road  
Trenton, NJ 08618

**Audit Firm**

Daniel M. DiGangi, CPA, CPA, RMA, PSA, CMFO  
Bowman & Company LLP  
601 White Horse Road  
Voorhees, NJ 08043-2493

**Attorney**

Marc H. Zitomer, Esq.  
Schenck, Price, Smith & King, LLP  
220 Park Avenue  
PO Box 991  
Florham Park, NJ 07932

**Bond Counsel**

Parker McCay, P.C.  
9000 Midlantic Drive  
Suite 300  
Mount Laurel, NJ 08054

**Official Depository**

Wells Fargo Bank  
Pennington Road and Olden Avenue  
Ewing, NJ 08638

FINANCIAL SECTION

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Township of Ewing School District  
County of Mercer  
Ewing, New Jersey 08618

### **Report on the Financial Statements**

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

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

24850

## Opinions

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

## Emphasis of Matter

### *Prior Period Restatement*

As discussed in note 19 to the financial statements, the School District restated its net position as of June 30, 2016 on the statement of activities and Capital Projects fund balance as of June 30, 2016 on the statement of revenues, expenditures and changes in fund balances for various prior period adjustments. Our opinion is not modified with respect to this matter.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the School District's proportionate share of the net pension liability, schedule of the School District's contributions as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Ewing School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2017 on our consideration of the Township of Ewing School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Ewing School District's internal control over financial reporting and compliance.

Respectfully submitted,

*Bowman & Company LLP*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*Daniel M DiGangi*

Daniel M. DiGangi  
Certified Public Accountant  
Public School Accountant No. CS 002376

Voorhees, New Jersey  
November 27, 2017



Exhibit K-1

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

**INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Township of Ewing School District  
County of Mercer  
Ewing, New Jersey 08618

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and in compliance with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Ewing School District, in the County of Mercer, State of New Jersey, as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated November 27, 2017. Our report on the financial statements included an emphasis of matter paragraph describing the restatement of the prior period financial statements for various prior period adjustments.

**Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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

**Purpose of this Report**

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

Respectfully submitted,

*Bowman & Company LLP*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*Daniel M. DiGangi*

Daniel M. DiGangi  
Certified Public Accountant  
Public School Accountant No. CS 002376

Voorhees, New Jersey  
November 27, 2017

REQUIRED SUPPLEMENTARY INFORMATION  
PART I



## THE EWING PUBLIC SCHOOLS

Michael A. Nitti, Superintendent of Schools  
Dennis J. Nettleton, CPA, RSBA, SFO, School Business Administrator

DISTRICT ADMINISTRATIVE OFFICES  
2099 Pennington Road, Ewing, NJ 08618  
Phone: (609) 538-9800 Fax: (609) 538-0041  
[www.ewing.k12.nj.us](http://www.ewing.k12.nj.us)

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

#### UNAUDITED

#### Management's Discussion and Analysis

The discussion and analysis of Ewing Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2017 and 2016. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments issued in June 1999. Certain comparative information between the current year (2016-2017) and the prior year (2015-2016) is required to be presented in MD&A.

#### Overview of Financial Statements

The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This document also contains required and supplementary information and other information in addition to the basic financial statements themselves.

#### Financial Highlights

Key financial highlights for 2016-2017 are as follows:

In total, net position totaled \$2,471,758 which represents a \$1,853,064 increase from 2016.

General revenues accounted for \$71,046,067 in revenue or 73.77% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$25,267,098 or 26.23% of total revenues of \$96,313,165.

# EWING TOWNSHIP BOARD OF EDUCATION

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

### UNAUDITED – (CONTINUED)

Total assets of governmental activities decreased by \$775,519 as cash and cash equivalents decreased by \$2,824,312, receivables increased by \$2,303,520 and current liabilities increased by \$207,853.

In the governmental activities, the District had \$92,270,147 in expenses; only \$23,072,889 of these expenses were offset by program specific charges for services and grants or contributions. General revenues (primarily property taxes and federal and state aid) of \$71,046,067 were adequate to provide for these programs.

Among major funds, the General Fund had \$72,750,295 in revenues and \$72,369,107 in expenditures. The General Fund's fund balance increased \$363,423 over 2016. The General Fund's fund balance is \$7,659,628. The increase was caused by revenue being in excess of expenditures.

The Special Revenue Fund had \$2,040,989 in revenue and expenditures.

### **Using this Comprehensive Annual Financial Report (CAFR)**

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

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

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

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

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School district as a whole looks at all financial transactions and asks the question, "How did we do financially during 2017?" The Comparative Statement of Net Position and the Comparative Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

# EWING TOWNSHIP BOARD OF EDUCATION

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

### UNAUDITED – (CONTINUED)

#### **Comparative Statement of Net Position and Comparative Statement of Activities (Cont'd)**

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

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

**Business Type Activities** — This service is provided on a charge for goods or services basis to recover all the expenses of the goods and services provided. The Food Service enterprise fund and Extended Day Program enterprise fund are reported as business activities.

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

##### **Fund Financial Statement**

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

##### **Governmental Funds**

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

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

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

The District adopts an annual appropriated budget for its general fund, special revenue fund and debt service fund. Budgetary comparison statements have been provided as required supplementary information for the general fund, special revenue fund and debt service fund to demonstrate compliance with this budget

The basic governmental fund financial statements can be found on exhibits B-1 through B-3 of this report.

# **EWING TOWNSHIP BOARD OF EDUCATION**

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

### **UNAUDITED – (CONTINUED)**

#### **Proprietary Funds**

The District maintains two proprietary fund types. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses an enterprise fund to account for the operations of its food service program and extended day program.

The basic proprietary fund financial statements can be found on exhibits B-4 through B-6 of this report.

#### **Fiduciary Funds**

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

The District uses agency funds to account for resources held for student activities and groups and payroll related liabilities. The fiduciary fund financial statements can be found on exhibits B-7 and B-8 of this report.

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

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The notes to the financial statements can be found directly after the B exhibits of this report.

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

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

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

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

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

#### **Government-wide Financial Statements**

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

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

# **EWING TOWNSHIP BOARD OF EDUCATION**

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

### **UNAUDITED – (CONTINUED)**

#### **Government-wide Financial Statements (Cont'd)**

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

The Government-wide financial statements can be found on exhibits A-1 and A-2 of this report.

The Statement of Net Position provides the financial perspective of the District as a whole. Table 1 provides a comparative summary of the School District's net position for 2017 and 2016.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$2,471,758 at the close of fiscal 2017. The following table provides a summary of net position at June 30, 2017 and 2016 relating to the District's governmental and business-type activities:



# EWING TOWNSHIP BOARD OF EDUCATION

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

UNAUDITED – (CONTINUED)

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

	Governmental Activities		Business-Type Activities		Total School District	
	(Restated)		(Restated)		(Restated)	
	2016-2017	2015-2016	2016-2017	2015-2016	2016-2017	2015-2016
<b>Assets</b>						
Current and Other Assets	\$ 9,777,718	\$ 10,313,659	\$ 904,666	\$ 662,992	\$ 10,682,383	\$ 10,976,651
Capital Assets, Net	<u>21,895,623</u>	<u>22,135,200</u>	<u>129,541</u>	<u>152,808</u>	<u>22,025,164</u>	<u>22,288,008</u>
Total Assets	<u><u>\$ 31,673,341</u></u>	<u><u>\$ 32,448,860</u></u>	<u><u>\$ 1,034,207</u></u>	<u><u>\$ 815,800</u></u>	<u><u>\$ 32,707,547</u></u>	<u><u>\$ 33,264,659</u></u>
<b>Deferred Outflows of Resources</b>						
Loss on Defeasance of Bonds	\$ 581,805	\$ 811,906			\$ 581,805	\$ 811,906
Prepaid Retirement	2,635,600	4,730,000			2,635,600	4,730,000
Pension	<u>8,943,271</u>	<u>3,808,296</u>			<u>8,943,271</u>	<u>3,808,296</u>
Total Deferred Outflows of Resources	<u><u>\$ 12,160,676</u></u>	<u><u>\$ 9,350,202</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>\$ 12,160,676</u></u>	<u><u>\$ 9,350,202</u></u>
<b>Liabilities</b>						
Current and Other Liabilities	\$ 1,870,653	\$ 1,662,800	\$ 252,069	\$ 36,420	\$ 2,122,722	\$ 1,699,220
Long-Term Liabilities						
Outstanding	<u>40,221,027</u>	<u>39,914,206</u>	<u>52,717</u>	<u>54,213</u>	<u>40,273,744</u>	<u>39,968,419</u>
Total Liabilities	<u><u>\$ 42,091,680</u></u>	<u><u>\$ 41,577,006</u></u>	<u><u>\$ 304,785</u></u>	<u><u>\$ 90,634</u></u>	<u><u>\$ 42,396,465</u></u>	<u><u>\$ 41,667,639</u></u>
<b>Deferred Inflow of Resources</b>						
Pension	<u><u>-</u></u>	<u><u>\$ 328,528</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>\$ 328,528</u></u>
<b>Net Position</b>						
Net Investment in						
Capital Assets	\$ 16,422,446	\$ 13,878,112	\$ 129,541	\$ 152,808	\$ 16,551,987	\$ 14,030,920
Restricted	8,149,424	1,200,000			8,149,424	1,200,000
Unrestricted (Deficit)	<u>(22,829,533)</u>	<u>(15,184,584)</u>	<u>599,880</u>	<u>572,358</u>	<u>(22,229,652)</u>	<u>(14,612,226)</u>
Total Net Position	<u><u>\$ 1,742,337</u></u>	<u><u>\$ (106,472)</u></u>	<u><u>\$ 729,421</u></u>	<u><u>\$ 725,166</u></u>	<u><u>\$ 2,471,758</u></u>	<u><u>\$ 618,694</u></u>

The District's combined net position was \$2,471,758 on June 30, 2017. This is an increase of \$1,853,064, or 299.51% from the prior year.

The largest portion of the District's net position is its net investment in capital assets (e.g., land, construction-in-progress, buildings and improvements, and machinery, equipment and vehicles), less any related debt (bonds payable) used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources (namely, property taxes), since the capital assets themselves cannot be used to liquidate these liabilities.

# EWING TOWNSHIP BOARD OF EDUCATION

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

### UNAUDITED – (CONTINUED)

#### **Table 1 – Comparative Summary of Net Position (Cont'd)**

Net investment in capital assets increased from the prior year due to the reduction in the long-term liabilities as a result in the pay-down of principal.

Long-term liabilities increased due to the increase in net pension liability.

Restricted net position increased mainly due to the net increase in reserves and the posting of designated surplus funds as restricted in 2017.

Unrestricted net position decreased by \$7,644,949 which was caused primarily by the increase in the net pension liability of the district.

# EWING TOWNSHIP BOARD OF EDUCATION

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

UNAUDITED – (CONTINUED)

Table 2 shows the comparative change in net position from fiscal year 2017 and 2016.

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total School District</b>	
	2016-2017	2015-2016	2016-2017	2015-2016	2016-2017	2015-2016
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	\$ 499,709	\$ 541,016	\$ 1,257,599	\$ 1,239,752	\$ 1,757,308	\$ 1,780,768
Operating Grants and Contributions	22,573,180	2,351,513	936,610	931,527	23,509,790	3,283,040
General Revenue:						
Property Taxes	58,962,416	58,170,321			58,962,416	58,170,321
Federal and State Aid	11,205,916	24,791,630			11,205,916	24,791,630
Miscellaneous	877,735	210,933			877,735	210,933
Total Revenue	<u>\$ 94,118,956</u>	<u>\$ 86,065,414</u>	<u>\$ 2,194,209</u>	<u>\$ 2,171,279</u>	<u>\$ 96,313,165</u>	<u>\$ 88,236,693</u>
<b>Expenses:</b>						
Instruction	\$ 28,749,570	\$ 45,795,992			\$ 28,749,570	\$ 45,795,992
Tuition	4,228,076	2,845,481			4,228,076	2,845,481
Student and Instruction Related Services	6,785,234	10,113,036			6,785,234	10,113,036
School Administration	2,481,993	1,088,153			2,481,993	1,088,153
General Administration	1,956,229	5,632,690			1,956,229	5,632,690
Operation and Maintenance of Facilities	5,647,528	9,770,323			5,647,528	9,770,323
Pupil Transportation	4,403,433	6,548,896			4,403,433	6,548,896
Unallocated Benefits	32,626,433				32,626,433	
Reimbursed TPAF and Social Security	4,628,408				4,628,408	
Interest on Debt	367,536	512,476			367,536	512,476
Transfer to Charter Schools	395,709	133,496			395,709	133,496
Business Type Actives			<u>\$ 2,189,954</u>	<u>\$ 2,120,336</u>	<u>2,189,954</u>	<u>2,120,336</u>
Total Expenses	<u>\$ 92,270,147</u>	<u>\$ 82,440,542</u>	<u>\$ 2,189,954</u>	<u>\$ 2,120,336</u>	<u>\$ 94,460,101</u>	<u>\$ 84,560,878</u>
Excess (Deficiency) in Revenues Over Expenditures	\$ 1,848,809	\$ 3,624,871	\$ 4,255	\$ 50,943	\$ 1,853,064	\$ 3,675,814
Special and Extraordinary Items, Net	-	209,360	-	-	-	209,360
Change in Net Position	<u>\$ 1,848,809</u>	<u>\$ 3,834,231</u>	<u>\$ 4,255</u>	<u>\$ 50,943</u>	<u>\$ 1,853,064</u>	<u>\$ 3,885,174</u>
Adjustment for Prior Period Restatement (Net)	-	\$ (1,846,698)	-	\$ 65,977	-	\$ (1,780,721)
Net Position - beginning	<u>\$ (106,472)</u>	<u>\$ (2,094,006)</u>	<u>\$ 725,166</u>	<u>\$ 608,246</u>	<u>\$ 618,694</u>	<u>\$ (1,485,760)</u>
Net Position - ending	<u>\$ 1,742,337</u>	<u>\$ (106,472)</u>	<u>\$ 729,421</u>	<u>\$ 725,166</u>	<u>\$ 2,471,758</u>	<u>\$ 618,694</u>

# EWING TOWNSHIP BOARD OF EDUCATION

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

### UNAUDITED – (CONTINUED)

#### General Fund Budgetary Highlights

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

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

#### Revenues

- Actual tuition revenue was in excess of the modified budgeted amount by approximately \$199,709 or 66.57% as a result mostly of higher than anticipated inflow of students.

#### Expenditures

- The modified budget for regular programs – instruction increased from the original budget by \$267,258, or 1.43% as a result of an increase in the need for other purchased services.
- The modified budget for undistributed expenditures – instruction increased from the original budget by \$609,233, or 23.41% as a result of an increase in the amount of students sent to County Special Services Districts and Regional Day Schools.
- The modified budget for undistributed expenditures – student transportation increased from the original budget by \$424,605, or 10.74% as a result of additional costs related to the transportation of students by outside vendors.
- The modified budget for special education – instruction decreased from the original budget by \$195,663, or 2.88% as a result of reallocation of line items within the account to serve special needs students.

# EWING TOWNSHIP BOARD OF EDUCATION

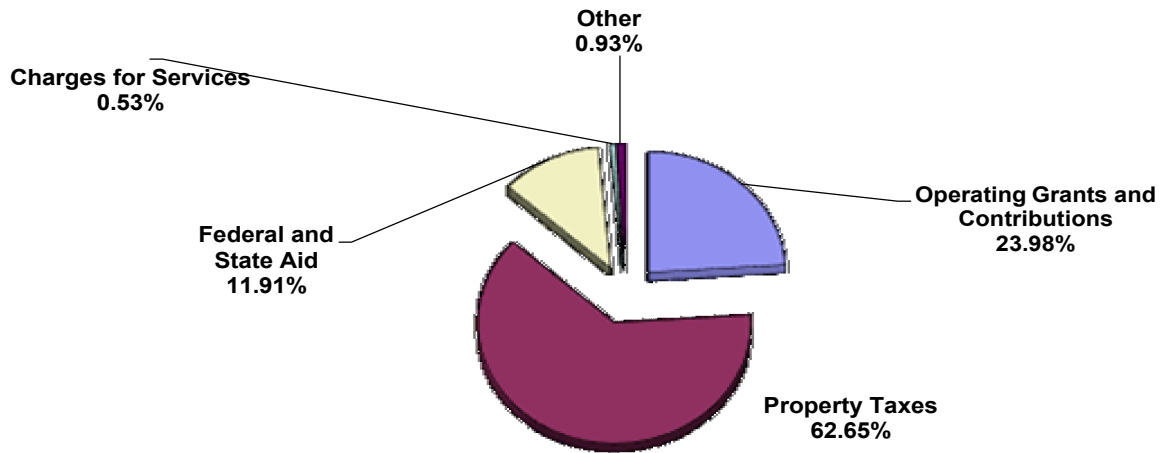
## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

UNAUDITED – (CONTINUED)

### Governmental Activities

Property taxes of \$58,962,416 made up 62.65% percent of revenue for governmental activities for the Ewing School District for fiscal year 2017. The District's total revenues were \$94,118,956 for the year ended June 30, 2017. Federal, state and local grants for operating purposes of \$22,573,180 accounted for another 23.98% of revenue.

Revenue for Fiscal Year 2017



# EWING TOWNSHIP BOARD OF EDUCATION

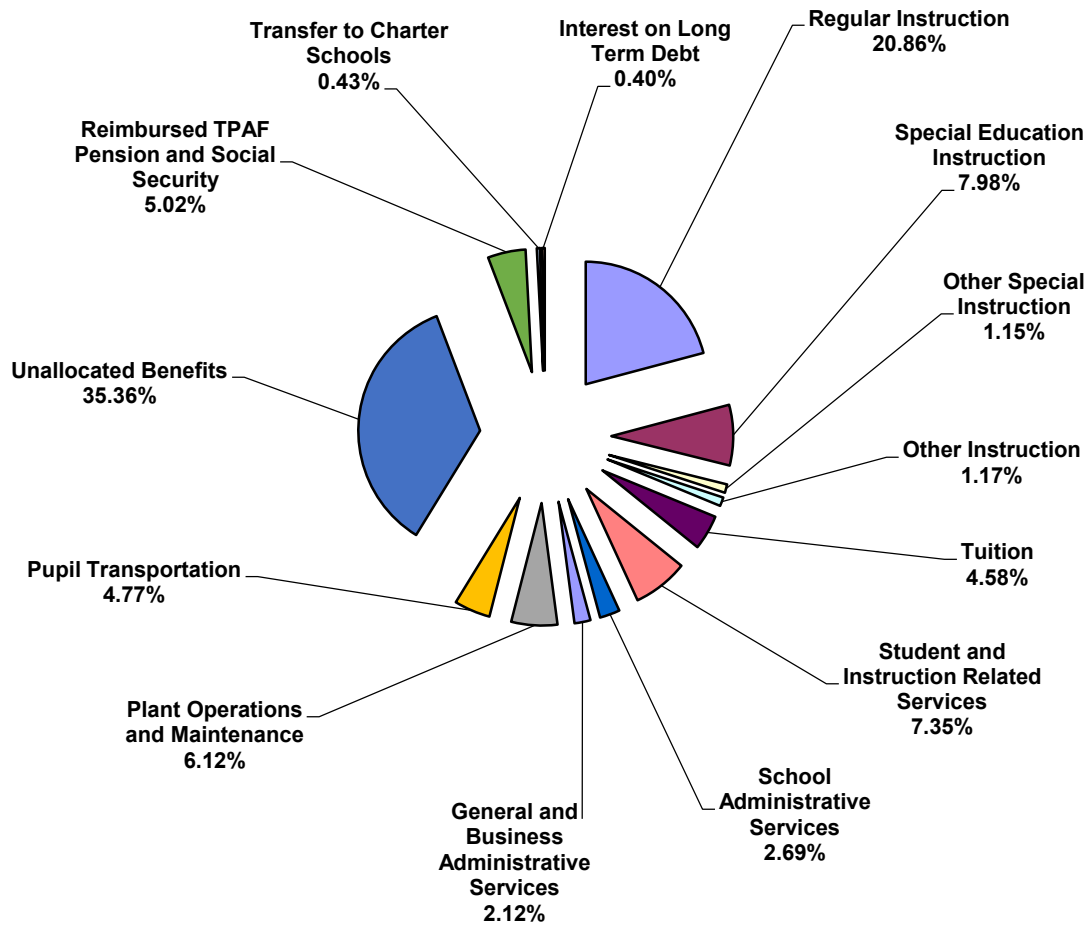
## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

UNAUDITED – (CONTINUED)

### Governmental Activities (Cont'd)

The total cost of all programs and services was \$92,270,147.

### Expenses for Fiscal Year 2017



# EWING TOWNSHIP BOARD OF EDUCATION

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

UNAUDITED – (CONTINUED)

### **Business-Type Activities**

#### Food Service

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

Food service expenses exceeded revenues by \$44,455.

Charges for services represent \$709,808, or 43.11% of revenue. This represents amounts paid by patrons for daily food service, as well as special functions.

Non-operating revenues include federal and state reimbursements for meals and donated commodities which total \$936,610, or 56.89% of revenue.

#### Extended Day Program

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

Extended day program service expenses exceeded revenues by \$48,710.

Charges for services represent \$547,791, or 100% of revenue. This represents amounts paid for extended day coverage for children.

# EWING TOWNSHIP BOARD OF EDUCATION

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

UNAUDITED – (CONTINUED)

### Governmental Activities

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

**Table 3 - Comparative Statement of Activities**

	Total Cost of Services			Net Cost of Services		
	2016-2017	2015-2016	Percent Change	2016-2017	2015-2016	Percent Change
Instruction	\$ 28,749,570	\$ 45,795,992	-37.22%	\$ 27,676,492	\$ 43,865,734	-36.91%
Tuition	4,228,076	2,845,481	48.59%	3,211,271	2,845,481	12.86%
Support Services:						
Attendance & Social						
Work Services		464,211	-100.00%		464,211	-100.00%
Health Services		1,287,144	-100.00%		1,287,144	-100.00%
Student & Instruction						
Related Services	6,785,234	7,530,795	-9.90%	6,446,150	7,327,779	-12.03%
Educational Media Services/						
School Library		785,462	-100.00%		785,462	-100.00%
Instructional Staff Training		45,424	-100.00%		45,424	-100.00%
School Administration	2,481,993	1,088,153	128.09%	2,481,993	1,088,153	128.09%
General Administration	1,956,229	5,632,690	-65.27%	1,956,229	5,632,690	-65.27%
Operation and Maintenance						
of Facilities	5,647,528	9,770,323	-42.20%	5,647,528	9,770,323	-42.20%
Pupil Transportation	4,403,433	6,548,896	-32.76%	4,403,433	6,548,896	-32.76%
Unallocated Benefits	32,626,433		100.00%	16,632,181		100.00%
Reimbursed TPAF and						
Social Security	4,628,408		100.00%			
Transfer to Charter School	395,709	133,496	196.42%	395,709	133,496	196.42%
Interest on Debt	367,536	512,476	-28.28%	346,274	(246,780)	-240.32%
<b>Total Expenses</b>	<b>\$ 92,270,147</b>	<b>\$ 82,440,542</b>	<b>11.92%</b>	<b>\$ 69,197,258</b>	<b>\$ 79,548,013</b>	<b>-13.01%</b>



# EWING TOWNSHIP BOARD OF EDUCATION

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

### UNAUDITED – (CONTINUED)

#### Governmental Activities (Cont'd)

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

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

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

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

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

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

#### The School District's Funds

All governmental funds (i.e., general fund, special revenue fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$81,267,094 and expenditures were \$81,121,614, exclusive of the capital projects fund.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a comparative summary of the revenues of the general fund, special revenue fund and debt service fund for the fiscal years ended June 30, 2017 and June 30, 2016, and the amount of increase and decreases in relation to prior year revenues.

#### Comparative Summary of Revenues

Revenue	2016-2017		2015-2016		Increase/ (Decrease) from 2015-2016 to 2016-2017
	Amount	Percent of Total	Amount	Percent of Total	
Local Sources	\$ 60,408,218	74.33%	\$ 58,999,644	75.66%	\$ 1,408,574
State Sources	18,729,178	23.05%	17,336,014	22.23%	1,393,164
Federal Sources	2,129,697	2.62%	1,645,052	2.11%	484,645
	<u>\$ 81,267,094</u>	<u>100.00%</u>	<u>\$ 77,980,710</u>	<u>100.00%</u>	<u>\$ 3,286,384</u>

# EWING TOWNSHIP BOARD OF EDUCATION

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

### UNAUDITED – (CONTINUED)

#### The School District's Funds (Cont'd)

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

Federal revenues increased primarily due to the increase in Title I realized revenues.

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

The following schedule presents a comparative summary of general fund, special revenue fund and debt service fund exclusive of capital project fund expenditures for the fiscal years ended June 30, 2017 and June 30, 2016, and the increases and decreases in relation to prior year amounts.

#### Comparative Summary of Expenditures

<u>Expenditures</u>	<u>2016-2017</u>		<u>2015-2016</u>		Increase/ (Decrease) from 2015-2016 to 2016-2017
	<u>Amount</u>	Percent <u>of Total</u>	<u>Amount</u>	Percent <u>of Total</u>	
Current Expense:					
Instruction	\$ 32,357,766	39.89%	\$ 28,465,037	36.38%	\$ 3,892,729
Undistributed Expenditures	41,532,381	51.20%	41,442,632	52.97%	89,749
Charter Schools	395,709	0.49%	133,496	0.17%	262,213
Capital Outlay	124,240	0.15%	1,593,710	2.04%	(1,469,470)
Debt Service:					
Principal	6,555,000	8.08%	6,325,000	8.08%	230,000
Interest	156,518	0.19%	279,685	0.36%	(123,167)
	<u>\$ 81,121,614</u>	<u>100.00%</u>	<u>\$ 78,239,560</u>	<u>100.00%</u>	<u>\$ 2,882,054</u>

Changes in expenditures were the results of varying factors. Current expense primarily increased due to the normal increase in salaries and other expenses.

#### General Fund Budgeting Highlights

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

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

# EWING TOWNSHIP BOARD OF EDUCATION

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

UNAUDITED – (CONTINUED)

### Capital Assets

At the end of the fiscal year 2017, the School District had \$22,025,164 invested in land, buildings and improvements, furniture, fixtures and equipment net of depreciation. Table 4 shows fiscal 2017 balances compared to 2016.

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

	Governmental Activities		Business-Type Activities		Total School District	
	2016-2017	(Restated) 2015-2016	2016-2017	(Restated) 2015-2016	2016-2017	(Restated) 2015-2016
Land	\$ 688,921	\$ 688,921			\$ 688,921	\$ 688,921
Building and Improvements	19,306,679	19,865,593			19,306,679	19,865,593
Furniture, Fixtures and Equipment	1,900,022	1,580,686	\$ 129,541	\$ 152,808	2,029,564	1,733,494
Total Capital Assets - Net of Depreciations	<u>\$ 21,895,623</u>	<u>\$ 22,135,200</u>	<u>\$ 129,541</u>	<u>\$ 152,808</u>	<u>\$ 22,025,164</u>	<u>\$ 22,288,008</u>

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

Overall capital assets (net) decreased from fiscal year 2016 to fiscal year 2017. The decreased in capital assets is primarily due to annual depreciation in excess of capital asset additions.

### Debt Administration

At the end of the fiscal year 2017 and 2016, the School District had outstanding long term liabilities as follows:

**Table 5 – Debt Administration**

	June 30,	
	2017	(Restated) 2016
Capital Leases	\$ 2,700,582	\$ 3,253,994
Compensated Absences	3,664,123	3,681,894
Net Pension Liability	27,866,322	20,433,318
Serial Bonds	5,990,000	12,545,000
Totals	<u>\$ 40,221,027</u>	<u>\$ 39,914,206</u>

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

# EWING TOWNSHIP BOARD OF EDUCATION

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

### UNAUDITED – (CONTINUED)

#### For the Future

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

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

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

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

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

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

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

Respectfully submitted,



Michael Nitti  
Superintendent of Schools



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

## BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**TOWNSHIP OF EWING SCHOOL DISTRICT**  
Statement of Net Position  
June 30, 2017

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 2,398,067.59	\$ 788,758.46	\$ 3,186,826.05
Receivables, net	6,194,799.37	85,431.87	6,280,231.24
Restricted Cash and Cash Equivalents	1,184,850.88		1,184,850.88
Inventory		30,475.21	30,475.21
Capital Assets, net (Note 6)	<u>21,895,622.69</u>	<u>129,541.14</u>	<u>22,025,163.83</u>
<b>Total Assets</b>	<u>31,673,340.53</u>	<u>1,034,206.68</u>	<u>32,707,547.21</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Related to Pensions (Note 9)	8,943,271.00		8,943,271.00
Prepaid Early Retirement Incentive	2,635,600.00		2,635,600.00
Deferred Loss on Refunding	<u>581,805.43</u>		<u>581,805.43</u>
<b>Total Deferred Outflows</b>	<u>12,160,676.43</u>	<u>-</u>	<u>12,160,676.43</u>
<b>LIABILITIES:</b>			
Accounts Payable:			
Related to Pensions	863,450.00		863,450.00
Other	890,530.05	14,094.80	904,624.85
Internal Balances	(207,594.58)	207,594.58	
Payable to Other Governments	5,328.00		5,328.00
Accrued Interest	41,352.75		41,352.75
Unearned Revenue	277,586.67	30,379.26	307,965.93
Noncurrent Liabilities (Note 7):			
Due within One Year	4,514,427.44	10,543.33	4,524,970.77
Due beyond One Year	<u>35,706,599.88</u>	<u>42,173.31</u>	<u>35,748,773.19</u>
<b>Total Liabilities</b>	<u>42,091,680.21</u>	<u>304,785.28</u>	<u>42,396,465.49</u>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	16,422,445.80	129,541.14	16,551,986.94
Restricted for:			
Capital Projects	2,568,728.91		2,568,728.91
Other Purposes	5,580,694.61		5,580,694.61
Unrestricted (Deficit)	<u>(22,829,532.57)</u>	<u>599,880.26</u>	<u>(22,229,652.31)</u>
<b>Total Net Position</b>	<u>\$ 1,742,336.75</u>	<u>\$ 729,421.40</u>	<u>\$ 2,471,758.15</u>

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

**TOWNSHIP OF EWING SCHOOL DISTRICT**  
Statement of Activities  
For the Fiscal Year Ended June 30, 2017

Functions / Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>							
<b>Instruction:</b>							
Regular	\$ 19,247,275.42	\$ 362,264.69			\$ (18,885,010.73)		\$ (18,885,010.73)
Special Education	7,363,414.45	137,443.88	\$ 573,369.07		(6,652,601.50)		(6,652,601.50)
Other Special Instruction	1,058,963.80				(1,058,963.80)		(1,058,963.80)
Other Instruction	1,079,915.83				(1,079,915.83)		(1,079,915.83)
Tuition	4,228,075.68		1,016,804.67		(3,211,271.01)		(3,211,271.01)
<b>Support Services:</b>							
Student and Instruction Related Services	6,785,233.66		339,084.01		(6,446,149.65)		(6,446,149.65)
School Administrative Services	2,481,993.01				(2,481,993.01)		(2,481,993.01)
General and Business Administrative Services	1,956,228.55				(1,956,228.55)		(1,956,228.55)
Plant Operations and Maintenance	5,647,527.78				(5,647,527.78)		(5,647,527.78)
Pupil Transportation	4,403,433.03				(4,403,433.03)		(4,403,433.03)
Unallocated Benefits	32,626,432.55		15,994,252.00		(16,632,180.55)		(16,632,180.55)
Reimbursed TPAF and Social Security	4,628,408.22		4,628,408.22				
Transfer to Charter Schools	395,709.00				(395,709.00)		(395,709.00)
Interest on Long Term Debt	367,535.95		21,262.36		(346,273.59)		(346,273.59)
<b>Total Governmental Activities</b>	<b>92,270,146.93</b>	<b>499,708.57</b>	<b>22,573,180.33</b>	<b>-</b>	<b>(69,197,258.03)</b>	<b>-</b>	<b>(69,197,258.03)</b>
<b>Business-Type Activities:</b>							
Food Service	1,690,873.15	709,808.13	936,609.94			\$ (44,455.08)	(44,455.08)
Childcare Program	499,080.74	547,791.06				48,710.32	48,710.32
<b>Total Business-Type Activities</b>	<b>2,189,953.89</b>	<b>1,257,599.19</b>	<b>936,609.94</b>	<b>-</b>	<b>-</b>	<b>4,255.24</b>	<b>4,255.24</b>
<b>Total Government</b>	<b>\$ 94,460,100.82</b>	<b>\$ 1,757,307.76</b>	<b>\$ 23,509,790.27</b>	<b>-</b>	<b>(69,197,258.03)</b>	<b>4,255.24</b>	<b>(69,193,002.79)</b>
<b>General Revenues:</b>							
<b>Taxes:</b>							
Property Taxes, Levied for General Purposes, net					53,398,341.00		53,398,341.00
Taxes Levied for Debt Service					5,564,075.00		5,564,075.00
Federal and State Aid Not Restricted					10,268,560.42		10,268,560.42
Federal and State Aid Restricted					937,355.64		937,355.64
Miscellaneous Income					877,734.94		877,734.94
<b>Total General Revenues</b>					<b>71,046,067.00</b>	<b>-</b>	<b>71,046,067.00</b>
<b>Change in Net Position</b>					<b>1,848,808.97</b>	<b>4,255.24</b>	<b>1,853,064.21</b>
<b>Net Position (Deficit) -- July 1 (Restated)</b>					<b>(106,472.22)</b>	<b>725,166.16</b>	<b>618,693.94</b>
<b>Net Position -- June 30</b>					<b>\$ 1,742,336.75</b>	<b>\$ 729,421.40</b>	<b>\$ 2,471,758.15</b>

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



FUND FINANCIAL STATEMENTS

**TOWNSHIP OF EWING SCHOOL DISTRICT**  
 Governmental Funds  
 Balance Sheet  
 June 30, 2017

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 2,398,067.59	\$ 10,249.00	\$ 1,174,600.95	\$ 0.93	\$ 3,582,918.47
Receivables, net:					
Interfunds Receivable:					
Enterprise Funds	207,594.58				207,594.58
Special Revenue Fund	388,299.10				388,299.10
Capital Projects Fund	568.18				568.18
Receivables from Other Governments:					
Federal		649,790.92			649,790.92
State of NJ -- Extraordinary Aid	300,411.00				300,411.00
State of NJ -- FICA	188,416.06				188,416.06
State of NJ -- Nonpublic Transportation Aid	38,068.00				38,068.00
State of NJ -- Homeless Aid	27,540.00				27,540.00
Local School Taxes	4,807,479.00				4,807,479.00
Other Receivables	147,211.92	35,882.47			183,094.39
<b>Total Assets</b>	<b><u>\$ 8,503,655.43</u></b>	<b><u>\$ 695,922.39</u></b>	<b><u>\$ 1,174,600.95</u></b>	<b><u>\$ 0.93</u></b>	<b><u>\$ 10,374,179.70</u></b>
<b>LIABILITIES AND FUND BALANCES:</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 844,027.43	\$ 24,708.62	\$ 21,794.00		\$ 890,530.05
Interfunds Payable:					
General Fund		388,299.10	568.18		388,867.28
Payable to State Government		5,328.00			5,328.00
Unearned Revenue		277,586.67			277,586.67
<b>Total Liabilities</b>	<b><u>844,027.43</u></b>	<b><u>695,922.39</u></b>	<b><u>22,362.18</u></b>	<b><u>-</u></b>	<b><u>1,562,312.00</u></b>
<b>Fund Balances:</b>					
<b>Restricted:</b>					
Capital Reserve	1,416,490.14				1,416,490.14
Emergency Reserve	500,000.00				500,000.00
Maintenance Reserve	675,594.00				675,594.00
Maintenance Reserve - Designated for Subsequent Year's Expenditures	300,000.00				300,000.00
Tuition Reserve - Designated for Subsequent Year's Expenditures	200,000.00				200,000.00
Capital Projects			1,152,238.77		1,152,238.77
Debt Service				\$ 0.93	0.93
Excess Surplus	1,300,000.00				1,300,000.00
Excess Surplus - Designated for Subsequent Year's Expenditures	2,605,100.61				2,605,100.61
<b>Assigned:</b>					
Other Purposes	58,439.11				58,439.11
Unassigned	604,004.14				604,004.14
<b>Total Fund Balances</b>	<b><u>7,659,628.00</u></b>	<b><u>-</u></b>	<b><u>1,152,238.77</u></b>	<b><u>0.93</u></b>	<b><u>8,811,867.70</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 8,503,655.43</u></b>	<b><u>\$ 695,922.39</u></b>	<b><u>\$ 1,174,600.95</u></b>	<b><u>\$ 0.93</u></b>	

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 \$50,883,226.38 and the accumulated depreciation is \$28,987,603.69.	21,895,622.69
Long-term liabilities, including bonds payable and net pension liability, are not due and payable in the current period and are not reported as liabilities in the funds.	(40,221,027.32)
Governmental funds report the effect of loss on refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of the difference in the treatment of the long-term debt related items.	581,805.43
Deferred Outflows of Resources - Related to Prepaid Early Retirement Incentive	2,635,600.00
Interest on long term debt is accrued on the Statement of Net Position regardless when due.	(41,352.75)
Accounts Payable related to the April 1, 2018 Required PERS pension contribution that is not to be liquidated with current financial resources.	(863,450.00)
Deferred Outflows of Resources - Related to Pensions	8,943,271.00
<b>Net Position of governmental activities</b>	<b><u>\$ 1,742,336.75</u></b>

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

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES:</b>					
Local Tax Levy	\$ 53,398,341.00			\$ 5,564,075.00	\$ 58,962,416.00
Other Local Revenue	1,377,443.51	\$ 68,358.76			1,445,802.27
State Sources	17,749,998.22	67,445.00		911,735.00	18,729,178.22
Federal Sources	224,512.42	1,905,184.99			2,129,697.41
<b>Total Revenues</b>	<b>72,750,295.15</b>	<b>2,040,988.75</b>	<b>-</b>	<b>6,475,810.00</b>	<b>81,267,093.90</b>
<b>EXPENDITURES:</b>					
Regular Instruction	18,870,743.96		\$ 150,101.39		19,020,845.35
Special Education Instruction	6,590,750.18	573,369.07	52,424.04		7,216,543.29
Other Special Instruction	1,037,153.17				1,037,153.17
Other Instruction	1,057,673.67				1,057,673.67
Tuition	3,211,271.01	1,016,804.67			4,228,075.68
Support Services and Undistributed Costs:					
Student and Instruction Related Services	6,306,399.64	339,084.01			6,645,483.65
School Administrative Services	2,430,873.39				2,430,873.39
Other Administrative Services	2,192,175.58				2,192,175.58
Plant Operations and Maintenance	5,639,612.88				5,639,612.88
Pupil Transportation	4,312,739.06				4,312,739.06
Unallocated Benefits	12,540,698.55	64,848.00			12,605,546.55
Reimbursed TPAF Pension and Social Security	7,705,950.22				7,705,950.22
Charter School Tuition	395,709.00				395,709.00
Debt Service:					
Principal Interest				6,555,000.00	6,555,000.00
Capital Outlay				156,517.73	156,517.73
<b>Total Expenditures</b>	<b>77,356.79</b>	<b>46,883.00</b>	<b>678,250.63</b>	<b>6,711,517.73</b>	<b>82,002,389.64</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>381,188.05</b>	<b>-</b>	<b>(880,776.06)</b>	<b>(235,707.73)</b>	<b>(735,295.74)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Capital Projects Transferred to General Fund	8,658.23		(8,658.23)		
Capital Reserve Transferred to Debt Service Fund	(26,423.00)			26,423.00	
Lease Proceeds					2,000,000.00
Cancellation of Capital Project	(17,764.77)				(2,000,000.00)
<b>Total Other Financing Sources and Uses</b>	<b>363,423.28</b>	<b>-</b>	<b>(889,434.29)</b>	<b>209,285.66</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>7,296,204.72</b>	<b>-</b>	<b>2,041,673.06</b>	<b>(209,284.73)</b>	<b>(735,295.74)</b>
<b>Fund Balance -- July 1 (Restated)</b>	<b>7,659,628.00</b>	<b>-</b>	<b>1,152,238.77</b>	<b>0.93</b>	<b>9,547,163.44</b>
<b>Fund Balance -- June 30</b>	<b>\$ 7,659,628.00</b>	<b>-</b>	<b>\$ 1,152,238.77</b>	<b>\$ 0.93</b>	<b>\$ 8,811,867.70</b>

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

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

Total Net Change in Fund Balances - Governmental Funds		\$ (735,295.74)
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.</p>		
Depreciation Expense		\$ (1,042,068.05)
Capital Outlays		<u>802,490.42</u>
		(239,577.63)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		6,555,000.00
<p>Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of the difference in the treatment of the long-term debt related items.</p>		
Amortization of Loss on Refunding Bonds		(230,100.57)
Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		2,553,411.65
Proceeds from capital leases is a revenue in the governmental funds, but increases the long-term liabilities in the statement of Net Position and is not reported in the statement of activities.		(2,000,000.00)
<p>Some 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.</p>		
Amortization of Prepaid Early Retirement Incentive		(2,094,400.00)
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The decrease in accrued interest is an addition in the reconciliation. (+)		19,082.35
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		17,770.91
<p>Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.</p>		
		<u>(1,997,082.00)</u>
Change in Net Position of Governmental Activities		<u>\$ 1,848,808.97</u>

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

**TOWNSHIP OF EWING SCHOOL DISTRICT**  
 Proprietary Funds  
 Business Type Activities - Enterprise Funds  
 Combining Statement of Net Position  
 June 30, 2017

	<u>Food Service</u>	<u>Extended Day Program</u>	<u>Total</u>
<b>ASSETS:</b>			
<b>Current Assets:</b>			
Cash and Cash Equivalents	\$ 459,594.72	\$ 329,163.74	\$ 788,758.46
Accounts Receivable:			
State	1,161.99		1,161.99
Federal	57,571.20		57,571.20
Other	15,172.56	11,526.12	26,698.68
Inventories	30,475.21		30,475.21
<b>Total Current Assets</b>	<u>563,975.68</u>	<u>340,689.86</u>	<u>904,665.54</u>
<b>Noncurrent Assets:</b>			
<b>Capital Assets:</b>			
Furniture, Fixtures and Equipment	734,656.00		734,656.00
Less Accumulated Depreciation	<u>(605,114.86)</u>		<u>(605,114.86)</u>
<b>Total Noncurrent Assets</b>	<u>129,541.14</u>	<u>-</u>	<u>129,541.14</u>
<b>Total Assets</b>	<u>693,516.82</u>	<u>340,689.86</u>	<u>1,034,206.68</u>
<b>LIABILITIES:</b>			
<b>Current Liabilities:</b>			
Accounts Payable	12,163.40	1,931.40	14,094.80
Compensated Absences Payable	10,543.33		10,543.33
Interfund Accounts Payable:			
Due General Fund	207,594.58		207,594.58
Unearned Revenue	<u>30,379.26</u>		<u>30,379.26</u>
<b>Total Current Liabilities</b>	<u>260,680.57</u>	<u>1,931.40</u>	<u>262,611.97</u>
<b>Noncurrent Liabilities:</b>			
Compensated Absences Payable	<u>42,173.31</u>	<u>-</u>	<u>42,173.31</u>
<b>Total Liabilities</b>	<u>302,853.88</u>	<u>1,931.40</u>	<u>304,785.28</u>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	129,541.14		129,541.14
Unrestricted	<u>261,121.80</u>	<u>338,758.46</u>	<u>599,880.26</u>
<b>Total Net Position</b>	<u>\$ 390,662.94</u>	<u>\$ 338,758.46</u>	<u>\$ 729,421.40</u>

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

**TOWNSHIP OF EWING SCHOOL DISTRICT**  
Proprietary Funds  
Business Type Activities - Enterprise Funds  
Combining Statement of Revenues, Expenses and Changes in Fund Net Position  
For the Fiscal Year Ended June 30, 2017

	<u>Food Service</u>	<u>Extended Day Program</u>	<u>Total</u>
<b>OPERATING REVENUES:</b>			
Charges for Services:			
Daily Sales - Reimbursable Programs:			
School Lunch Program	\$ 402,758.04		\$ 402,758.04
School Breakfast Program	16,954.90		16,954.90
Daily Sales - Non-Reimbursable Programs	222,543.90		222,543.90
Extended Day Program Fees		\$ 547,791.06	547,791.06
Special Functions	67,551.29		67,551.29
	<u>709,808.13</u>	<u>547,791.06</u>	<u>1,257,599.19</u>
Total Operating Revenues			
<b>OPERATING EXPENSES:</b>			
Salaries	688,974.51	389,143.23	1,078,117.74
Employee Benefits	294,973.21	45,524.39	340,497.60
General Supplies	51,403.94	45,775.34	97,179.28
Depreciation	23,267.00		23,267.00
Cost of Sales - Reimbursable Programs	502,766.76		502,766.76
Cost of Sales - Non-Reimbursable Programs	107,533.55		107,533.55
Miscellaneous	21,954.18	18,637.78	40,591.96
	<u>1,690,873.15</u>	<u>499,080.74</u>	<u>2,189,953.89</u>
Total Operating Expenses			
Operating Income / (Loss)	<u>(981,065.02)</u>	<u>48,710.32</u>	<u>(932,354.70)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
State Sources:			
State School Lunch Program	16,974.13		16,974.13
Federal Sources:			
National School Lunch Program	729,724.68		729,724.68
National School Breakfast Program	89,331.29		89,331.29
Food Distribution Program	100,579.84		100,579.84
	<u>936,609.94</u>	<u>-</u>	<u>936,609.94</u>
Total Nonoperating Revenues (Expenses)			
Change in Net Position	(44,455.08)	48,710.32	4,255.24
Net Position -- Beginning	<u>435,118.02</u>	<u>290,048.14</u>	<u>725,166.16</u>
Net Position -- Ending	<u>\$ 390,662.94</u>	<u>\$ 338,758.46</u>	<u>\$ 729,421.40</u>

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

**TOWNSHIP OF EWING SCHOOL DISTRICT**  
 Proprietary Funds  
 Business Type Activities - Enterprise Funds  
 Combining Statement of Cash Flows  
 For the Fiscal Year Ended June 30, 2017

	Food Service	Extended Day Program	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from Customers	\$ 715,025.30	\$ 536,264.94	\$ 1,251,290.24
Payments to Employees	(690,471.10)	(389,143.23)	(1,079,614.33)
Payments for Employee Benefits	(294,973.21)	(45,524.39)	(340,497.60)
Payments for Supplies and Services	(677,105.91)	(63,593.72)	(740,699.63)
Net Cash Provided by (used for) Operating Activities	<u>(947,524.92)</u>	<u>38,003.60</u>	<u>(909,521.32)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>			
State Sources	18,956.43		18,956.43
Federal Sources	1,024,018.75		1,024,018.75
Operating Subsidies and Transfers to Other Funds	207,594.58		207,594.58
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>1,250,569.76</u>	<u>-</u>	<u>1,250,569.76</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Purchase of Capital Assets	-	-	-
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest Revenue	-	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	303,044.84	38,003.60	341,048.44
Cash and Cash Equivalents -- July 1	156,549.88	291,160.14	447,710.02
Cash and Equivalents -- June 30	<u>\$ 459,594.72</u>	<u>\$ 329,163.74</u>	<u>\$ 788,758.46</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Operating Income (Loss)	\$ (981,065.02)	\$ 48,710.32	\$ (932,354.70)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:			
Depreciation and Net Amortization	23,267.00		23,267.00
(Increase) Decrease in Accounts Receivable	4,621.99	(11,526.12)	(6,904.13)
(Increase) Decrease in Inventories	13,078.82		13,078.82
Increase (Decrease) in Accounts Payable	(6,526.30)	819.40	(5,706.90)
Increase (Decrease) in Unearned Revenue	595.18		595.18
Increase (Decrease) in Accrued Salaries Benefits	(1,496.59)		(1,496.59)
Total Adjustments	<u>33,540.10</u>	<u>(10,706.72)</u>	<u>22,833.38</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (947,524.92)</u>	<u>\$ 38,003.60</u>	<u>\$ (909,521.32)</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:</b>			
Food Distribution Program	<u>\$ 100,579.84</u>	<u>-</u>	<u>\$ 100,579.84</u>

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

**TOWNSHIP OF EWING SCHOOL DISTRICT**  
 Fiduciary Funds  
 Combining Statement of Fiduciary Net Position  
 June 30, 2017

	Private Purpose Trust Funds			Agency Funds		
	Scholarship Trust	Robotics Fund	Unemployment Compensation Trust	Student Activity	Payroll	Total
<b>ASSETS:</b>						
Cash and Cash Equivalents	\$ 5,942.12	\$ -	\$ 4,954.34	\$ 112,298.89	\$ 471,150.84	\$ 594,346.19
Interfund Accounts Receivable:						
Due Payroll Fund			22,675.72			22,675.72
<b>Total Assets</b>	<b>5,942.12</b>	<b>-</b>	<b>27,630.06</b>	<b>112,298.89</b>	<b>471,150.84</b>	<b>617,021.91</b>
<b>LIABILITIES:</b>						
Accounts Payable			12,065.29			12,065.29
Interfund Accounts Payable:						
Due Unemployment Fund				\$ 112,298.89	\$ 22,675.72	22,675.72
Payable to Student Groups					448,475.12	448,475.12
Payroll Deductions and Withholdings						
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>12,065.29</b>	<b>112,298.89</b>	<b>471,150.84</b>	<b>595,515.02</b>
<b>NET POSITION:</b>						
Held in Trust for Unemployment Claims and Other Purposes	\$ 5,942.12	\$ -	\$ 15,564.77			\$ 21,506.89

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



**TOWNSHIP OF EWING SCHOOL DISTRICT**  
 Fiduciary Funds  
 Combining Statement of Changes in Fiduciary Net Position  
 For the Fiscal Year Ended June 30, 2017

	Private Purpose Trust Funds			<u>Total</u>
	Scholarship Trust	Robotics Fund	Unemployment Compensation Trust	
ADDITIONS:				
Contributions and Donations from				
Payroll Deductions Withheld			\$ 83,871.67	\$ 83,871.67
Interest Earnings	\$ 14.06			14.06
Total Additions	14.06	-	83,871.67	83,885.73
DEDUCTIONS:				
Scholarship Awards	600.00			600.00
Robotics Program		\$ 36,284.16		36,284.16
Unemployment Claims			68,306.90	68,306.90
Total Deductions	600.00	36,284.16	68,306.90	105,191.06
Change in Net Position	(585.94)	(36,284.16)	15,564.77	(21,305.33)
Net Position -- July 1	6,528.06	36,284.16	-	42,812.22
Net Position -- June 30	<u>\$ 5,942.12</u>	<u>-</u>	<u>\$ 15,564.77</u>	<u>\$ 21,506.89</u>

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

**TOWNSHIP OF EWING SCHOOL DISTRICT**  
Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2017

---

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Description of the Financial Reporting Entity**

The School District is a Type II district located in the County of Mercer, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education (the "Board"). The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three member's terms expire each year. The Superintendent is appointed by the Board to act as executive officer of the School District. The purpose of the School District is to educate students in grades Kindergarten through Twelfth Grade at its five schools. The School District has an approximate enrollment at June 30, 2017 of 3,572.

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

**Component Units**

In evaluating how to define the School District for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, and GASB Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. Blended component units, although legally separate entities, are in-substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

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

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

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

Based upon the application of these criteria, the School District has determined that the following component unit is not significant and, therefore, has not been included in the basic financial statements:

Ewing Township Public Education Foundation Inc.  
PO Box 7033  
Ewing, NJ 08628

Complete financial statements of the individual component unit can be obtained from their administrative office.

**Government-wide and Fund Financial Statements**

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

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

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

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

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

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

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

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

The School District reports the following major governmental funds:

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

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

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

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

The School District reports the following major governmental funds (cont'd):

***Special Revenue Fund*** - The special revenue fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

***Capital Projects Fund*** - The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from New Jersey Economic Development Authority grants, temporary notes, serial bonds which are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, or from the general fund by way of transfers from capital outlay or the capital reserve account.

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

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

The School District reports the following major proprietary funds:

**Enterprise Funds**

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

***Extended Day Program Fund*** - This fund accounts for the financial activity related to providing after school care for School District students.

Additionally, the School District reports the following fund types:

Fiduciary funds are used to account for assets held by the School District on behalf of outside related organizations or on behalf of other funds within the School District. The fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds.

The School District maintains the following fiduciary funds:

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

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

The School District maintains the following fiduciary funds (Cont'd):

***Private-Purpose Trust Funds*** - Private-purpose trust funds are used to account for the principal and income for all other trust arrangements that benefit individuals, private organizations, or other governments. The School District maintains the following private-purpose trust funds:

***Scholarship Fund*** - Revenues consist of donations and interest income. Expenditures represent scholarships, which are awarded in accordance with the trust requirements.

***Robotics Fund*** - Revenues consist of donations. Expenditures represent the cost for the supervisor, travel and entry expenses for competitions and related material costs.

***New Jersey Unemployment Compensation Insurance Trust Fund*** - Revenues consist of contributions that have been included in the annual budget of the School District, employee payroll withholdings, and interest income. Expenditures represent claims incurred for unemployment.

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

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

**Budgets / Budgetary Control**

Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds, and are submitted to the county office of education. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012, to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2(f)1. Transfers of appropriations may be made by school board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only, and the special revenue fund. N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

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

The budget, as detailed on exhibit C-1, exhibit C-2, and exhibit I-3, includes all amendments to the adopted budget, if any.

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

**Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to assign a portion of the applicable appropriation, is utilized for budgetary control purposes. Encumbrances are a component of fund balance at fiscal year-end as they do not constitute expenditures or liabilities, but rather commitments related to unperformed contracts for goods and services. Open encumbrances in the governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

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

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

**Cash, Cash Equivalents and Investments**

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

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

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

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

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

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

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

**Tuition Receivable**

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

**Prepaid Expenses**

Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2017. The School District had no prepaid expenses for the fiscal year ended June 30, 2017.

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

**Short-Term Interfund Receivables / Payables**

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

**Capital Assets**

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



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

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Furniture, Fixtures and Equipment	5 - 20 Years	5 - 12 Years
Buildings and Improvements	10 - 50 Years	N/A
Land Improvements	10 - 20 Years	N/A

The School District does not possess any infrastructure assets.

**Deferred Outflows and Deferred Inflows of Resources**

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

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

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

In addition, the School District reports the following as deferred outflows of resources:

**Loss on Refunding of Debt** - The loss on refunding arose from the issuance of refunding bonds, which is amortized in a systematic and rational manner over the duration of the related debt as a component of interest expense.

**Prepaid Early Retirement Incentive** – The prepaid retirement arose from the issuance of bonds to fund the early retirement of district employees, which is amortized in a systematic and rational manner over the duration of the related debt as a component of unallocated benefit expense.

**Tuition Payable**

Tuition charges for the fiscal years ended June 30, 2017 and 2016 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

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

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

**Accrued Salaries and Wages**

Certain School District employees who provide services to the School District over the ten-month academic year have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but undisbursed amounts be retained in a separate bank account. As of June 30, 2017, the amounts earned by these employees were disbursed to the employees' own individual credit union accounts.

**Compensated Absences**

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

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

**Accrued Liabilities and Long-Term Obligations**

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

**Pensions**

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

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****Bond Discounts / Premiums**

Bond discounts / premiums arising from the issuance of long-term debt (bonds) are amortized over the life of the bonds, in systematic and rational method, as a component of interest expense. Bond discounts / premiums are presented as an adjustment of the face amount of the bonds on the government-wide statement of net position and on the proprietary fund statement of net position.

**Net Position**

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

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

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

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

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

**Fund Balance**

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

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

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

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

***Assigned*** - The assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes.

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

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

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

**Interfund Activity**

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

**Accounting Estimates**

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

**Impact of Recently Issued Accounting Principles****Recently Issued and Adopted Accounting Pronouncements**

The School District implemented the following GASB Statements for the fiscal year ended June 30, 2017:

Statement No. 77, *Tax Abatement Disclosures*. This Statement provides financial statement users with essential information about the nature and magnitude of the reduction in tax revenues through tax abatement programs in order to better assess (a) whether current-year revenues were sufficient to pay for current-year services, (b) compliance with finance-related legal or contractual requirements, (c) where a government's financial resources come from and how it uses them, and (d) financial position and economic condition and how they have changed over time. The adoption of this Statement had no impact on the basic financial statements of the School District.

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

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

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

The GASB has issued the following Statements that will become effective for the School District for the fiscal year ending June 30, 2018:

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. Management has determined that this Statement will have an impact on the basic financial statements of the School District.

**Note 2: CASH AND CASH EQUIVALENTS**

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

As of June 30, 2017, the School District's bank balances of \$7,793,237.31 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 6,690,781.49
Uninsured and uncollateralized	<u>1,102,455.82</u>
	<u>\$ 7,793,237.31</u>

**Note 3: CAPITAL RESERVE ACCOUNT**

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

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

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

Beginning Balance, July 1, 2016	\$ 1,200,000.00
Increased by:	
Transfer per June 23, 2017 Resolution	<u>242,913.14</u>
	1,442,913.14
Decreased by:	
Withdrawals	<u>(26,423.00)</u>
Ending Balance, June 30, 2017	<u>\$ 1,416,490.14</u>

The June 30, 2017 LRFP balance of local support costs of uncompleted projects at June 30, 2017 is \$35,421,665.55. The withdrawals from the capital reserve were for use in a Department of Education approved facilities projects, consistent with the School District's LRFP.

**Note 4: ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2017 consisted of accounts (fees for services), intergovernmental awards / grants. All receivables are considered collectible in full due to the stable condition of federal and state programs, the current fiscal year guarantee of federal funds, and the regulated budgetary control of governmental entities in New Jersey.

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

Description	Governmental Funds			Proprietary Funds			Total
	General Fund	Special Revenue Fund	Total Governmental Activities	Food Service Fund	Extended Day Program	Total Business-Type Activities	
Federal Awards		\$ 649,790.92	\$ 649,790.92	\$ 57,571.20		\$ 57,571.20	\$ 707,362.12
State Awards	\$ 554,435.06		554,435.06	1,161.99		1,161.99	555,597.05
Other	4,954,690.92	35,882.47	4,990,573.39	15,172.56	\$ 11,526.12	26,698.68	5,017,272.07
	<u>\$5,509,125.98</u>	<u>\$ 685,673.39</u>	<u>\$6,194,799.37</u>	<u>\$ 73,905.75</u>	<u>\$ 11,526.12</u>	<u>\$ 85,431.87</u>	<u>\$6,280,231.24</u>

**Note 5: INVENTORY**

Inventory recorded at June 30, 2017 in business-type activities on the government-wide statement of net position, and on the food service enterprise fund statement of net position, consisted of the following:

Food	\$ 21,915.56
Supplies	<u>8,559.65</u>
	<u>\$ 30,475.21</u>

**Note 6: CAPITAL ASSETS**

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

	(Restated) Balance June 30, 2016	Additions	Retirements and Transfers	Balance June 30, 2017
<b>Governmental Activities:</b>				
Capital Assets, not being Depreciated:				
Land	\$ 688,921.00	-	-	\$ 688,921.00
Capital Assets, being Depreciated:				
Furniture, Fixtures and Equipment	10,003,753.11	\$ 693,065.86		10,696,818.97
Buildings and Improvements	35,254,046.99	44,019.91		35,298,066.90
Land Improvements	4,134,014.86	65,404.65		4,199,419.51
Total Capital Assets, being Depreciated	<u>49,391,814.96</u>	<u>802,490.42</u>	-	<u>50,194,305.38</u>
Total Capital Assets, Cost	<u>50,080,735.96</u>	<u>802,490.42</u>	-	<u>50,883,226.38</u>
Less Accumulated Depreciation for:				
Furniture, Fixtures and Equipment	(8,423,067.02)	(373,729.55)		(8,796,796.57)
Buildings and Improvements	(16,972,110.54)	(520,995.70)		(17,493,106.24)
Land Improvements	(2,550,358.08)	(147,342.80)		(2,697,700.88)
Total Accumulated Depreciation	<u>(27,945,535.64)</u>	<u>(1,042,068.05)</u>	-	<u>(28,987,603.69)</u>
Total Capital Assets, being Depreciated, Net	<u>21,446,279.32</u>	<u>(239,577.63)</u>	-	<u>21,206,701.69</u>
Governmental Activities Capital Assets, Net	<u>\$22,135,200.32</u>	<u>\$ (239,577.63)</u>	-	<u>\$21,895,622.69</u>
	(Restated) Balance June 30, 2016	Additions	Retirements and Transfers	Balance June 30, 2017
<b>Business-Type Activities:</b>				
Capital Assets, being Depreciated:				
Furniture, Fixtures and Equipment	\$ 734,656.00			\$ 734,656.00
Less Accumulated Depreciation	(581,847.86)	\$ (23,267.00)		(605,114.86)
Business-Type Activities Capital Assets, Net	<u>\$ 152,808.14</u>	<u>\$ (23,267.00)</u>	-	<u>\$ 129,541.14</u>

**Note 6: CAPITAL ASSETS (CONT'D)**

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

**Governmental Activities:**

Instruction - Regular	\$ 399,995.46
Instruction - Special	151,759.01
Instruction - Other Special	21,810.63
Instruction - Other	22,242.16
Student and Instruction Related Services	139,750.01
School Administrative Services	51,119.62
General and Business Administrative Services	46,099.96
Plant Operations and Maintenance	118,597.23
Pupil Transportation	90,693.97

Total Depreciation Expense - Governmental Activities	<u>\$ 1,042,068.05</u>
--	------------------------

**Business-Type Activities:**

Food Service	<u>\$ 23,267.00</u>
--------------	---------------------

**Note 7: LONG-TERM LIABILITIES**

During the fiscal year ended June 30, 2017, the following changes occurred in long-term obligations for governmental activities:

	(Restated) Balance June 30, 2016	Additions	Reductions	Balance June 30, 2017	Due within One Year
<b>Governmental Activities:</b>					
Bonds Payable:					
General Obligation Bonds	\$ 12,545,000.00	-	\$ (6,555,000.00)	\$ 5,990,000.00	\$ 2,985,000.00
Other Liabilities:					
Net Pension Liability	20,433,318.00	\$ 11,241,300.00	(3,808,296.00)	27,866,322.00	
Obligations under Capital Lease	3,253,993.97	2,000,000.00	(2,553,411.65)	2,700,582.32	796,602.84
Compensated Absences	3,681,893.91	736,378.78	(754,149.69)	3,664,123.00	732,824.60
Total Other Liabilities	<u>27,369,205.88</u>	<u>13,977,678.78</u>	<u>(7,115,857.34)</u>	<u>34,231,027.32</u>	<u>1,529,427.44</u>
Governmental Activity Long-Term Liabilities	<u>\$ 39,914,205.88</u>	<u>\$ 13,977,678.78</u>	<u>\$(13,670,857.34)</u>	<u>\$ 40,221,027.32</u>	<u>\$ 4,514,427.44</u>

The bonds payable are generally liquidated by the debt service fund, while the obligations under capital lease, compensated absences and net pension liability are liquidated by the general fund.

During the fiscal year ended June 30, 2017, the following changes occurred in long-term obligations for business-type activities:

	(Restated) Balance June 30, 2016	Additions	Reductions	Balance June 30, 2017	Due within One Year
<b>Business-Type Activities:</b>					
Other Liabilities:					
Compensated Absences Payable	\$ 54,213.23	\$ 10,842.65	(12,339.24)	\$ 52,716.64	\$ 10,543.33

Compensated absences are liquidated by the food service enterprise fund.



**Note 7: LONG-TERM LIABILITIES (CONT'D)**

**Bonds Payable** - Bonds and loans are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the School District are general obligation bonds.

In April 2013, the School District issued Refunding Bonds. The proceeds were used to advance refund and redeem all of the School District's outstanding callable Refunding School Bonds, Series 2002, maturing on July 1 in the years 2013 through and including 2015, advance refund and redeem all of the School District's outstanding callable Refunding School Bonds, Series 2003, maturing on October 1 in the years 2014 through 2017 and advance refund and redeem all of the School District's outstanding callable Refunding School Bonds, Series 2005, maturing on May 1 in the years 2016 through 2020. The final maturity of these bonds is October 1, 2019.

Principal and interest due on bonds outstanding is as follows:

<b><u>Fiscal Year</u></b> <b><u>Ending June 30,</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2018	\$ 2,985,000.00	\$ 75,057.50	\$ 3,060,057.50
2019	1,485,000.00	42,371.90	1,527,371.90
2020	1,520,000.00	15,260.80	1,535,260.80
	<u>\$ 5,990,000.00</u>	<u>\$ 132,690.20</u>	<u>\$ 6,122,690.20</u>

**Bonds Authorized but not Issued** - As of June 30, 2017, the School District had no authorizations to issue additional bonded debt.

**Obligations under Capital Lease** - The School District is leasing Textbooks, Library Books, Technology and various renovations totaling \$4,000,000.00 under capital leases. All capital leases are for terms of five years. Capital leases are depreciated in a manner consistent with the School District's depreciation policy for owned assets.

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2017.

<b><u>Fiscal Year</u></b> <b><u>Ending June 30,</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2018	\$ 796,602.84	\$ 28,781.03	\$ 825,383.87
2019	694,111.78	28,656.19	722,767.97
2020	601,562.73	18,436.77	619,999.50
2021	403,899.95	9,394.70	413,294.65
2022	204,405.02	3,427.27	207,832.29
	<u>\$ 2,700,582.32</u>	<u>\$ 88,695.96</u>	<u>\$ 2,789,278.28</u>

**Compensated Absences** - As previously stated, compensated absences will be paid from the fund from which the employees' salaries are paid. Refer to note 13 for a description of the School District's policy.

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

**Note 8: OPERATING LEASES**

At June 30, 2017, the School District had operating lease agreements in effect for copy machines, mail machines, and software. The present value of the future minimum rental payments under the operating lease agreements are as follows:

<b>Fiscal Year Ending June 30,</b>	<b>Amount</b>
2018	\$ 94,176.96
2019	94,176.96
2020	94,176.96
2021	94,176.96
2022	25,333.17
	<u>\$ 402,041.01</u>

Rental payments under operating leases for the fiscal year ended June 30, 2017 were \$70,632.72.

**Note 9: PENSION PLANS**

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

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

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

**Teachers' Pension and Annuity Fund** - The Teachers' Pension and Annuity Fund is a cost-sharing multiple-employer defined benefit pension plan, with a special funding situation, which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The State of New Jersey (the "State") is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF's designated purpose is to provide retirement benefits, death, disability and medical benefits to certain qualified members. Membership in the TPAF is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, who have titles that are unclassified, professional and certified. The TPAF's Board of Trustees is primarily responsible for the administration of the TPAF.

**Note 9: PENSION PLANS (CONT'D)****General Information about the Pension Plans (Cont'd)****Plan Descriptions (Cont'd)**

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

**Vesting and Benefit Provisions**

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

The following represents the membership tiers for TPAF:

**Tier Definition**

- 1 Members who were enrolled prior to July 1, 2007
- 2 Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010
- 4 Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier.

Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

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

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

**Public Employees' Retirement System (Cont'd)** - The membership tiers for PERS are the same as previously noted for TPAF.

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

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

**Contributions**

**Teachers' Pension and Annuity Fund** - The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.20% in State fiscal year 2017. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The State's contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2016, the State's pension contribution was less than the actuarial determined amount.

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

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

**Teachers' Pension and Annuity Fund (Cont'd)** - The School District's contractually required contribution rate for the fiscal year ended June 30, 2017 was 7.68% of the School District's covered payroll, of which 0.00% of payroll was required from the School District and 100.00% of payroll was required from the State of New Jersey. The School District was not required to make any contributions to the pension plan during the fiscal year ended June 30, 2017 because of the 100.00% special funding situation with the State of New Jersey.

Based on the most recent TPAF measurement date of June 30, 2016, the State's contractually required contribution, on-behalf of the School District, to the pension plan for the fiscal year ended June 30, 2017 was \$2,146,262.00, and was paid by April 1, 2017. School District employee contributions to the pension plan during the fiscal year ended June 30, 2017 were \$2,027,559.01.

**Public Employees' Retirement System** - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over seven years beginning in July 2012. The member contribution rate was 7.20% in State fiscal year 2017. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (Chapter 366, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contribution amounts are based on an actuarially determined rate. The School District's contribution amounts are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The School District's contractually required contribution rate for the fiscal year ended June 30, 2017 was 13.55% of the School District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2016, the School District's contractually required contribution to the pension plan for the fiscal year ended June 30, 2017 was \$835,869.00, and was paid by April 1, 2017. School District employee contributions to the pension plan during the fiscal year ended June 30, 2017 were \$468,336.85.

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

For the fiscal year ended June 30, 2017, employee contributions totaled \$31,868.04, and the School District recognized pension expense, which equaled the required contributions, of \$17,382.92. There were no forfeitures during the fiscal year.

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

**Teachers' Pension and Annuity Fund** - At June 30, 2017, the School District was not required to report a liability for its proportionate share of the net pension liability because of a 100% special funding situation by the State of New Jersey.

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

School District's Proportionate Share of Net Pension Liability	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the School District	<u>212,002,522.00</u>
	<u>\$212,002,522.00</u>

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. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2016. For the June 30, 2016 measurement date, the School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. At June 30, 2016, the School District proportion was 0.00% due to the 100% special funding situation with the State of New Jersey. For the June 30, 2016 measurement date, the State's proportionate share of the TPAF net pension liability associated with the School District was .2694957582%, which was an increase of .0040936383% from its proportion measured as of June 30, 2015.

For the fiscal year ended June 30, 2017, the School District recognized \$15,929,040.00 in pension expense and revenue, in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2016 measurement date.

**Public Employees' Retirement System** - At June 30, 2017, the School District reported a liability of \$27,866,322 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 as of July 1, 2015. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2016. The School District's proportion of the net pension liability was based on a projection of the School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2016 measurement date, the School District's proportion was .0940885230%, which was an increase of .0030633921% from its proportion measured as of June 30, 2015.

For the fiscal year ended June 30, 2017, the School District recognized pension expense of \$2,832,901.00, in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2016 measurement date.

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

**Public Employees' Retirement System (Cont'd)** - At June 30, 2017, the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between Expected and Actual Experience	\$ 518,229.00	\$ -
Changes of Assumptions	5,772,413.00	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	1,062,568.00	-
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	726,611.00	-
School District Contributions Subsequent to the Measurement Date	863,450.00	-
	<u>\$ 8,943,271.00</u>	<u>\$ -</u>

\$863,450.00, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the fiscal year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b><u>Year Ending June 30,</u></b>	
2018	\$ 1,827,952
2019	1,827,952
2020	2,090,405
2021	1,758,382
2022	575,130
	<u>\$ 8,079,821.00</u>

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

**Public Employees' Retirement System (Cont'd)** - The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57



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

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. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<b><u>TPAF</u></b>	<b><u>PERS</u></b>
Inflation	2.50%	3.08%
Salary Increases:		
2012-2021	Varies Based on Experience	
Through 2026		1.65% - 4.15% Based on Age
Thereafter	Varies Based on Experience	2.65% - 5.15% Based on Age
Investment Rate of Return	7.65%	7.65%
Mortality Rate Table	RP-2000	RP-2000
Period of Actuarial Experience		
Study upon which Actuarial		
Assumptions were Based	July 1, 2012 - June 30, 2015	July 1, 2011 - June 30, 2014

For TPAF, 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.

For PERS, pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. 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).

For TPAF and PERS, 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 expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in TPAF's and PERS's target asset allocation as of June 30, 2016 are summarized in the following tables:

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

<u>Asset Class</u>	<u>TPAF</u>		<u>Asset Class</u>	<u>PERS</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>		<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.39%	Cash	5.00%	0.87%
U.S. Government Bonds	1.50%	1.28%	U.S. Treasuries	1.50%	1.74%
U.S. Credit Bonds	13.00%	2.76%	Investment Grade Credit	8.00%	1.79%
U.S. Mortgages	2.00%	2.38%	Mortgages	2.00%	1.67%
U.S. Inflation-Indexed Bonds	1.50%	1.41%	High Yield Bonds	2.00%	4.56%
U.S. High Yield Bonds	2.00%	4.70%	Inflation-Indexed Bonds	1.50%	3.44%
U.S. Equity Market	26.00%	5.14%	Broad U.S. Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	5.91%	Developed Foreign Equities	13.25%	6.83%
Emerging Markets Equity	6.50%	8.16%	Emerging Market Equities	6.50%	9.95%
Private Real Estate Property	5.25%	3.64%	Private Equity	9.00%	12.40%
Timber	1.00%	3.86%	Hedge Funds / Absolute Return	12.50%	4.68%
Farmland	1.00%	4.39%	Real Estate (Property)	2.00%	6.91%
Private Equity	9.00%	8.97%	Commodities	0.50%	5.45%
Commodities	0.50%	2.87%	Global Debt ex U.S.	5.00%	-0.25%
Hedge Funds - MultiStrategy	5.00%	3.70%	REIT	5.25%	5.63%
Hedge Funds - Equity Hedge	3.75%	4.72%			
Hedge Funds - Distressed	3.75%	3.49%			
	<u>100.00%</u>			<u>100.00%</u>	

**Discount Rate** - The discount rates used to measure the total pension liability at June 30, 2016 were 3.22% and 3.98% for TPAF and PERS, respectively. For TPAF and PERS, the respective single blended discount rates were based on the long-term expected rate of return on pension plan investments of 7.65%, 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 rates for TPAF and PERS assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2029 for TPAF and 2034 for PERS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2029 for TPAF and 2034 for PERS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

**Teachers' Pension and Annuity Fund (TPAF)** - As previously mentioned, TPAF, has a special funding situation where the State pays 100% of the School District's annual required contribution. As such, the proportionate share of the net pension liability as of June 30, 2016, the pension plans measurement date, attributable to the School District is \$0, and the State of New Jersey's proportionate share of the net pension liability, attributable to the School District, using a discount rate of 3.22%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	<b>TPAF</b>		
	<b>1% Decrease (2.22%)</b>	<b>Current Discount Rate (3.22%)</b>	<b>1% Increase (4.22%)</b>
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	<u>253,178,389.00</u>	<u>212,002,522.00</u>	<u>178,377,113.00</u>
	<u>\$253,178,389.00</u>	<u>\$212,002,522.00</u>	<u>\$178,377,113.00</u>

**Public Employees' Retirement System (PERS)** - The following presents the School District's proportionate share of the net pension liability at June 30, 2016, the plans measurement date, calculated using a discount rate of 3.98%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	<b>PERS</b>		
	<b>1% Decrease (2.98%)</b>	<b>Current Discount Rate (3.98%)</b>	<b>1% Increase (4.98%)</b>
School District's Proportionate Share of the Net Pension Liability	<u>\$ 34,146,925.00</u>	<u>\$ 27,866,322.00</u>	<u>\$ 22,681,139.00</u>

**Pension Plan Fiduciary Net Position**

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

**Note 10: ON-BEHALF PAYMENTS**

For the fiscal year ended June 30, 2017, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs and post-retirement medical costs related to TPAF, in the fund financial statements. The amounts recognized as revenues and expenditures in the fund financial statements for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance were \$2,969,934.00, \$107,608.00, \$2,564,292.00, and \$7,396.00, respectively.

**Note 11: RISK MANAGEMENT**

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

**New Jersey Unemployment Compensation Insurance** - The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the School 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 School District is billed quarterly for amounts due to the State.

The following is a summary of the activity of the School District's private-purpose trust fund for the unemployment claims for the current and previous two fiscal years:

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>School</u> <u>District</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Claims</u> <u>Incurred</u>	<u>Ending</u> <u>Balance</u>
2017		\$ 83,871.67	\$ 68,306.90	\$ 15,564.77
2016	\$ 111,705.05	77,561.72	189,266.77	
2015	16,110.36	59,880.95	75,991.31	

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

- Property, Inland Marine and Automobile Physical Damage
- Boiler and Machinery
- Crime
- General and Automobile Liability
- Worker's Compensation
- Educator's Legal Liability
- Pollution Legal Liability
- Cyber Liability
- Violent Malicious Acts

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

**Note 11: RISK MANAGEMENT (CONT'D)****Joint Insurance Pool (Cont'd)**

A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report. The Fund provides the School District with the following coverage:

Property, Inland Marine and Automobile Physical Damage  
 Boiler and Machinery  
 Crime  
 General and Automobile Liability  
 Worker's Compensation  
 Educator's Legal Liability  
 Pollution Legal Liability  
 Cyber Liability  
 Violent Malicious Acts

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

The Fund publishes its own financial report for the fiscal year ended June 30, 2017, which can be obtained from:

Burlington County Insurance Pool Joint Insurance Fund  
 P.O. Box 449  
 Marlton, New Jersey 08053

**Note 12: DEFERRED COMPENSATION**

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

**Note 13: COMPENSATED ABSENCES**

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

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

**Note 13: COMPENSATED ABSENCES (CONT'D)**

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. At June 30, 2017, the liability for compensated absences reported on the government-wide statement of net position and on the proprietary fund statement of net position was \$3,664,123.00 and \$52,716.64 respectively.

**Note 14: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

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

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 596,461.86	
Special Revenue		\$ 388,299.10
Capital Projects		568.18
Proprietary		207,594.58
Fiduciary	22,675.72	22,675.72
	<u>\$ 619,137.58</u>	<u>\$ 619,137.58</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2018, the School District expects to liquidate such interfunds, depending upon the availability of cash flow.

Interfund Transfers:

<u>Transfer Out:</u>	<u>Transfer In:</u>	
	<u>General Fund</u>	<u>Debt Service Fund</u>
General Fund		\$ 26,423.00
Capital Projects Fund	\$ 8,658.23	
Total Transfers	<u>\$ 8,658.23</u>	<u>\$ 26,423.00</u>

The purpose of transfer from the general fund to the debt service fund was to supplement the revenues to make the necessary debt service payments. The purpose of the transfer from the capital projects fund to the general fund was to turn over the remaining unspent capital project funds on completed projects.

**Note 15: CONTINGENCIES**

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

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

**Note 16: CONCENTRATIONS**

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

**Note 17: COMMITMENTS**

The School District had numerous commitments for the acquisition of equipment, supplies and renovations for projects ongoing as of the fiscal year ended June 30, 2017 that are to continue into the subsequent fiscal year. These projects, which are related to the capital projects fund and are valued at \$147,266.57.

**Note 18: FUND BALANCES****RESTRICTED**

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

**For Tuition** - In accordance with N.J.A.C. 6A:23A-3.1(f)(8), the School District has restricted fund balance in the amount of \$200,000.00 in a legal reserve for tuition adjustments. This amount has been restricted and designated for utilization in the 2017-2018 budget.

**For Excess Surplus** - In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance - excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2017 is \$1,300,000.00. Additionally, \$2,605,100.61, of excess fund balance generated during 2015-2016 has been restricted and designated for utilization in the 2017-2018 budget.

**For Capital Reserve Account** - As of June 30, 2017, the balance in the capital reserve account is \$1,416,490.14. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP).

**For Maintenance Reserve Account** - As of June 30, 2017, the balance in the maintenance reserve account is \$675,594.00. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A. 18A:7G-9) as amended by P.L. 2004, c. 73 (S1701). Additionally, \$300,000.00 of maintenance reserve funds has been restricted and designated for utilization in the 2017-2018 budget.

**For Emergency Reserve** - As of June 30, 2017, the balance in the emergency reserve is \$500,000.00. These funds are restricted for the purpose of financing unanticipated general fund expenditures required for a thorough and efficient education in accordance with N.J.S.A. 18A:7F-41c(1). The balance of the restricted fund balance is not permitted to exceed \$250,000.00, or one percent (1%) of the School District's general fund budget up to a maximum of \$1,000,000.00, whichever is greater. Deposits may be made to the emergency reserve account at budget time, or by board resolution at year end of any unanticipated revenue or unexpended line item appropriation, or both. Withdrawals from the emergency reserve require approval by the Commissioner.

**Note 18: FUND BALANCES (CONT'D)****RESTRICTED (CONT'D)**

**Capital Projects Fund** – On August 15, 2016 and June 16, 2017 the School District entered into Lease agreements totaling \$1,000,000.00 and \$1,000,000.00 respectively. The proceeds of these leases are to be utilized to fund the School District's acquisition of textbooks, library books, technology equipment and various Renovations. As of June 30, 2017, the restricted fund balance amount was \$1,152,238.77.

**Debt Service Fund** - In accordance with N.J.A.C. 6A:23A-8.6, a district board of education shall appropriate annually all debt service fund balances in the budget certified for taxes unless expressly authorized and documented by the voters in a bond referendum. As a result, the School District has debt service fund balance at June 30, 2017 of \$0.93.

**ASSIGNED**

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

**General Fund**

**Other Purposes** - As of June 30, 2017, the School District had \$58,439.11 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

**UNASSIGNED**

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

**General Fund** - As of June 30, 2017, \$604,004.14 of general fund balance was unassigned.



**Note 19: RESTATEMENT OF PRIOR PERIOD NET POSITION**

The School District restated its net position as of June 30, 2016 as a result of the understatement of assets and liabilities for several prior period adjustments as noted below. The cumulative effect on the financial statements as reported for June 30, 2016 is as follows:

	<u>Governmental Activities</u>
Beginning Net Position as Previously Reported at June 30, 2016	\$ 1,740,226.43
Prior Period Adjustments:	
Business-Type compensated absence liability recorded in Governmental Activities	\$ 54,213.23
Compensated absence liability incorrectly calculated	(1,999,148.62)
Business-Type capital assets recorded in Governmental Activities	(120,191.10)
Capital assets recorded in both Governmental Activities and Business-Type Activities	(32,617.04)
Capital lease proceeds not recorded in the Governmental Activities	2,000,000.00
Capital lease payable not recorded in the Governmental Activities	<u>(1,748,955.12)</u>
Total Prior Period Adjustment(s)	<u>(1,846,698.65)</u>
Net Position as Restated, July 1, 2016	<u>\$ (106,472.22)</u>
	<u>Business-Type Activities</u>
Beginning Net Position as Previously Reported at June 30, 2016	\$ 659,188.29
Prior Period Adjustments:	
Business-Type compensated absence liability recorded in Governmental Activities	\$ (54,213.23)
Business-Type capital assets recorded in Governmental Activities	<u>120,191.10</u>
Total Prior Period Adjustment(s)	<u>65,977.87</u>
Net Position as Restated, July 1, 2016	<u>\$ 725,166.16</u>
	<u>Capital Projects Fund</u>
Beginning Net Position as Previously Reported at June 30, 2016	\$ 41,673.06
Prior Period Adjustments:	
Capital lease proceeds not recorded in the Capital Projects Fund	<u>2,000,000.00</u>
Net Position as Restated, July 1, 2016	<u>\$ 2,041,673.06</u>

REQUIRED SUPPLEMENTARY INFORMATION  
PART II

BUDGETARY COMPARISON SCHEDULES

**TOWNSHIP OF EWING SCHOOL DISTRICT**  
 Required Supplementary Information  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 53,398,341.00		\$ 53,398,341.00	\$ 53,398,341.00	
Unrestricted Miscellaneous Revenues	250,000.00		250,000.00	877,734.94	\$ 627,734.94
Tuition From Other LEAs Within the State	300,000.00		300,000.00	499,708.57	199,708.57
<b>Total - Local Sources</b>	<b>53,948,341.00</b>	<b>-</b>	<b>53,948,341.00</b>	<b>54,775,784.51</b>	<b>827,443.51</b>
State Sources:					
Equalization Aid	6,810,851.00		6,810,851.00	6,810,851.00	
Special Education Aid	2,237,280.00		2,237,280.00	2,237,280.00	
Security Aid	249,993.00		249,993.00	249,993.00	
Adjustment Aid	1.00		1.00	1.00	
Transportation Aid	262,252.00		262,252.00	262,252.00	
PARCC Readiness Aid	36,200.00		36,200.00	36,200.00	
Per Pupil Growth Aid	36,200.00		36,200.00	36,200.00	
Professional Learning Community Aid	35,310.00		35,310.00	35,310.00	
Extraordinary Aid	181,753.00		181,753.00	300,411.00	118,658.00
Excess Non-Public Transportation Aid				38,068.00	38,068.00
Homeless Aid				27,540.00	27,540.00
On-behalf TPAF Pension Contributions (non-budgeted)				2,969,934.00	2,969,934.00
On-behalf TPAF Non-Contributory Insurance (non-budgeted)				107,608.00	107,608.00
On-behalf TPAF Medical Contributions (non-budgeted)				2,564,292.00	2,564,292.00
On-behalf TPAF Long-Term Disability Insurance (non-budgeted)				7,396.00	7,396.00
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				2,056,720.22	2,056,720.22
<b>Total - State Sources</b>	<b>9,849,840.00</b>	<b>-</b>	<b>9,849,840.00</b>	<b>17,740,056.22</b>	<b>7,890,216.22</b>
Federal Sources:					
SEMI Medicaid Reimbursement	99,257.00		99,257.00	201,077.75	101,820.75
ARRA - SEMI Medicaid Reimbursement				8,787.10	8,787.10
Medicaid Administrative Claiming Aid				14,647.57	14,647.57
<b>Total Revenues</b>	<b>63,897,438.00</b>	<b>-</b>	<b>63,897,438.00</b>	<b>72,740,353.15</b>	<b>8,842,915.15</b>

(Continued)

**TOWNSHIP OF EWING SCHOOL DISTRICT**

Required Supplementary Information  
General Fund

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES:</b>					
<b>GENERAL CURRENT EXPENDITURES:</b>					
Regular Programs - Instruction:					
Salaries of Teachers:	\$ 958,431.00	\$ (61,817.41)	\$ 896,613.59	\$ 896,613.59	
Kindergarten	5,675,266.00	442,237.30	6,117,503.30	6,117,503.30	
Grades 1 - 5	4,527,801.00	(7,219.55)	4,520,581.45	4,520,581.45	
Grades 6 - 8	5,431,952.00	(130,585.41)	5,301,366.59	5,301,366.59	
Grades 9 - 12					
Regular Programs - Home Instruction:					
Salaries of Teachers	130,000.00	41,253.20	171,253.20	171,253.20	
Purchased Professional/Educational Services	112,000.00	(33,107.36)	78,892.64	78,892.64	
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	635,825.00	(248,861.00)	386,964.00	386,964.00	
Purchased Professional/Educational Services	13,625.00		13,625.00	12,273.50	\$ 1,351.50
Other Purchased Services	727,661.00	306,583.09	1,034,244.09	985,711.10	48,532.99
General Supplies	456,585.85	(35,725.00)	420,860.85	394,812.25	26,048.60
Textbooks	1,300.00		1,300.00	710.49	589.51
Other Objects	12,056.00	(5,500.00)	6,556.00	4,061.85	2,494.15
<b>Total Regular Programs</b>	<b>18,682,502.85</b>	<b>267,257.86</b>	<b>18,949,760.71</b>	<b>18,870,743.96</b>	<b>79,016.75</b>
<b>Behavioral Disabilities</b>					
Salaries of Teachers	316,863.00	82,692.96	399,555.96	399,555.96	
Other Salaries for Instruction	193,465.00	(108,401.71)	85,063.29	85,063.29	
General Supplies	8,000.00		8,000.00	7,921.68	78.32
Other Objects	4,000.00		4,000.00	2,447.72	1,552.28
<b>Total - Behavioral Disabilities</b>	<b>522,328.00</b>	<b>(25,708.75)</b>	<b>496,619.25</b>	<b>494,988.65</b>	<b>1,630.60</b>
<b>Multiple Disabilities:</b>					
Salaries of Teachers	1,383,518.00	(69,260.60)	1,314,257.40	1,314,257.40	
Other Salaries for Instruction	567,498.00	13,563.52	581,061.52	581,061.52	
General Supplies	12,000.00		12,000.00	11,102.00	898.00
Other Objects	3,000.00		3,000.00	2,420.72	579.28
<b>Total - Multiple Disabilities</b>	<b>1,966,016.00</b>	<b>(55,697.08)</b>	<b>1,910,318.92</b>	<b>1,908,841.64</b>	<b>1,477.28</b>

**TOWNSHIP OF EWING SCHOOL DISTRICT**

Required Supplementary Information  
General Fund

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONTD):</b>					
<b>GENERAL CURRENT EXPENDITURES (CONTD):</b>					
Special Education(Cont'd):					
Resource Room/Center	\$ 2,795,700.00	\$ (137,003.77)	\$ 2,658,696.23	\$ 2,658,696.23	
Salaries of Teachers	71,418.00	6,921.17	78,339.17	78,339.17	
Other Salaries for Instruction	20,000.00	(653.73)	19,346.27	19,346.27	
General Supplies					
<b>Total - Resource Room/Center</b>	<b>2,887,118.00</b>	<b>(130,736.33)</b>	<b>2,756,381.67</b>	<b>2,756,381.67</b>	<b>-</b>
Autism					
Salaries of Teachers	430,750.00	(83,629.10)	347,120.90	347,120.90	
Other Salaries for Instruction	242,319.00	107,395.91	349,714.91	349,714.91	
General Supplies	29,000.00		29,000.00	28,902.38	\$ 97.62
Other Objects	7,500.00		7,500.00	4,835.11	2,664.89
<b>Total - Autism</b>	<b>709,569.00</b>	<b>23,766.81</b>	<b>733,335.81</b>	<b>730,573.30</b>	<b>2,762.51</b>
Preschool Disabilities - Part-Time:					
Salaries of Teachers	271,933.00	42,035.97	313,968.97	313,968.97	
Other Salaries for Instruction	429,867.00	(49,323.91)	380,543.09	380,543.09	
General Supplies	3,000.00		3,000.00	2,765.73	234.27
Other Objects	4,499.00		4,499.00	2,687.13	1,811.87
<b>Total - Preschool Disabilities - Part-Time</b>	<b>709,299.00</b>	<b>(7,287.94)</b>	<b>702,011.06</b>	<b>699,964.92</b>	<b>2,046.14</b>
<b>Total - Special Education</b>	<b>6,794,330.00</b>	<b>(195,663.29)</b>	<b>6,598,666.71</b>	<b>6,590,750.18</b>	<b>7,916.53</b>
Basic Skills/Remedial:					
Salaries of Teachers	710,559.00	37,523.98	748,082.98	748,082.98	
Other Salaries for Instruction	393,781.00	(222,028.88)	171,752.12	171,752.12	
<b>Total - Basic Skills/Remedial</b>	<b>1,104,340.00</b>	<b>(184,504.90)</b>	<b>919,835.10</b>	<b>919,835.10</b>	<b>-</b>
Bilingual Education:					
Salaries of Teachers	289,155.00	(171,836.93)	117,318.07	117,318.07	-

**TOWNSHIP OF EWING SCHOOL DISTRICT**  
 Required Supplementary Information  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONTD):</b>					
<b>GENERAL CURRENT EXPENDITURES (CONTD):</b>					
School Sponsored Curricular Activities - Instruction:					
Salaries	\$ 10,050.00	\$ 14,190.00	\$ 24,240.00	\$ 24,240.00	
Purchased Services	15,006.00	(600.00)	14,406.00	14,406.00	
Supplies and Materials	45,810.00	(32,954.00)	12,856.00	11,084.91	\$ 1,771.09
Other Objects	9,250.00	2,117.36	11,367.36		11,367.36
Transfers to Cover Deficit	6,425.00	(6,425.00)			
<b>Total - School Sponsored Curricular Activities - Instruction</b>	<b>86,541.00</b>	<b>(23,671.64)</b>	<b>62,869.36</b>	<b>49,730.91</b>	<b>13,138.45</b>
School Sponsored Athletics - Instructions					
Salaries	612,717.00	123,502.11	736,219.11	729,182.63	7,036.48
Purchased Services	15,400.00	(15,400.00)			
Supplies and Materials	6,150.00		6,150.00	6,149.58	0.42
Transfers to cover deficit	154,533.00	1,429.00	155,962.00	124,642.43	31,319.57
<b>Total - School Sponsored Athletics - Instruction</b>	<b>788,800.00</b>	<b>109,531.11</b>	<b>898,331.11</b>	<b>859,974.64</b>	<b>38,356.47</b>
Summer School Instruction					
Salaries of Teachers	215,000.00	(80,479.73)	134,520.27	134,520.27	
Other Salaries of Instruction	41,000.00	(28,309.74)	12,690.26	12,690.26	
General Supplies	12,000.00	(11,242.41)	757.59	757.59	
<b>Total - Summer School Instruction</b>	<b>268,000.00</b>	<b>(120,031.88)</b>	<b>147,968.12</b>	<b>147,968.12</b>	<b>-</b>
<b>Total - Instruction</b>	<b>28,013,668.85</b>	<b>(318,919.67)</b>	<b>27,694,749.18</b>	<b>27,556,320.98</b>	<b>138,428.20</b>
Undistributed Expenditures - Instruction					
Tuition to Other LEAs within the State - Regular	72,000.00	(67,247.83)	4,752.17	4,752.17	
Tuition to Other LEAs within the State - Special	27,802.00	(1,233.63)	26,568.37	26,568.37	
Tuition to County Vocational School District - Regular	170,000.00	(600.00)	169,400.00	169,400.00	
Tuition to CSSD & Regional Day Schools	800,000.00	546,310.27	1,346,310.27	1,346,310.27	
Tuition to Private School for the Disabled within the State	1,200,000.00	44,412.68	1,244,412.68	1,244,412.68	
Tuition to Private School for the Disabled & Other LEAs Outside of the State	220,000.00	85,741.52	305,741.52	305,741.52	
Tuition - State Facilities	112,236.00		112,236.00	112,236.00	
Tuition - Other		1,850.00	1,850.00	1,850.00	
<b>Total Undistributed Expenditures - Instruction</b>	<b>2,602,038.00</b>	<b>609,233.01</b>	<b>3,211,271.01</b>	<b>3,211,271.01</b>	<b>-</b>

**TOWNSHIP OF EWING SCHOOL DISTRICT**

Required Supplementary Information  
General Fund

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONTD):</b>					
<b>GENERAL CURRENT EXPENDITURES (CONTD):</b>					
Undistributed Expenditures:					
Attendance and Social Work					
Salaries	\$ 282,711.00	\$ 98.99	\$ 282,809.99	\$ 282,263.71	\$ 546.28
Other Purchased Services	12,150.00		12,150.00	1,570.81	10,579.19
Supplies and Materials	2,960.00		2,960.00	1,801.40	1,158.60
Other Objects	3,246.98		3,246.98	2,934.74	312.24
<b>Total Attendance and Social Work</b>	<b>301,067.98</b>	<b>98.99</b>	<b>301,166.97</b>	<b>288,570.66</b>	<b>12,596.31</b>
Health Services:					
Salaries	556,818.00	(22,980.57)	533,837.43	525,227.78	8,609.65
Purchased Professional and Technical Services	305,462.50	(16,737.50)	288,725.00	288,245.43	479.57
Supplies and Materials	18,029.27	(29.27)	18,000.00	16,782.78	1,217.22
<b>Total Health Services</b>	<b>880,309.77</b>	<b>(39,747.34)</b>	<b>840,562.43</b>	<b>830,255.99</b>	<b>10,306.44</b>
Other Support Services-Students-Related Services:					
Salaries	621,963.00	(31,583.84)	590,379.16	590,379.16	
Purchased Professional - Educational Services	275,000.00	(58,309.49)	216,690.51	216,690.51	
Supplies and Materials	10,000.00	(5,227.14)	4,772.86	4,772.86	
Other Objects	3,000.00	(3,000.00)			
<b>Total - Other Support Services-Students-Related Services</b>	<b>909,963.00</b>	<b>(98,120.47)</b>	<b>811,842.53</b>	<b>811,842.53</b>	<b>-</b>
Other Support Services - Students - Regular:					
Salaries of Other Professional Staff	733,301.00	(98,659.77)	634,641.23	634,641.23	
Salaries of Secretarial and Clerical Assistants	183,712.00	46,516.66	230,228.66	230,228.66	
Other Purchased Services	1,345.00	(203.00)	1,142.00	484.06	657.94
Supplies and Materials	8,100.00	203.00	8,303.00	6,953.65	1,349.35
Other Objects	6,068.00	2,300.00	8,368.00	8,221.89	146.11
<b>Total Other Support Services - Students - Regular</b>	<b>932,526.00</b>	<b>(49,843.11)</b>	<b>882,682.89</b>	<b>880,529.49</b>	<b>2,153.40</b>
Other Support Services - Students - Special Services:					
Salaries of Other Professional Staff	1,283,371.00	105,349.80	1,388,720.80	1,386,692.36	2,028.44
Salaries of Secretarial and Clerical Assistants	262,292.00	(49,082.39)	213,209.61	213,209.61	
Purchased Professionals - Educational services	245,000.00	(118,667.18)	126,332.82	124,282.92	2,049.90
Other Purchased Services	43,600.00	(23,400.00)	20,200.00	11,280.06	8,919.94
Supplies and Materials	18,000.00	(7,733.30)	10,266.70	7,647.14	86.16
Other Objects	40,079.00	10,000.00	50,079.00	42,269.81	7,809.19
<b>Total Other Support Services - Students - Regular</b>	<b>1,892,342.00</b>	<b>(86,066.47)</b>	<b>1,806,275.53</b>	<b>1,785,381.90</b>	<b>20,893.63</b>

(Continued)



**TOWNSHIP OF EWING SCHOOL DISTRICT**

Required Supplementary Information  
General Fund

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONTD):</b>					
<b>GENERAL CURRENT EXPENDITURES (CONTD):</b>					
Undistributed Expenditures (Cont'd):					
Improvement of Instruction Services/Other Support Services - Instructional Staff:					
Salaries of Supervisor of Instruction	\$ 970,460.00	\$ (1,028.27)	\$ 969,431.73	\$ 969,431.73	
Salaries of Secretarial and Clerical Assistants	102,995.00	17,562.08	120,557.08	120,557.08	
Purchased Professional - Educational services	60.00	(60.00)			
Other Purchased Services	10,979.00	(6,626.80)	4,352.20	4,352.20	
Supplies and Materials	4,600.00	(1,475.38)	3,124.62	2,872.12	\$ 252.50
Other Objects	6,350.00	(610.00)	5,740.00	5,740.00	
<b>Total Improvement of Instruction Services/Other Support Services - Instructional Staff</b>	<b>1,095,444.00</b>	<b>7,761.63</b>	<b>1,103,205.63</b>	<b>1,102,953.13</b>	<b>252.50</b>
<b>Educational Media Services/School Library:</b>					
Salaries	387,430.00	(9,445.78)	377,984.22	377,984.22	
Other Purchased Services	1,200.00		1,200.00	280.50	919.50
Supplies and Materials	113,851.23	854.27	114,705.50	110,381.83	4,323.67
Other Objects	2,500.00		2,500.00	2,308.22	191.78
<b>Total Educational Media Services/School Library</b>	<b>504,981.23</b>	<b>(8,591.51)</b>	<b>496,389.72</b>	<b>490,954.77</b>	<b>5,434.95</b>
<b>Instructional Staff Training Services:</b>					
Purchased Professional - Educational Services	5,500.00	(5,500.00)			
Other Purchased Services	27,670.00	41,181.63	68,851.63	68,851.63	
Other Objects	2,750.00	(214.00)	2,536.00	2,536.00	
<b>Total Instructional Staff Training Services</b>	<b>35,920.00</b>	<b>35,467.63</b>	<b>71,387.63</b>	<b>71,387.63</b>	<b>-</b>

**TOWNSHIP OF EWING SCHOOL DISTRICT**  
 Required Supplementary Information  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONTD):</b>					
<b>GENERAL CURRENT EXPENDITURES (CONTD):</b>					
Undistributed Expenditures (Cont'd):					
Support Services General Administration:					
Salaries	\$ 283,624.00		\$ 283,624.00	\$ 278,825.17	\$ 4,798.83
Legal Services	127,000.00	(32,450.00)	94,550.00	94,286.02	263.98
Audit Fees	47,500.00	(12,500.00)	35,000.00	34,700.00	300.00
Architectural/Engineering Services	55,000.00	103,508.25	158,508.25	156,821.00	1,687.25
Other Purchased Professional Services	30,100.00	(3,974.33)	26,125.67	16,732.61	9,393.06
Purchased Technical Services	27,625.00		27,625.00	26,950.00	675.00
Communications/Telephone	125,500.00		125,500.00	118,941.94	6,558.06
Other Purchased Services - Travel		810.00	810.00	795.53	14.47
BOE Other Purchased Services	5,000.00		5,000.00	4,062.50	947.50
Other Purchased Services	33,274.00	(9,343.00)	23,931.00	23,931.00	
General Supplies	10,375.00	(2,855.68)	7,519.32	7,351.85	167.47
Judgments Against the School District		6,000.00	6,000.00	6,000.00	
Miscellaneous Expenditures	10,150.00	4,019.33	14,169.33	12,369.33	1,800.00
BOE Membership Dues and Fees	27,000.00		27,000.00	25,935.00	1,065.00
<b>Total Support Services General Administration</b>	<b>782,148.00</b>	<b>53,214.57</b>	<b>835,362.57</b>	<b>807,691.95</b>	<b>27,670.62</b>
Support Services School Administration:					
Salaries of Principals/Assistant Principals	1,803,499.00	(20,000.00)	1,783,499.00	1,782,891.48	607.52
Salaries of Secretarial and Clerical Assistants	670,348.00	(151,941.50)	518,406.50	509,914.91	8,491.59
Other Purchased Services	5,925.00		5,925.00	920.04	5,004.96
Supplies and Materials	93,437.00	2,000.00	95,437.00	89,978.34	5,458.66
Other Objects	53,563.00	5,700.00	59,263.00	47,168.62	12,094.38
<b>Total Support Services School Administration</b>	<b>2,626,772.00</b>	<b>(164,241.50)</b>	<b>2,462,530.50</b>	<b>2,430,873.39</b>	<b>31,657.11</b>
Central Services					
Salaries	638,985.00	(33,692.14)	605,292.86	600,314.83	4,978.03
Purchased Technical Services	45,915.00	(865.00)	45,050.00	44,550.00	500.00
Miscellaneous Purchased Services	17,757.00	(3,889.00)	13,868.00	13,532.23	335.77
Supplies and Materials	9,200.90	370.00	9,570.90	8,127.74	1,443.16
Interest on Lease Purchase Agreement	5,000.00	1,825.00	6,825.00	6,825.00	
Miscellaneous Expenditures	3,440.00	108,632.14	112,072.14	106,551.14	5,521.00
<b>Total Central Services</b>	<b>720,297.90</b>	<b>72,381.00</b>	<b>792,678.90</b>	<b>779,900.94</b>	<b>12,777.96</b>

**TOWNSHIP OF EWING SCHOOL DISTRICT**

Required Supplementary Information  
General Fund

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONTD):</b>					
<b>GENERAL CURRENT EXPENDITURES (CONTD):</b>					
Undistributed Expenditures (Cont'd):					
Administration of Information Technology					
Salaries	\$ 434,734.00	\$ (249,789.19)	\$ 184,944.81	\$ 184,368.18	\$ 576.63
Other Purchased Services	1,740.00	2,000.00	3,740.00	2,830.87	909.13
Supplies and Materials	34,980.00	(3,387.34)	31,592.66	21,214.13	10,378.53
<b>Total Administration of Information Technology</b>	<b>471,454.00</b>	<b>(251,176.53)</b>	<b>220,277.47</b>	<b>208,413.18</b>	<b>11,864.29</b>
Required Maintenance for School Facilities:					
Salaries	521,868.00	201,659.18	723,527.18	723,527.18	
Unused Vacation Payment to Terminated/Retired Staff	5,308.00	46,960.35	52,268.35	52,268.35	
Cleaning, Repair & Maintenance Services	178,711.00	77,000.00	255,711.00	254,135.15	1,575.85
General Supplies	84,655.01	21,000.00	105,655.01	100,843.68	4,811.33
<b>Total - Required Maintenance for School Facilities</b>	<b>790,542.01</b>	<b>346,619.53</b>	<b>1,137,161.54</b>	<b>1,130,774.36</b>	<b>6,387.18</b>
Custodial Services:					
Salaries	1,885,629.00	28,203.19	1,913,832.19	1,912,071.17	1,761.02
Purchased Professional and Technical Services	43,200.00	78,344.00	121,544.00	109,900.15	11,643.85
Cleaning, Repair & Maintenance Services	343,390.00	2,290.00	345,680.00	337,739.54	7,940.46
Rental of Land & Building Other than Lease Purchase Agreement	64,350.00	6,801.00	71,151.00	70,928.55	222.45
Other Purchased Property Services	51,000.00		51,000.00	51,000.00	
Insurance	348,786.00	(57,998.00)	290,788.00	289,936.00	852.00
Miscellaneous Purchased Services	775.00		775.00	607.48	167.52
General Supplies	126,162.49		126,162.49	124,085.85	2,076.64
Energy (Natural Gas)	415,000.00	(151,435.00)	263,565.00	262,799.29	765.71
Energy (Electricity)	1,215,000.00	(163,000.00)	1,052,000.00	1,051,046.57	953.43
Other Objects	27,000.00	(9,000.00)	18,000.00	17,599.52	400.48
<b>Total - Custodial Services</b>	<b>4,520,292.49</b>	<b>(265,794.81)</b>	<b>4,254,497.68</b>	<b>4,227,714.12</b>	<b>26,783.56</b>
Care and Upkeep of Grounds:					
Salaries	202,858.00	(190,853.48)	12,004.52	12,004.52	
Purchased Professional and Technical Services	100.00		100.00		100.00
Cleaning, Repair & Maintenance Services	20,086.00		20,086.00	17,153.38	2,932.62
General Supplies	5,000.00		5,000.00	4,141.96	858.04
Other Objects	100.00		100.00		100.00
<b>Total - Care and Upkeep of Grounds</b>	<b>228,144.00</b>	<b>(190,853.48)</b>	<b>37,290.52</b>	<b>33,299.86</b>	<b>3,990.66</b>

**TOWNSHIP OF EWING SCHOOL DISTRICT**

Required Supplementary Information  
General Fund

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONTD):</b>					
<b>GENERAL CURRENT EXPENDITURES (CONTD):</b>					
Undistributed Expenditures (Cont'd):					
Security:					
Salaries	\$ 108,666.00	\$ 92,225.75	\$ 200,891.75	\$ 200,891.75	\$ 225.00
Purchased Professional and Technical Services	2,500.00		2,500.00	2,275.00	65.75
General Supplies	200.00		200.00	134.25	510.00
Other Objects	510.00		510.00		
<b>Total Security</b>	<b>111,876.00</b>	<b>92,225.75</b>	<b>204,101.75</b>	<b>203,301.00</b>	<b>800.75</b>
<b>Total - Operation and Maintenance of Plant Services</b>	<b>5,650,854.50</b>	<b>(17,803.01)</b>	<b>5,633,051.49</b>	<b>5,595,089.34</b>	<b>37,962.15</b>
<b>Student Transportation Services:</b>					
Salaries of Non-Instructional Aides	168,679.00	(49,047.71)	119,631.29	119,631.29	
Other Purchased Professional and Technical Services	14,060.00	(14,060.00)			
Rental Payments - School Buses	17,650.00	17,650.00	17,650.00	15,140.00	2,510.00
Contracted Services - Aid in Lieu of Payments - Non-public Schools	2,854,312.00	30,431.34	219,303.34	218,419.34	884.00
Contracted Services (Between Home & School) - Vendors	179,500.00	353,507.37	3,207,819.37	3,169,235.37	38,584.00
Contracted Services (Other Than Between Home & School) - Vendors	545,700.00	68,153.61	247,653.61	242,534.09	5,119.52
Contracted Services (Special Education Students) - Vendors	3,342.00	18,025.95	563,725.95	544,192.75	19,533.20
General Supplies	300.00	(1,000.00)	2,342.00	2,342.00	
Other Objects		944.22	1,244.22	1,244.22	
<b>Total Student Transportation Services</b>	<b>3,954,765.00</b>	<b>424,604.78</b>	<b>4,379,369.78</b>	<b>4,312,739.06</b>	<b>66,630.72</b>
<b>Unallocated Benefits - Employee Benefits:</b>					
Social Security Contributions	861,185.00	238,460.08	1,099,645.08	756,789.58	342,855.50
Other Retirement Contributions - Regular	845,000.00	(2,352.02)	842,647.98	842,647.98	
Unemployment Compensation	225,000.00	(210,062.55)	14,937.45	33.07	14,904.38
Workmen's Compensation	385,838.00	(5,647.00)	380,191.00	380,191.00	
Health Benefits	10,785,614.00	(965,259.75)	9,820,354.25	9,555,436.31	264,917.94
Tuition Reimbursement	92,000.00	(15,159.11)	76,840.89	76,840.89	
Other Employee Benefits	2,500.00	807,380.22	809,880.22	792,236.50	17,643.72
Unused Sick Payment to Terminated/Retired Staff	97,586.00	38,937.22	136,523.22	136,523.22	
<b>Total Unallocated Benefits - Employee Benefits</b>	<b>13,294,723.00</b>	<b>(113,702.91)</b>	<b>13,181,020.09</b>	<b>12,540,698.55</b>	<b>640,321.54</b>

(Continued)

**TOWNSHIP OF EWING SCHOOL DISTRICT**

Required Supplementary Information  
General Fund

Budgetary Comparison Schedule

For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONT'D):</b>					
<b>GENERAL CURRENT EXPENDITURES (CONT'D):</b>					
Undistributed Expenditures (Cont'd):					
On-behalf TPAF Pension Contributions (non-budgeted)				2,969,934.00	\$ (2,969,934.00)
On-behalf TPAF Non-Contributory Insurance (non-budgeted)				107,608.00	(107,608.00)
On-behalf TPAF Medical Contributions (non-budgeted)				2,564,292.00	(2,564,292.00)
On-behalf TPAF Long-Term Disability Insurance (non-budgeted)				7,396.00	(7,396.00)
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)				2,056,720.22	(2,056,720.22)
Total TPAF Contributions	-	-	-	7,705,950.22	(7,705,950.22)
Total Undistributed Expenditures	\$ 36,655,606.38	\$ 373,468.76	\$ 37,029,075.14	43,854,503.74	(6,825,428.60)
Total Expenditures - Current Expenditures	64,669,275.23	54,549.09	64,723,824.32	71,410,824.72	(6,687,000.40)
<b>CAPITAL OUTLAY:</b>					
Equipment:					
Special Education - Instruction:					
Autism	2,000.00		2,000.00		2,000.00
Undistributed Expenditures - Instruction	166,500.00		166,500.00	153,566.03	12,931.97
Undistributed Expenditures - Support Services - Related Services	27,500.00		27,500.00	7,831.29	19,668.71
Total - Equipment	196,000.00	-	196,000.00	161,399.32	34,600.68
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	24,000.00		24,000.00		24,000.00
Construction Services	5,004.55	15605.00	20,609.55	5,004.55	15,605.00
Lease Purchase Agreements	713,000.00	(313,783.09)	399,216.91	396,169.51	3,047.40
Total - Facilities Acquisition and Construction Services	742,004.55	(298,178.09)	443,826.46	401,174.06	42,652.40
Total Capital Outlay	938,004.55	(298,178.09)	639,826.46	562,573.38	77,253.08

**TOWNSHIP OF EWING SCHOOL DISTRICT**  
 Required Supplementary Information  
 General Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Modifications	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES (CONTD):</b>					
Transfer of Funds to Charter Schools	\$ 152,080.00	\$ 243,629.00	\$ 395,709.00	\$ 395,709.00	-
Total Expenditures	<u>65,759,359.78</u>	<u>-</u>	<u>65,759,359.78</u>	<u>72,369,107.10</u>	<u>\$ (6,609,747.32)</u>
<b>Calculation of Deficiency of Revenues Under Expenditures:</b>					
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,861,921.78)</u>	<u>-</u>	<u>(1,861,921.78)</u>	<u>371,246.05</u>	<u>(2,233,167.83)</u>
Other Financing Sources (Uses):					
Capital Projects Cancellation				8,658.23	(8,658.23)
Capital Reserve Transferred to Debt Service Fund				<u>(26,423.00)</u>	<u>26,423.00</u>
Total - Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,764.77)</u>	<u>17,764.77</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(1,861,921.78)</u>	<u>-</u>	<u>(1,861,921.78)</u>	<u>353,481.28</u>	<u>2,215,403.06</u>
Fund Balances, July 1	<u>8,152,131.72</u>	<u>-</u>	<u>8,152,131.72</u>	<u>8,152,131.72</u>	<u>-</u>
Fund Balances, June 30	<u>\$ 6,290,209.94</u>	<u>-</u>	<u>\$ 6,290,209.94</u>	<u>\$ 8,505,613.00</u>	<u>\$ 2,215,403.06</u>
<b>Recapitulation:</b>					
Restricted Fund Balance:				\$ 1,300,000.00	
Excess Surplus				2,605,100.61	
Excess Surplus -- Designated for Subsequent Year's Expenditures				500,000.00	
Emergency Reserve				675,594.00	
Maintenance Reserve				300,000.00	
Maintenance Reserve -- Designated for Subsequent Year's Expenditures				1,416,490.14	
Capital Reserve				200,000.00	
Tuition Reserve -- Designated for Subsequent Year's Expenditures				58,439.11	
Assigned Fund Balance:				<u>1,449,989.14</u>	
Other Purposes				8,505,613.00	
Unassigned Fund Balance				<u>(845,985.00)</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				<u>\$ 7,659,628.00</u>	
Fund Balance per Governmental Funds (GAAP)					

**TOWNSHIP OF EWING SCHOOL DISTRICT**  
 Required Supplementary Information  
 Special Revenue Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Revenue from Local Sources	\$ 64,454.00	\$ 71,607.59	\$ 136,061.59	\$ 66,814.64	\$ 69,246.95
State Sources:					
Nonpublic Aid	72,773.00	-	72,773.00	67,445.00	5,328.00
Federal Sources:					
Title I, Part A	353,990.00	222,958.00	576,948.00	576,944.94	3.06
Title I, ARRA		127,100.00	127,100.00		127,100.00
Title II Part A		95,018.00	95,018.00	90,646.63	4,371.37
Title III		21,045.00	21,045.00	20,341.30	703.70
Title III Immigrant		8,295.00	8,295.00	5,766.66	2,528.34
I.D.E.A., Part B Basic	596,959.00	465,176.00	1,062,135.00	1,020,021.16	42,113.84
I.D.E.A., Part B, Preschool		44,878.00	44,878.00	44,169.00	709.00
Perkins		19,971.00	19,971.00	16,990.23	2,980.77
<b>Total - Federal Sources</b>	<b>950,949.00</b>	<b>1,004,441.00</b>	<b>1,955,390.00</b>	<b>1,774,879.92</b>	<b>180,510.08</b>
<b>Total Revenues</b>	<b>\$ 1,088,176.00</b>	<b>\$ 1,076,048.59</b>	<b>\$ 2,164,224.59</b>	<b>\$ 1,909,139.56</b>	<b>\$ 255,085.03</b>

**TOWNSHIP OF EWING SCHOOL DISTRICT**  
 Required Supplementary Information  
 Special Revenue Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of Teachers	\$ 66,613.65	\$ 32,254.41	\$ 98,868.06	\$ 71,061.04	\$ 27,807.02
Purchased Professional - Technical Services	7,942.98	31,173.51	39,116.49	39,116.49	
Tuition	566,306.07	450,568.44	1,016,874.51	1,016,804.67	69.84
General Supplies	113,137.69	315,734.55	428,872.24	252,627.10	176,245.14
Textbooks	8,704.00		8,704.00	8,665.00	39.00
Other Objects	95,654.94	18,346.54	114,001.48	69,306.25	44,695.23
<b>Total Instruction</b>	<b>858,359.33</b>	<b>848,077.45</b>	<b>1,706,436.78</b>	<b>1,457,580.55</b>	<b>248,856.23</b>
<b>Support Services:</b>					
Salaries of Other Professional Staff	141,117.92	84,654.97	225,772.89	225,772.89	
Personal Services - Employee Benefits	39,271.89	25,576.11	64,848.00	64,848.00	
Purchased Professional - Educational Services	10,737.23	43,890.22	54,627.45	51,234.45	3,393.00
Other Purchased Services	9,238.93	48,949.02	58,187.95	57,947.95	240.00
Supplies and Materials		4,743.52	4,743.52	2,167.06	2,576.46
Other Objects		2,725.00	2,725.00	2,705.66	19.34
<b>Total Support Services</b>	<b>200,365.97</b>	<b>210,538.84</b>	<b>410,904.81</b>	<b>404,676.01</b>	<b>6,228.80</b>
<b>Facilities Acquisition and Construction Services:</b>					
Instructional Equipment	29,450.70	17,432.30	46,883.00	46,883.00	-
<b>Total Expenditures</b>	<b>\$ 1,088,176.00</b>	<b>\$ 1,076,048.59</b>	<b>\$ 2,164,224.59</b>	<b>\$ 1,909,139.56</b>	<b>\$ 255,085.03</b>



**TOWNSHIP OF EWING SCHOOL DISTRICT**  
 Required Supplementary Information  
 Budget-to-GAAP Reconciliation  
 For the Fiscal Year Ended June 30, 2017

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>Sources / Inflows of Resources:</b>		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 72,740,353.15	\$ 1,909,139.56
<b>Differences - Budget to GAAP:</b>		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		131,849.19
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July 2016.	855,927.00	
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33) received July 2017.	<u>(845,985.00)</u>	
<b>Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds</b>	<u><u>\$ 72,750,295.15</u></u>	<u><u>\$ 2,040,988.75</u></u>
<b>Uses / Outflows of Resources:</b>		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 72,369,107.10	\$ 1,909,139.56
<b>Differences - Budget to GAAP:</b>		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		<u>131,849.19</u>
<b>Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)</b>	<u><u>\$ 72,369,107.10</u></u>	<u><u>\$ 2,040,988.75</u></u>

REQUIRED SUPPLEMENTARY INFORMATION  
PART III

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

	<b>Measurement Date Ending June 30,</b>			
	<b><u>2016</u></b>	<b>(Restated) <u>2015</u></b>	<b>(Restated) <u>2014</u></b>	<b>(Restated) <u>2013</u></b>
School District's Proportion of the Net Pension Liability	0.0940885230%	0.0910251309%	0.0899674886%	0.0890371846%
School District's Proportionate Share of the Net Pension Liability	\$ 27,866,322.00	\$ 20,433,318.00	\$ 16,844,374.00	\$ 17,016,775.00
School District's Covered Payroll (Plan Measurement Period)	\$ 6,747,016.00	\$ 6,586,248.00	\$ 6,519,736.00	\$ 6,467,192.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	413.02%	310.24%	258.36%	263.12%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%	48.72%

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

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

	<b>Fiscal Year Ended June 30,</b>			
	<u>2017</u>	(Restated) <u>2016</u>	(Restated) <u>2015</u>	(Restated) <u>2014</u>
Contractually Required Contribution	\$ 863,450.00	\$ 835,869.00	\$ 782,572.00	\$ 741,679.00
Contributions in Relation to the Contractually Required Contribution	<u>(863,450.00)</u>	<u>(835,869.00)</u>	<u>(782,572.00)</u>	<u>(741,679.00)</u>
Contribution Deficiency (Excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
School District's Covered Payroll (Fiscal Year)	\$ 6,374,619.00	\$ 6,331,851.00	\$ 6,311,328.00	\$ 6,213,153.00
Contributions as a Percentage of School District's Covered Payroll	13.55%	13.20%	12.40%	11.94%

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

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

	<b>Measurement Date Ending June 30,</b>			
	<b><u>2016</u></b>	<b>(Restated) <u>2015</u></b>	<b>(Restated) <u>2014</u></b>	<b>(Restated) <u>2013</u></b>
School District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability Associated with the School District	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
School District's Proportionate Share of the Net Pension Liability	-	-	-	-
State's Proportionate Share of the School District's Net Pension Liability	<u>\$ 212,002,522.00</u>	<u>\$ 167,745,473.00</u>	<u>\$ 143,002,548.00</u>	<u>\$ 131,947,181.00</u>
	<u>\$ 212,002,522.00</u>	<u>\$ 167,745,473.00</u>	<u>\$ 143,002,548.00</u>	<u>\$ 131,947,181.00</u>
School District's Covered Payroll (Plan Measurement Period)	\$ 32,901,844.00	\$ 31,744,896.00	\$ 31,234,832.00	\$ 30,496,344.00
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	644.35%	528.42%	457.83%	432.67%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	22.33%	28.71%	33.64%	33.76%

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

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

---

This schedule is not applicable.

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

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

**TOWNSHIP OF EWING SCHOOL DISTRICT**  
Notes to Required Supplementary Information - Part III  
For the Fiscal Year Ended June 30, 2017

---

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

*Changes in Benefit Terms* - None

*Changes in Assumptions* - For 2016, the discount rate changed to 3.22% and the long-term expected rate of return changed to 7.65%. Further, the demographic assumptions were revised to reflect those recommended on the basis of the July 1, 2012 - June 30, 2015 experience study. For 2015, the discount rate changed to 4.13%. For 2014, the discount rate was at 4.68%.

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

*Changes in Benefit Terms* - None

*Changes in Assumptions* - For 2016, the discount rate changed to 3.98%, the long-term expected rate of return changed to 7.65%, demographic assumptions were revised in accordance with the results of the July 1, 2011 - June 30, 2014 experience study and the mortality improvement scale incorporated the plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter. For 2015, the discount rate changed to 4.90%. In addition, the social security wage base was set at \$118,500 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at \$265,000 for 2015, increasing 3.00% per annum, compounded annually. For 2014, the discount rate was 5.39%.

OTHER SUPPLEMENTARY INFORMATION



SPECIAL REVENUE FUND

**TOWNSHIP OF EWING SCHOOL DISTRICT**  
 Special Revenue Fund  
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2017

	N.C.L.B.					I.D.E.A. Part B		Total Brought Forward
	Total	Title I, Part A	Title II, Part A	Title III	Title III, Immigrant	Basic	Basic	
<b>REVENUES:</b>								
Federal Sources	\$ 1,774,879.92	\$ 576,944.94	\$ 90,646.63	\$ 20,341.30	\$ 5,766.66	\$ 1,020,021.16	\$ 61,159.23	
State Sources	67,445.00						67,445.00	
Local Sources	66,814.64						66,814.64	
<b>Total Revenues</b>	<b>\$ 1,909,139.56</b>	<b>\$ 576,944.94</b>	<b>\$ 90,646.63</b>	<b>\$ 20,341.30</b>	<b>\$ 5,766.66</b>	<b>\$ 1,020,021.16</b>	<b>\$ 195,418.87</b>	
<b>EXPENDITURES:</b>								
<b>Instruction:</b>								
Salaries of Teachers	\$ 71,061.04	\$ 55,000.00		\$ 8,023.04			\$ 8,038.00	
Purchased Professional - Technical Services	39,116.49	1,500.00				\$ 3,216.49	34,400.00	
Tuition	1,016,804.67					1,016,804.67		
General Supplies	252,627.10	162,515.61	\$ 5,722.67	7,822.60	\$ 5,766.66		70,799.56	
Textbooks	8,665.00						8,665.00	
Other Objects	69,306.25						69,306.25	
<b>Total Instruction</b>	<b>1,457,580.55</b>	<b>219,015.61</b>	<b>5,722.67</b>	<b>15,845.64</b>	<b>5,766.66</b>	<b>1,020,021.16</b>	<b>191,208.81</b>	
<b>Support Services:</b>								
Salaries of Other Professional Staff	225,772.89							
Personal Services - Employee Benefits	64,848.00			650.00			191.00	
Purchased Professional - Educational Services	51,234.45		42,034.00	1,840.00			1,152.00	
Other Purchased Services	57,947.95	15,057.99	42,889.96					
Supplies and Materials	2,167.06			2,005.66			2,167.06	
Other Objects	2,705.66						700.00	
<b>Total Support Services</b>	<b>404,676.01</b>	<b>311,046.33</b>	<b>84,923.96</b>	<b>4,495.66</b>	<b>-</b>	<b>-</b>	<b>4,210.06</b>	
<b>Facilities Acquisition and Construction Services:</b>								
Instructional Equipment	46,883.00							
<b>Total Expenditures</b>	<b>\$ 1,909,139.56</b>	<b>\$ 576,944.94</b>	<b>\$ 90,646.63</b>	<b>\$ 20,341.30</b>	<b>\$ 5,766.66</b>	<b>\$ 1,020,021.16</b>	<b>\$ 195,418.87</b>	

**TOWNSHIP OF EWING SCHOOL DISTRICT**  
 Special Revenue Fund  
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2017

	I.D.E.A. Part B		N.J. Nonpublic Handicapped Services Ch. 193				Total Brought Forward
	Total Carried Forward	Preschool	Perkins	Supplemental Instruction	Corrective Speech	Examination and Classification	
<b>REVENUES:</b>							
Federal Sources	\$ 61,159.23	\$ 44,169.00	\$ 16,990.23	\$ 11,162.00	\$ 1,335.00	\$ 3,924.00	\$ 51,024.00
State Sources	67,445.00						66,814.64
Local Sources	66,814.64						
<b>Total Revenues</b>	<b>\$ 195,418.87</b>	<b>\$ 44,169.00</b>	<b>\$ 16,990.23</b>	<b>\$ 11,162.00</b>	<b>\$ 1,335.00</b>	<b>\$ 3,924.00</b>	<b>\$ 117,838.64</b>
<b>EXPENDITURES:</b>							
Instruction:							
Salaries of Teachers	\$ 8,038.00		\$ 2,500.00				\$ 5,538.00
Purchased Professional - Technical Services	34,400.00	\$ 34,400.00					
Tuition							
General Supplies	70,799.56	8,617.00	13,599.23				48,583.33
Textbooks	8,665.00						8,665.00
Other Objects	69,306.25			\$ 11,162.00	\$ 1,335.00	\$ 3,924.00	52,885.25
<b>Total Instruction</b>	<b>191,208.81</b>	<b>43,017.00</b>	<b>16,099.23</b>	<b>11,162.00</b>	<b>1,335.00</b>	<b>3,924.00</b>	<b>115,671.58</b>
Support Services:							
Salaries of Other Professional Staff							
Personal Services - Employee Benefits	191.00		191.00				
Purchased Professional - Educational Services	1,152.00	1,152.00					
Other Purchased Services							
Supplies and Materials	2,167.06		700.00				2,167.06
Other Objects	700.00						
<b>Total Support Services</b>	<b>4,210.06</b>	<b>1,152.00</b>	<b>891.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,167.06</b>
Facilities Acquisition and Construction Services:							
Instructional Equipment	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 195,418.87</b>	<b>\$ 44,169.00</b>	<b>\$ 16,990.23</b>	<b>\$ 11,162.00</b>	<b>\$ 1,335.00</b>	<b>\$ 3,924.00</b>	<b>\$ 117,838.64</b>

**TOWNSHIP OF EWING SCHOOL DISTRICT**  
 Special Revenue Fund  
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2017

	N.J. Nonpublic Auxiliary Services Ch. 192						
	Total Carried Forward	Compensatory Education	English as a Second Language	Transportation	Nonpublic Security Aid	Nonpublic Technology Aid	Total Brought Forward
<b>REVENUES:</b>							
Federal Sources							
State Sources	\$ 51,024.00	\$ 2,149.00	\$ 4,293.00	\$ 7,809.00	\$ 8,662.00	\$ 3,790.00	\$ 24,321.00
Local Sources	66,814.64						66,814.64
<b>Total Revenues</b>	<b>\$ 117,838.64</b>	<b>\$ 2,149.00</b>	<b>\$ 4,293.00</b>	<b>\$ 7,809.00</b>	<b>\$ 8,662.00</b>	<b>\$ 3,790.00</b>	<b>\$ 91,135.64</b>
<b>EXPENDITURES:</b>							
Instruction:							
Salaries of Teachers	\$ 5,538.00						\$ 5,538.00
Purchased Professional - Technical Services							
Tuition							
General Supplies	48,583.33						48,583.33
Textbooks	8,665.00						8,665.00
Other Objects	52,885.25	\$ 2,149.00	\$ 4,293.00	\$ 7,809.00	\$ 8,662.00	\$ 3,790.00	26,182.25
<b>Total Instruction</b>	<b>115,671.58</b>	<b>2,149.00</b>	<b>4,293.00</b>	<b>7,809.00</b>	<b>8,662.00</b>	<b>3,790.00</b>	<b>88,968.58</b>
Support Services:							
Salaries of Other Professional Staff							
Personal Services - Employee Benefits							
Purchased Professional - Educational Services							
Other Purchased Services	2,167.06						2,167.06
Supplies and Materials							
Other Objects							
<b>Total Support Services</b>	<b>2,167.06</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,167.06</b>
Facilities Acquisition and Construction Services:							
Instructional Equipment							
<b>Total Expenditures</b>	<b>\$ 117,838.64</b>	<b>\$ 2,149.00</b>	<b>\$ 4,293.00</b>	<b>\$ 7,809.00</b>	<b>\$ 8,662.00</b>	<b>\$ 3,790.00</b>	<b>\$ 91,135.64</b>

**TOWNSHIP OF EWING SCHOOL DISTRICT**  
 Special Revenue Fund  
 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis  
 For the Fiscal Year Ended June 30, 2017

	Total Carried Forward	Nonpublic Nursing Aid	Nonpublic Textbook Aid	Ewing Education Foundation	Parent Organizations	Teacher Recognition Grant	Odyssey
<b>REVENUES:</b>							
Federal Sources							
State Sources	\$ 24,321.00	\$ 15,656.00	\$ 8,665.00	\$ 48,583.33	\$ 9,746.25	\$ 2,167.06	\$ 6,318.00
Local Sources	66,814.64						
<b>Total Revenues</b>	<b>\$ 91,135.64</b>	<b>\$ 15,656.00</b>	<b>\$ 8,665.00</b>	<b>\$ 48,583.33</b>	<b>\$ 9,746.25</b>	<b>\$ 2,167.06</b>	<b>\$ 6,318.00</b>
<b>EXPENDITURES:</b>							
Instruction:							
Salaries of Teachers	\$ 5,538.00						\$ 5,538.00
Purchased Professional - Technical Services							
Tuition							
General Supplies	48,583.33			\$ 48,583.33			
Textbooks	8,665.00		\$ 8,665.00				
Other Objects	26,182.25	\$ 15,656.00			\$ 9,746.25		780.00
<b>Total Instruction</b>	<b>88,968.58</b>	<b>15,656.00</b>	<b>8,665.00</b>	<b>48,583.33</b>	<b>9,746.25</b>	<b>-</b>	<b>6,318.00</b>
Support Services:							
Salaries of Other Professional Staff							
Personal Services - Employee Benefits							
Purchased Professional - Educational Services							
Other Purchased Services	2,167.06					\$ 2,167.06	
Supplies and Materials							
Other Objects							
<b>Total Support Services</b>	<b>2,167.06</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,167.06</b>	<b>-</b>
Facilities Acquisition and Construction Services:							
Instructional Equipment	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 91,135.64</b>	<b>\$ 15,656.00</b>	<b>\$ 8,665.00</b>	<b>\$ 48,583.33</b>	<b>\$ 9,746.25</b>	<b>\$ 2,167.06</b>	<b>\$ 6,318.00</b>

CAPITAL PROJECTS FUND

**TOWNSHIP OF EWING SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
 Summary Schedule of Project Expenditures  
 For the Fiscal Year Ended June 30, 2017

Project Title / Issue	Original Date	Appropriations	Expenditures to Date		Cancellations	Unexpended Balance June 30, 2017
			Prior Years	Current Year		
2016 Textbooks, Library Books, Technology and Renovations	8/07/15	\$ 1,000,000.00	\$ 958,326.94	\$ 33,014.83	\$ 8,658.23	
2016 Auditorium Improvements	3/23/16	2,000,000.00			2,000,000.00	
2017 Textbooks, Library Books, Technology and Renovations	8/15/16	1,000,000.00		847,761.23		\$ 152,238.77
2018 Textbooks, Library Books, Technology and Renovations	6/16/17	1,000,000.00				1,000,000.00
<b>Total</b>		<u>\$ 5,000,000.00</u>	<u>\$ 958,326.94</u>	<u>\$ 880,776.06</u>	<u>\$ 2,008,658.23</u>	<u>\$ 1,152,238.77</u>
Cancellation of Lease Payable					\$ 2,000,000.00	
Canceled to General Fund					<u>8,658.23</u>	
					<u>\$ 2,008,658.23</u>	

**TOWNSHIP OF EWING SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balances  
 For the Fiscal Year Ended June 30, 2017

**Revenues and Other Financing Sources**

State Sources--SDA Grant		
Bond Proceeds and Transfers		
Lease Proceeds		\$ 2,000,000.00
Miscellaneous Revenue -- Interest		
Transfer form Capital Reserve		
Transfer form Capital Outlay		
		2,000,000.00
Total Revenues		2,000,000.00

**Expenditures and Other Financing Uses**

Textbooks	\$ 202,525.43	
Equipment	678,250.63	
		880,776.06
Total Expenditures		880,776.06
Other Financing Uses:		
Cancellation of Capital Project	2,000,000.00	
Transfer to General Fund	8,658.23	
Total Other Financing Uses		2,008,658.23
Total Expenditures and Other Financing Uses		2,889,434.29

Excess (Deficiency) of Revenues Over (Under) Expenditures		(889,434.29)
Fund Balance -- July 1 (Restated)		2,041,673.06
Fund Balance -- June 30		\$ 1,152,238.77



**TOWNSHIP OF EWING SCHOOL DISTRICT  
CAPITAL PROJECTS FUND**

Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
2016 Textbooks, Library Books, Technology and Renovations  
From Inception and for the Fiscal Year Ended June 30, 2017

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources--SDA Grant				
Bond Proceeds and Transfers				
Lease Proceeds	\$ 1,000,000.00		\$ 1,000,000.00	\$ 1,000,000.00
Transfer from Capital Reserve				
Transfer from Capital Outlay				
<b>Total Revenues</b>	<u>1,000,000.00</u>	<u>-</u>	<u>1,000,000.00</u>	<u>1,000,000.00</u>
<b>Expenditures and Other Financing Uses</b>				
Textbooks	84,905.73		84,905.73	84,905.73
Equipment	873,421.21	\$ 33,014.83	906,436.04	906,436.04
Cancellation of Capital Project				
Transfer to General Fund		8,658.23	8,658.23	8,658.23
<b>Total Expenditures</b>	<u>958,326.94</u>	<u>41,673.06</u>	<u>1,000,000.00</u>	<u>1,000,000.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 41,673.06</u>	<u>\$ (41,673.06)</u>	<u>-</u>	<u>-</u>

**Additional Project Information:**

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,000,000.00
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 1,000,000.00
Percentage Increase over Original Authorized Cost	
Percentage Completion	100%
Original Target Completion Date	6/30/2016
Revised Target Completion Date	8/31/2016

**TOWNSHIP OF EWING SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
 Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
 2016 Auditorium Improvements  
 From Inception and for the Fiscal Year Ended June 30, 2017

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources--SDA Grant				
Bond Proceeds and Transfers				
Lease Proceeds	\$ 2,000,000.00		\$ 2,000,000.00	\$ 2,000,000.00
Transfer from Capital Reserve				
Transfer from Capital Outlay				
<b>Total Revenues</b>	<u>2,000,000.00</u>	<u>-</u>	<u>2,000,000.00</u>	<u>2,000,000.00</u>
<b>Expenditures and Other Financing Uses</b>				
Textbooks				
Equipment				
Cancellation of Capital Project		\$ 2,000,000.00	2,000,000.00	2,000,000.00
Transfer to General Fund				
<b>Total Expenditures</b>	<u>-</u>	<u>2,000,000.00</u>	<u>2,000,000.00</u>	<u>2,000,000.00</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>\$ 2,000,000.00</u>	<u>\$ (2,000,000.00)</u>	<u>-</u>	<u>-</u>

**Additional Project Information:**

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 2,000,000.00
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 2,000,000.00
Percentage Increase over Original Authorized Cost	
Percentage Completion	100%
Original Target Completion Date	6/30/2016
Revised Target Completion Date	4/30/2017

**TOWNSHIP OF EWING SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**

Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
 2017 Textbooks, Library Books, Technology and Renovations  
 From Inception and for the Fiscal Year Ended June 30, 2017

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources--SDA Grant				
Bond Proceeds and Transfers				
Lease Proceeds		\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00
Transfer from Capital Reserve				
Transfer from Capital Outlay				
<b>Total Revenues</b>	-	1,000,000.00	1,000,000.00	1,000,000.00
<b>Expenditures and Other Financing Uses</b>				
Textbooks		202,525.43	202,525.43	218,000.00
Equipment		645,235.80	645,235.80	782,000.00
Cancellation of Capital Project				
Transfer to General Fund				
<b>Total Expenditures</b>	-	847,761.23	847,761.23	1,000,000.00
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	\$ 152,238.77	\$ 152,238.77	-
Encumbered			\$ 147,266.57	
Designated for Subsequent Years Expenditures			4,972.20	
			<u>\$ 152,238.77</u>	

**Additional Project Information:**

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,000,000.00
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 1,000,000.00
Percentage Increase over Original Authorized Cost	
Percentage Completion	85%
Original Target Completion Date	6/30/2017
Revised Target Completion Date	8/31/2017

**TOWNSHIP OF EWING SCHOOL DISTRICT  
CAPITAL PROJECTS FUND**

Schedule of Project Revenues, Expenditures, Project Balance and Project Status  
2018 Textbooks, Library Books, Technology and Renovations  
From Inception and for the Fiscal Year Ended June 30, 2017

	<u>Prior Years</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources--SDA Grant				
Bond Proceeds and Transfers				
Lease Proceeds		\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00
Transfer from Capital Reserve				
Transfer from Capital Outlay				
<b>Total Revenues</b>	<u>-</u>	<u>1,000,000.00</u>	<u>1,000,000.00</u>	<u>1,000,000.00</u>
<b>Expenditures and Other Financing Uses</b>				
Textbooks				218,000.00
Equipment				782,000.00
Cancellation of Capital Project				
Transfer to General Fund				
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000,000.00</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>\$ 1,000,000.00</u>	<u>\$ 1,000,000.00</u>	<u>-</u>
Designated for Subsequent Years Expenditures			<u>\$ 1,000,000.00</u>	

**Additional Project Information:**

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,000,000.00
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 1,000,000.00
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	8/31/2018
Original Target Completion Date	8/31/2018

PROPRIETARY FUNDS

**TOWNSHIP OF EWING SCHOOL DISTRICT**  
 Proprietary Funds  
 Business Type Activities - Enterprise Funds  
 Combining Statement of Net Position  
 June 30, 2017

	<u>Food Service</u>	<u>Extended Day Program</u>	<u>Total</u>
<b>ASSETS:</b>			
<b>Current Assets:</b>			
Cash and Cash Equivalents	\$ 459,594.72	\$ 329,163.74	\$ 788,758.46
Accounts Receivable:			
State	1,161.99		1,161.99
Federal	57,571.20		57,571.20
Other	15,172.56	11,526.12	26,698.68
Inventories	30,475.21		30,475.21
<b>Total Current Assets</b>	<u>563,975.68</u>	<u>340,689.86</u>	<u>904,665.54</u>
<b>Noncurrent Assets:</b>			
<b>Capital Assets:</b>			
Furniture, Fixtures and Equipment	734,656.00		734,656.00
Less Accumulated Depreciation	<u>(605,114.86)</u>		<u>(605,114.86)</u>
<b>Total Noncurrent Assets</b>	<u>129,541.14</u>	<u>-</u>	<u>129,541.14</u>
<b>Total Assets</b>	<u>693,516.82</u>	<u>340,689.86</u>	<u>1,034,206.68</u>
<b>LIABILITIES:</b>			
<b>Current Liabilities:</b>			
Accounts Payable	12,163.40	1,931.40	14,094.80
Compensated Absences Payable	10,543.33		10,543.33
Interfund Accounts Payable:			
Due General Fund	207,594.58		207,594.58
Unearned Revenue	30,379.26		30,379.26
<b>Total Current Liabilities</b>	<u>260,680.57</u>	<u>1,931.40</u>	<u>262,611.97</u>
<b>Noncurrent Liabilities:</b>			
Compensated Absences Payable	42,173.31		42,173.31
<b>Total Liabilities</b>	<u>302,853.88</u>	<u>1,931.40</u>	<u>304,785.28</u>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	129,541.14		129,541.14
Unrestricted	261,121.80	338,758.46	599,880.26
<b>Total Net Position</b>	<u>\$ 390,662.94</u>	<u>\$ 338,758.46</u>	<u>\$ 729,421.40</u>

**TOWNSHIP OF EWING SCHOOL DISTRICT**  
 Proprietary Funds  
 Business Type Activities - Enterprise Funds  
 Combining Statement of Revenues, Expenses and Changes in Fund Net Position  
 For the Fiscal Year Ended June 30, 2017

	<u>Food Service</u>	<u>Extended Day Program</u>	<u>Total</u>
<b>OPERATING REVENUES:</b>			
Charges for Services:			
Daily Sales - Reimbursable Programs:			
School Lunch Program	\$ 402,758.04		\$ 402,758.04
School Breakfast Program	16,954.90		16,954.90
Daily Sales - Non-Reimbursable Programs	222,543.90		222,543.90
Extended Day Program Fees		\$ 547,791.06	547,791.06
Special Functions	67,551.29		67,551.29
<b>Total Operating Revenues</b>	<u>709,808.13</u>	<u>547,791.06</u>	<u>1,257,599.19</u>
<b>OPERATING EXPENSES:</b>			
Salaries	688,974.51	389,143.23	1,078,117.74
Employee Benefits	294,973.21	45,524.39	340,497.60
General Supplies	51,403.94	45,775.34	97,179.28
Depreciation	23,267.00		23,267.00
Cost of Sales - Reimbursable Programs	502,766.76		502,766.76
Cost of Sales - Non-Reimbursable Programs	107,533.55		107,533.55
Miscellaneous	21,954.18	18,637.78	40,591.96
<b>Total Operating Expenses</b>	<u>1,690,873.15</u>	<u>499,080.74</u>	<u>2,189,953.89</u>
<b>Operating Income / (Loss)</b>	<u>(981,065.02)</u>	<u>48,710.32</u>	<u>(932,354.70)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
State Sources:			
State School Lunch Program	16,974.13		16,974.13
Federal Sources:			
National School Lunch Program	729,724.68		729,724.68
National School Breakfast Program	89,331.29		89,331.29
Food Distribution Program	100,579.84		100,579.84
<b>Total Nonoperating Revenues (Expenses)</b>	<u>936,609.94</u>	<u>-</u>	<u>936,609.94</u>
<b>Change in Net Position</b>	(44,455.08)	48,710.32	4,255.24
<b>Net Position -- Beginning (Restated)</b>	<u>435,118.02</u>	<u>290,048.14</u>	<u>725,166.16</u>
<b>Net Position -- Ending</b>	<u>\$ 390,662.94</u>	<u>\$ 338,758.46</u>	<u>\$ 729,421.40</u>

**TOWNSHIP OF EWING SCHOOL DISTRICT**  
Proprietary Funds  
Business Type Activities - Enterprise Funds  
Combining Statement of Cash Flows  
For the Fiscal Year Ended June 30, 2017

	Food Service	Extended Day Program	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from Customers	\$ 715,025.30	\$ 536,264.94	\$ 1,251,290.24
Payments to Employees	(690,471.10)	(389,143.23)	(1,079,614.33)
Payments for Employee Benefits	(294,973.21)	(45,524.39)	(340,497.60)
Payments for Supplies and Services	(677,105.91)	(63,593.72)	(740,699.63)
Net Cash Provided by (used for) Operating Activities	<u>(947,524.92)</u>	<u>38,003.60</u>	<u>(909,521.32)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>			
State Sources	18,956.43		18,956.43
Federal Sources	1,024,018.75		1,024,018.75
Operating Subsidies and Transfers to Other Funds	207,594.58		207,594.58
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>1,250,569.76</u>	<u>-</u>	<u>1,250,569.76</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Purchase of Capital Assets	-	-	-
Net Cash Provided by (used for) Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest Revenue	-	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	303,044.84	38,003.60	341,048.44
Cash and Cash Equivalents -- July 1	156,549.88	291,160.14	447,710.02
Cash and Equivalents -- June 30	<u>\$ 459,594.72</u>	<u>\$ 329,163.74</u>	<u>\$ 788,758.46</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Operating Income (Loss)	\$ (981,065.02)	\$ 48,710.32	\$ (932,354.70)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:			
Depreciation and Net Amortization	23,267.00		23,267.00
(Increase) Decrease in Accounts Receivable	4,621.99	(11,526.12)	(6,904.13)
(Increase) Decrease in Inventories	13,078.82		13,078.82
Increase (Decrease) in Accounts Payable	(6,526.30)	819.40	(5,706.90)
Increase (Decrease) in Unearned Revenue	595.18		595.18
Increase (Decrease) in Accrued Salaries Benefits	(1,496.59)		(1,496.59)
Total Adjustments	<u>33,540.10</u>	<u>(10,706.72)</u>	<u>22,833.38</u>
Net Cash Provided by (used for) Operating Activities	<u>\$ (947,524.92)</u>	<u>\$ 38,003.60</u>	<u>\$ (909,521.32)</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:</b>			
Food Distribution Program	<u>\$ 100,579.84</u>	<u>-</u>	<u>\$ 100,579.84</u>



FIDUCIARY FUNDS

**TOWNSHIP OF EWING SCHOOL DISTRICT**  
 Fiduciary Funds  
 Combining Statement of Fiduciary Net Position  
 June 30, 2017

	Private Purpose Trust Funds			Agency Funds		
	Scholarship Trust	Robotics Fund	Unemployment Compensation Trust	Student Activity	Payroll	Total
<b>ASSETS:</b>						
Cash and Cash Equivalents	\$ 5,942.12		\$ 4,954.34	\$ 112,298.89	\$ 471,150.84	\$ 594,346.19
Interfund Accounts Receivable:						
Due Payroll Fund			22,675.72			22,675.72
<b>Total Assets</b>	<b>5,942.12</b>	<b>-</b>	<b>27,630.06</b>	<b>112,298.89</b>	<b>471,150.84</b>	<b>617,021.91</b>
<b>LIABILITIES:</b>						
Accounts Payable			12,065.29			12,065.29
Interfund Accounts Payable:						
Due Unemployment Fund				\$ 112,298.89	\$ 22,675.72	22,675.72
Payable to Student Groups					448,475.12	448,475.12
Payroll Deductions and Withholdings						
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>12,065.29</b>	<b>112,298.89</b>	<b>471,150.84</b>	<b>595,515.02</b>
<b>NET POSITION:</b>						
Held in Trust for Unemployment Claims and Other Purposes	\$ 5,942.12	-	\$ 15,564.77			\$ 21,506.89

**TOWNSHIP OF EWING SCHOOL DISTRICT**  
 Fiduciary Funds  
 Combining Statement of Changes in Fiduciary Net Position  
 For the Fiscal Year Ended June 30, 2017

	Private Purpose Trust Funds			<u>Total</u>
	Scholarship Trust	Robotics Fund	Unemployment Compensation Trust	
ADDITIONS:				
Contributions and Donations from				
Payroll Deductions Withheld			\$ 83,871.67	\$ 83,871.67
Interest Earnings	\$ 14.06			14.06
Total Additions	14.06	-	83,871.67	83,885.73
DEDUCTIONS:				
Scholarship Awards	600.00			600.00
Robotics Program		\$ 36,284.16		36,284.16
Unemployment Claims			68,306.90	68,306.90
Total Deductions	600.00	36,284.16	68,306.90	105,191.06
Change in Net Position	(585.94)	(36,284.16)	15,564.77	(21,305.33)
Net Position -- July 1	6,528.06	36,284.16	-	42,812.22
Net Position -- June 30	<u>\$ 5,942.12</u>	<u>-</u>	<u>\$ 15,564.77</u>	<u>\$ 21,506.89</u>

**TOWNSHIP OF EWING SCHOOL DISTRICT**  
 Fiduciary Funds  
 Student Activity Agency Fund Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2017

	<u>Balance June 30, 2016</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2017</u>
MIDDLE SCHOOL:				
Fisher Middle School	\$ 23,322.94	\$ 21,718.58	\$ 18,736.52	\$ 26,305.00
HIGH SCHOOL:				
Ewing High School	62,738.16	189,026.60	166,148.61	85,616.15
Student Athletics	7,899.59	91,820.00	99,341.85	377.74
Total High school	<u>70,637.75</u>	<u>280,846.60</u>	<u>265,490.46</u>	<u>85,993.89</u>
Total All Schools	<u>\$ 93,960.69</u>	<u>\$ 302,565.18</u>	<u>\$ 284,226.98</u>	<u>\$ 112,298.89</u>

**TOWNSHIP OF EWING SCHOOL DISTRICT**  
 Fiduciary Funds  
 Payroll Agency Fund Schedule of Receipts and Disbursements  
 For the Fiscal Year Ended June 30, 2017

	<u>Balance June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2017</u>
<b>ASSETS:</b>				
Cash and Cash Equivalents	<u>\$ 500,868.56</u>	<u>\$ 43,866,554.12</u>	<u>\$ 43,896,271.84</u>	<u>\$ 471,150.84</u>
<b>LIABILITIES:</b>				
Payroll Deductions and Withholdings	\$ 301,916.37	\$ 20,604,594.29	\$ 20,458,035.54	\$ 448,475.12
Net Payroll	1,751.27	23,178,088.16	23,179,839.43	
Interfund Accounts Payable:				
Due from General Fund	197,200.92		197,200.92	
Due Unemployment Trust		<u>83,871.67</u>	<u>61,195.95</u>	<u>22,675.72</u>
Total Liabilities	<u>\$ 500,868.56</u>	<u>\$ 43,866,554.12</u>	<u>\$ 43,896,271.84</u>	<u>\$ 471,150.84</u>

LONG-TERM DEBT

**TOWNSHIP OF EWING SCHOOL DISTRICT**  
 Schedule of Serial Bonds  
 For the Fiscal Year Ended June 30, 2017

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Annual Maturities Amount</u>	<u>Interest Rate</u>	<u>Balance June 30, 2016</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2017</u>
School District Bonds-- Series 2007	9/15/2007	\$ 13,280,000.00				\$ 1,795,000.00		\$ 1,795,000.00	
School District Refunding Bonds--Series 2013	4/3/2013	19,470,000.00	10/1/2017 10/1/2018 10/1/2019	\$ 2,985,000.00 1,485,000.00 1,520,000.00	1.396% 1.596% 2.008%	10,750,000.00		4,760,000.00	\$ 5,990,000.00
						\$ 12,545,000.00	-	\$ 6,555,000.00	\$ 5,990,000.00

**TOWNSHIP OF EWING SCHOOL DISTRICT**  
 Schedule of Obligations Under Capital Leases  
 For the Fiscal Year Ended June 30, 2017

Series	Date of Lease	Term of Lease	Amount of Original Issue Principal	Interest	Interest Rate Payable	Amount Outstanding (Restated) June 30, 2016(a)	Issued Current Year	Retired Current Year	Amount Outstanding June 30, 2017(a)
Textbooks, Library Books, Technology and Renovations	07/15/11	60 Months	\$ 500,000.00	\$ 29,389.90	1.940%	\$ 103,863.01		\$ 103,863.01	
Textbooks, Library Books, Technology and Renovations	06/26/12	60 Months	500,000.00	20,149.95	1.710%	102,281.00		102,281.00	
Textbooks, Library Books, Technology and Renovations	06/24/13	60 Months	500,000.00	13,079.50	1.170%	201,685.37		100,256.18	\$ 101,429.19
Textbooks, Library Books, Technology and Renovations	08/13/14	60 Months	500,000.00	13,842.35	1.294%	300,495.27		98,880.06	201,615.21
Textbooks, Library Books, Technology and Renovations	08/07/15	60 Months	1,000,000.00	33,524.25	1.554%	795,669.32		194,340.15	601,329.17
Improvements to Auditorium	03/23/16	60 Months	2,000,000.00	74,143.34	1.740%	1,750,000.00	\$ 1,000,000.00	1,750,000.00	796,208.75
Textbooks, Library Books, Technology and Renovations	08/15/16	60 Months	1,000,000.00	27,311.80	1.280%		1,000,000.00	203,791.25	1,000,000.00
Textbooks, Library Books, Technology and Renovations	06/16/17	60 Months	1,000,000.00	39,161.45	1.680%				
						<u>\$ 3,253,993.97</u>	<u>\$ 2,000,000.00</u>	<u>\$ 2,553,411.65</u>	<u>\$ 2,700,582.32</u>

(a) Future Interest Payments Removed from Carrying Value of Leases.



**TOWNSHIP OF EWING SCHOOL DISTRICT**  
 Debt Service Fund  
 Budgetary Comparison Schedule  
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 5,564,075.00		\$ 5,564,075.00	\$ 5,564,075.00	
State Sources:					
Debt Service Aid Type II	911,735.00		911,735.00	911,735.00	
Total Revenues	6,475,810.00	-	6,475,810.00	6,475,810.00	-
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	156,518.00		156,518.00	156,517.73	\$ 0.27
Redemption of Principal	6,555,000.00		6,555,000.00	6,555,000.00	
↳ Total Regular Debt Service	6,711,518.00	-	6,711,518.00	6,711,517.73	0.27
Total Expenditures	6,711,518.00	-	6,711,518.00	6,711,517.73	0.27
Excess (Deficiency) of Revenues Over (Under) Expenditures	(235,708.00)	-	(235,708.00)	(235,707.73)	0.27
Other Financing Sources:					
Operating Transfers In:					
Transfer from General Fund	-		-	26,423.00	26,423.00
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(235,708.00)	-	(235,708.00)	(209,284.73)	26,423.27
Fund Balance, July 1	209,285.66	-	209,285.66	209,285.66	-
Fund Balance, June 30	\$ (26,422.34)	-	\$ (26,422.34)	\$ 0.93	\$ 26,423.27

## STATISTICAL SECTION

## Financial Trends Information

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

**TOWNSHIP OF EWING SCHOOL DISTRICT**  
 Net Position by Component  
 Last Ten Fiscal Years (Accrual Basis of Accounting)  
*Unaudited*

	Fiscal Year Ended June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Governmental Activities:</b>										
Net Investment in Capital Assets	\$ 16,422,445.80	\$ 13,779,875.00	\$ 9,204,333.00	\$ 6,698,143.00	\$ 4,275,850.00	\$ 1,006,547.00	\$ 5,633,968.00	\$ (2,917,404.00)	\$ 11,836,921.00	\$ 6,729,564.00
Restricted	8,149,423.52	1,200,000.00	2,000,000.00	5,835,442.00	4,275,850.00	1,006,547.00	5,633,968.00	2,233,552.00	2,582,736.00	3,545,604.00
Unrestricted (Deficit)	(22,829,532.57)	(13,239,649.00)	(13,298,339.00)	(12,533,585.00)	932,933.00	(594,731.00)	(754,318.00)	(887,097.00)	(12,929,895.00)	(12,654,451.00)
<b>Total Governmental Activities Net Position</b>	<b>\$ 1,742,336.75</b>	<b>\$ 1,740,226.00</b>	<b>\$ (2,094,006.00)</b>	<b>\$ 12,533,585.00</b>	<b>\$ 5,208,783.00</b>	<b>\$ 411,816.00</b>	<b>\$ 4,879,650.00</b>	<b>\$ (1,570,949.00)</b>	<b>\$ 1,489,762.00</b>	<b>\$ (2,379,283.00)</b>
<b>Business-type Activities:</b>										
Net Investment in Capital Assets	\$ 129,541.14	\$ 32,617.00	\$ 40,783.00	\$ 48,949.00	\$ 57,116.00	\$ 65,282.00	\$ 73,448.00	\$ 81,614.00	\$ 66,313.00	\$ 43,512.00
Restricted	599,880.26	626,571.00	567,463.00	568,327.00	589,317.00	604,710.00	575,603.00	192,423.00	189,901.00	460,536.00
Unrestricted (Deficit)	(729,421.40)	(659,188.00)	(608,246.00)	(617,276.00)	(589,317.00)	(669,992.00)	(649,051.00)	(274,037.00)	(256,214.00)	(504,048.00)
<b>Total Business-type Activities Net Position</b>	<b>\$ 129,999.00</b>	<b>\$ (30,751.00)</b>	<b>\$ (267,463.00)</b>	<b>\$ 99,622.00</b>	<b>\$ (122,181.00)</b>	<b>\$ (104,710.00)</b>	<b>\$ 26,397.00</b>	<b>\$ 19,380.00</b>	<b>\$ 133,687.00</b>	<b>\$ (96,512.00)</b>
<b>Government-wide:</b>										
Net Investment in Capital Assets	\$ 16,551,986.94	\$ 13,812,492.00	\$ 9,245,116.00	\$ 6,747,092.00	\$ 57,116.00	\$ 65,282.00	\$ 73,448.00	\$ (2,835,790.00)	\$ 11,836,921.00	\$ 6,729,564.00
Restricted	8,149,423.52	1,200,000.00	2,000,000.00	5,835,442.00	4,275,850.00	1,006,547.00	5,633,968.00	2,233,552.00	2,649,049.00	3,589,116.00
Unrestricted (Deficit)	(22,229,652.31)	(12,613,078.00)	(12,730,876.00)	(12,533,585.00)	1,522,250.00	(9,979.00)	(178,715.00)	(694,674.00)	(12,739,994.00)	(12,193,915.00)
<b>Total Government-wide Net Position</b>	<b>\$ 2,471,758.15</b>	<b>\$ 2,399,414.00</b>	<b>\$ (1,485,760.00)</b>	<b>\$ 13,150,861.00</b>	<b>\$ 5,855,216.00</b>	<b>\$ 1,081,808.00</b>	<b>\$ 5,528,701.00</b>	<b>\$ (1,296,912.00)</b>	<b>\$ 1,745,976.00</b>	<b>\$ (1,875,235.00)</b>

Source: Exhibit A-1

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

**TOWNSHIP OF EWING SCHOOL DISTRICT**  
 Changes in Net Position  
 Last Ten Fiscal Years (Accrual Basis of Accounting)  
*Unaudited*

	Fiscal Year Ended June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Expenses:</b>										
<b>Governmental Activities:</b>										
Instruction:										
Regular	\$ 19,247,275.42	\$ 29,594,691.00	\$ 28,614,181.00	\$ 17,432,938.00	\$ 16,797,803.00	\$ 16,356,341.00	\$ 17,970,387.00	\$ 19,772,911.00	\$ 18,825,564.00	\$ 17,981,904.00
Special Education	7,363,414.45	12,492,683.00	14,705,398.00	6,783,776.00	6,969,491.00	7,481,011.00	4,895,503.00	5,049,236.00	4,783,044.00	4,597,060.00
Other Special Education	1,058,963.80	1,796,684.00	1,688,142.00	684,056.00	833,549.00	242,258.00	257,520.00	280,425.00	288,490.00	255,987.00
Other Instruction	1,079,915.83	1,911,934.00	1,480,327.00	1,139,887.00	1,093,080.00	857,898.00	862,764.00	967,749.00	943,134.00	884,959.00
Tuition	4,228,075.68	2,845,481.00	3,039,641.00	3,447,172.00	3,223,710.00	2,940,463.00	3,063,509.00	2,946,318.00	3,185,058.00	3,378,667.00
Support Services:										
Student & Instruction Related Services	6,785,233.66	7,530,795.00	6,887,001.00	4,680,866.00	3,719,462.00	4,378,773.00	4,750,846.00	3,490,190.00	3,452,967.00	3,397,501.00
School Administrative Services	2,481,993.01	1,088,153.00	1,006,676.00	569,836.00	592,130.00	671,631.00	547,941.00	548,256.00	585,810.00	472,458.00
General and Business Administrative Services	1,956,228.55	5,632,690.00	5,315,632.00	3,234,576.00	3,370,060.00	3,198,545.00	3,125,511.00	3,546,340.00	3,421,320.00	3,449,960.00
Plant Operations and Maintenance	5,647,527.78	9,770,323.00	8,870,383.00	5,401,311.00	4,978,039.00	4,816,906.00	4,310,875.00	4,706,129.00	4,576,259.00	4,426,814.00
Pupil Transportation	4,403,433.03	6,548,886.00	3,539,379.00	3,334,579.00	3,138,467.00	3,010,490.00	2,824,246.00	2,884,305.00	2,922,191.00	2,827,609.00
Unallocated Benefits	32,626,432.92	17,695,312.00	17,322,783.00	17,695,312.00	17,322,783.00	16,514,085.00	15,594,683.00	14,416,242.00	11,706,971.00	14,019,653.00
Reimbursed TPAF and Social Security	4,628,408.22									
Transfer to Charter Schools	395,709.00	133,496.00	103,445.00	76,411.00	10,000.00	9,583.00	32,114.00	22,191.00	31,234.00	36,556.00
Interest on Long-term Debt	367,535.95	512,476.00	667,803.00	604,727.00	1,276,769.00	1,694,287.00	1,900,019.00	2,177,581.00	2,055,366.00	2,435,519.00
Attendance and Social Work Services		464,211.00	263,362.00	263,362.00	194,921.00	192,438.00	186,152.00	185,889.00	185,467.00	183,705.00
Health Services		1,287,144.00	1,286,907.00	934,761.00	820,421.00	696,547.00	767,682.00	787,719.00	733,496.00	742,722.00
Educational Media Services/School Library		785,462.00	781,952.00	468,091.00	470,763.00	445,647.00	401,944.00	394,917.00	493,412.00	663,589.00
Instructional Staff Training		45,423.00	81,440.00	33,021.00	37,934.00	6,380.00	6,684.00	38,000.00	63,856.00	38,263.00
Scholarships Awarded				(101,068.00)	524,125.00	1,000.00	1,000.00	800.00		
Increase/Decrease in Compensated Absences				1,196,951.00	1,196,951.00	1,811,020.00	(87,666.00)	134,025.00	648,600.00	(994,414.00)
Unallocated Depreciation				1,250,575.00	1,196,951.00	1,811,020.00	1,181,688.00	1,362,866.00	1,206,402.00	1,075,387.00
Amortization of Bond Issuance Costs						24,443.00	24,443.00	24,443.00	24,443.00	24,443.00
Amortization of loss on early retirement of debt						126,336.00	126,336.00	126,336.00	126,336.00	126,336.00
Total Governmental Activities Expenses	92,270,146.93	82,440,542.00	78,528,955.00	67,924,189.00	66,570,458.00	65,527,138.00	62,744,161.00	63,862,868.00	60,259,420.00	60,624,680.00
<b>Business-type Activities:</b>										
Food Service	1,690,873.15	1,651,758.00	1,625,960.00	1,634,596.00	1,569,486.00	1,627,112.00	1,256,787.00	1,488,797.00	2,324,928.00	2,323,534.00
Childcare Program	499,080.74	468,578.00	511,219.00	497,744.00	491,246.00	397,301.00	434,807.00	528,779.00		
Total Business-type Activities Expense	2,189,953.89	2,120,336.00	2,137,179.00	2,132,340.00	2,060,732.00	2,024,413.00	1,691,594.00	2,027,576.00	2,324,928.00	2,323,534.00
Total Government Expenses	\$ 94,460,100.82	\$ 84,560,878.00	\$ 80,666,134.00	\$ 70,056,529.00	\$ 68,631,190.00	\$ 67,551,551.00	\$ 64,435,755.00	\$ 65,890,444.00	\$ 62,584,348.00	\$ 62,948,214.00
<b>Program Revenues:</b>										
<b>Governmental Activities:</b>										
Operating Grants and Contributions	\$ 22,573,180.33	\$ 2,351,513.00	\$ 1,007,197.00	\$ 2,474,251.00	\$ 2,335,362.00	\$ 798,994.00	\$ 802,016.00	\$ 940,803.00	\$ 943,901.00	\$ 943,828.00
Charges for Services	499,708.57	541,016.00	1,723,643.00	414,160.00	432,519.00	365,973.00	483,774.00	268,329.00	251,704.00	219,984.00
Total Governmental Activities Program Revenues	23,072,888.90	2,892,529.00	2,730,840.00	2,888,411.00	2,767,881.00	1,164,967.00	1,285,790.00	1,209,132.00	1,195,605.00	1,163,812.00
<b>Business-type activities:</b>										
Charges for Services										
Food Service	709,808.13	727,174.00	727,117.00	748,421.00	760,755.00	820,410.00	839,895.00	846,486.00	1,508,268.00	1,697,111.00
Childcare Program	547,791.06	511,978.00	502,889.00	505,908.00	465,442.00	479,653.00	589,626.00	564,227.00	568,826.00	480,349.00
Operating Grants and Contributions	936,609.94	931,527.00	898,142.00	848,854.00	810,976.00	745,291.00	637,087.00	607,825.00	568,826.00	480,349.00
Total Business-type Activities Program Revenues	2,194,209.13	2,171,279.00	2,128,148.00	2,103,183.00	2,037,173.00	2,045,354.00	2,066,608.00	2,018,538.00	2,077,904.00	2,177,460.00
Total Government Program Revenues	\$ 25,267,098.03	\$ 5,063,808.00	\$ 4,859,988.00	\$ 4,991,594.00	\$ 4,805,054.00	\$ 3,210,321.00	\$ 3,352,398.00	\$ 3,227,670.00	\$ 3,272,699.00	\$ 3,341,272.00

**TOWNSHIP OF EWING SCHOOL DISTRICT**  
Changes in Net Position  
Last Ten Fiscal Years (Accrual Basis of Accounting)  
*Unaudited*

	Fiscal Year Ended June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Net (Expense)/Revenue:</b>										
Governmental Activities	\$ (69,197,258.03)	\$ (79,548,013.00)	\$ (75,798,115.00)	\$ (65,035,778.00)	\$ (63,802,577.00)	\$ (64,362,171.00)	\$ (61,458,371.00)	\$ (62,653,736.00)	\$ (59,063,815.00)	\$ (59,460,868.00)
Business-type Activities	4,255.24	50,943.00	(9,031.00)	(29,157.00)	(23,559.00)	20,941.00	375,014.00	(9,038.00)	(247,834.00)	(146,074.00)
Total Government-wide Net Expense	\$ (69,193,002.79)	\$ (79,497,070.00)	\$ (75,807,146.00)	\$ (65,064,935.00)	\$ (63,826,136.00)	\$ (64,341,230.00)	\$ (61,083,357.00)	\$ (62,662,774.00)	\$ (59,311,649.00)	\$ (59,606,942.00)
<b>General Revenues and Other Changes in Net Position:</b>										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 53,398,341.00	\$ 52,351,315.00	\$ 51,324,819.00	\$ 49,732,963.00	\$ 48,519,964.00	\$ 47,568,592.00	\$ 46,827,872.00	\$ 42,238,825.00	\$ 43,106,179.00	\$ 42,033,134.00
Taxes Levied for Debt Service	5,564,075.00	5,819,006.00	5,870,676.00	6,016,278.00	5,988,737.00	5,879,200.00	5,853,103.00	5,310,395.00	4,469,798.00	5,176,991.00
Federal & State Aid Not Restricted	10,268,560.42	24,791,630.00	22,107,803.00	14,882,161.00	15,968,332.00	15,802,598.00	14,268,387.00	14,389,904.00	15,039,282.00	16,097,493.00
Federal & State Aid Restricted	937,355.64									
Tuition received			273,227.00	229,701.00	261,910.00	289,556.00	420,747.00	76,454.00	251,067.00	213,861.00
Miscellaneous Income	877,734.94	(235,922.00)	(1,823,185.00)		(609,290.00)	791,195.00	244,637.00		66,533.00	743,856.00
Donated Fixed Assets					(791,689.00)	359,516.00	294,324.00			
Grant Proceeds - Restricted										
PY Revenue/(Charge), net2		445,283.00	(62,846.00)							
Total Governmental Activities	71,046,067.00	83,382,245.00	77,690,494.00	70,841,103.00	69,347,984.00	70,690,657.00	67,909,070.00	62,015,578.00	62,932,859.00	64,265,135.00
Business-type Activities:										
Special and Extraordinary Items, net						(10,796,318.00)		26,860.00		
Total Government-wide	\$ 71,046,067.00	\$ 83,382,245.00	\$ 77,690,494.00	\$ 70,841,103.00	\$ 69,347,984.00	\$ 59,894,339.00	\$ 67,909,070.00	\$ 62,042,438.00	\$ 62,932,859.00	\$ 64,265,135.00
<b>Change in Net Position:</b>										
Governmental Activities	\$ 1,848,808.97	\$ 3,834,232.00	\$ 1,892,379.00	\$ 5,805,325.00	\$ 5,545,407.00	\$ 6,328,466.00	\$ 6,450,699.00	\$ (638,158.00)	\$ 3,869,044.00	\$ 4,804,267.00
Business-type Activities	4,255.24	50,943.00	(9,031.00)	(29,157.00)	(23,559.00)	(10,775,377.00)	375,014.00	17,822.00	(247,834.00)	(146,074.00)
Total Government	\$ 1,853,064.21	\$ 3,885,175.00	\$ 1,883,348.00	\$ 5,776,168.00	\$ 5,521,848.00	\$ (4,446,891.00)	\$ 6,825,713.00	\$ (620,336.00)	\$ 3,621,210.00	\$ 4,658,193.00

Source: Exhibit A-2

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

**TOWNSHIP OF EWING SCHOOL DISTRICT**  
Fund Balances, Governmental Funds  
Last Ten Fiscal Years (Modified Accrual Basis of Accounting)  
*Unaudited*

	Fiscal Year Ended June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>General Fund:</b>										
Reserved	\$ 6,997,184.75	\$ 6,780,695.00	\$ 6,408,594.00	\$ 6,704,498.00	\$ 6,664,205.00	\$ 6,627,106.00	\$ 4,104,025.00	\$ 2,224,046.00	\$ 5,276,918.00	\$ 5,481,994.00
Unreserved	58,439.11	105,747.00	227,512.00	258,084.00	91,659.00	86,975.00	560,503.00	1,077,553.00	494,515.00	849,579.00
Restricted	604,004.14	409,763.00	446,595.00	377,686.00	1,191,034.00	109,118.00	1,070,154.00			
Assigned										
Unassigned										
<b>Total General Fund</b>	<b>\$ 7,659,628.00</b>	<b>\$ 7,296,205.00</b>	<b>\$ 7,082,701.00</b>	<b>\$ 7,340,268.00</b>	<b>\$ 7,946,898.00</b>	<b>\$ 6,825,199.00</b>	<b>\$ 5,734,682.00</b>	<b>\$ 3,301,599.00</b>	<b>\$ 5,771,433.00</b>	<b>\$ 6,331,573.00</b>
<b>All Other Governmental Funds:</b>										
Restricted:										
Unassigned, Reported in:										
Special Revenue Fund	\$ 1,152,238.77	\$ 41,673.00	\$ 1,897.00	\$ 145,931.00	\$ 226,616.00	\$ 937,719.00	\$ 2,099,501.00			\$ (8,120.00)
Capital Projects Fund	0.93	209,286.00	235,708.00	238,865.00	3,161.00	5.00	3.00	\$ 2.00		1,625,216.00
Debt Service Fund						7,528.00	8,524.00	9,507.00	\$ 10,485.00	10,742.00
Permanent Fund										
<b>Total All Other Governmental Funds</b>	<b>\$ 1,152,239.70</b>	<b>\$ 250,959.00</b>	<b>\$ 237,605.00</b>	<b>\$ 384,796.00</b>	<b>\$ 229,777.00</b>	<b>\$ 945,252.00</b>	<b>\$ 2,108,028.00</b>	<b>\$ 9,509.00</b>	<b>\$ 10,485.00</b>	<b>\$ 1,627,838.00</b>
<b>Total District</b>	<b>\$ 8,811,867.70</b>	<b>\$ 7,547,164.00</b>	<b>\$ 7,320,306.00</b>	<b>\$ 7,725,064.00</b>	<b>\$ 8,176,675.00</b>	<b>\$ 7,770,451.00</b>	<b>\$ 7,842,710.00</b>	<b>\$ 3,311,108.00</b>	<b>\$ 5,781,928.00</b>	<b>\$ 7,959,411.00</b>

Source: Exhibit B-1

In accordance with GASB 54, effective for the fiscal year ended June 30, 2011, the description and terminology utilized to identify fund balance was changed.

**TOWNSHIP OF EWING SCHOOL DISTRICT**  
 Changes in Fund Balances, Governmental Funds  
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)  
*Unaudited*

	Fiscal Year Ended June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Revenues:</b>										
Tax Levy	\$ 58,962,416.00	\$58,170,321.00	\$ 57,195,495.00	\$ 55,749,241.00	\$ 54,518,701.00	\$ 53,447,792.00	\$ 52,680,975.00	\$ 47,549,220.00	\$ 47,575,977.00	\$ 47,210,125.00
Tuition Charges	1,445,802.27	541,016.00	438,927.00	414,160.00	414,186.00	365,973.00	483,774.00	268,328.00	251,067.00	213,661.00
Miscellaneous	18,729,178.22	288,328.00	276,519.00	280,242.00	280,242.00	289,556.00	420,747.00	145,513.00	318,237.00	963,840.00
State Sources	2,129,697.41	17,336,014.00	16,644,371.00	15,662,411.00	16,694,973.00	14,191,605.00	12,794,165.00	11,677,180.00	14,177,556.00	15,369,807.00
Federal Sources		1,645,052.00	1,930,760.00	1,645,596.00	1,608,722.00	2,409,987.00	2,276,238.00	3,653,527.00	1,805,627.00	1,671,514.00
<b>Total Revenue</b>	<b>81,287,093.90</b>	<b>77,980,731.00</b>	<b>76,486,072.00</b>	<b>73,729,514.00</b>	<b>73,516,824.00</b>	<b>70,704,913.00</b>	<b>68,655,899.00</b>	<b>63,293,769.00</b>	<b>64,128,464.00</b>	<b>65,428,947.00</b>
<b>Expenditures:</b>										
Instruction										
Regular Instruction	19,020,845.35	18,610,342.00	18,232,518.00	18,029,203.00	17,884,453.00	19,109,145.00	19,207,285.00	20,171,262.00	19,954,420.00	18,959,324.00
Special Education Instruction	7,216,543.29	7,598,871.00	7,921,433.00	6,731,844.00	6,976,947.00	5,970,744.00	4,895,503.00	5,049,236.00	4,783,044.00	4,597,060.00
Other Special Instruction	1,037,153.17	1,092,861.00	1,030,100.00	688,743.00	834,323.00	242,258.00	257,520.00	280,425.00	268,490.00	255,987.00
Other Instruction	1,057,673.67	1,162,964.00	1,171,124.00	1,131,161.00	1,094,095.00	857,568.00	862,764.00	967,749.00	943,134.00	884,959.00
Tuition	4,228,075.68	2,845,481.00	3,038,641.00	3,447,172.00	3,223,710.00	2,940,463.00	3,063,509.00	2,946,318.00	3,185,058.00	3,378,667.00
Support Services:										
Student & Instruction Related Services	6,645,483.65	4,580,724.00	4,298,312.00	4,660,866.00	4,191,013.00	4,378,773.00	4,750,846.00	3,490,191.00	3,452,967.00	3,397,501.00
School Administrative Services	2,430,873.39	661,886.00	614,271.00	569,836.00	592,130.00	671,631.00	547,941.00	548,256.00	585,810.00	472,456.00
Other Administrative Services	2,192,175.58	3,426,172.00	3,243,585.00	3,234,576.00	3,370,060.00	3,198,545.00	3,125,511.00	3,546,340.00	3,421,320.00	3,449,960.00
Plant Operation & Maintenance	5,639,612.88	5,562,786.00	5,412,684.00	5,401,311.00	4,987,039.00	4,816,906.00	4,310,875.00	4,706,129.00	4,517,439.00	4,426,814.00
Pupil Transportation	4,312,739.06	3,983,469.00	3,539,379.00	3,334,579.00	3,138,467.00	3,010,490.00	2,824,246.00	2,884,305.00	2,922,191.00	2,827,609.00
Unallocated Benefits	12,605,546.55	18,811,425.00	17,334,153.00	16,263,712.00	16,238,783.00	15,134,085.00	14,299,683.00	13,186,242.00	11,706,971.00	14,019,653.00
Reimbursed TPAF Pension and Social Security	7,705,950.22									
Transfer To Charter School	395,709.00	133,496.00	103,445.00	76,411.00	10,000.00	9,583.00	32,114.00	22,191.00	31,234.00	36,558.00
Attendance & Social Work Services	282,364.00	282,364.00	281,696.00	263,362.00	194,921.00	192,432.00	186,152.00	185,889.00	185,467.00	183,705.00
Health Services	782,926.00	782,926.00	785,267.00	934,761.00	820,421.00	696,547.00	767,682.00	787,719.00	733,496.00	742,722.00
Educational Media Services/School Library	477,769.00	477,769.00	477,144.00	468,091.00	470,763.00	445,648.00	401,944.00	394,917.00	424,414.00	418,904.00
Instructional Staff Training			49,695.00	33,021.00	37,934.00	8,380.00	6,683.00	38,000.00	63,856.00	38,263.00
Scholarships Awarded		27,630.00				1,000.00	1,000.00	800.00		
Debt Service:										
Principal	6,555,000.00	6,325,000.00	6,170,000.00	5,990,000.00	5,375,000.00	5,035,000.00	4,810,000.00	4,610,000.00	4,420,000.00	4,175,000.00
Interest and Other Charges	156,517.73	279,685.00	425,405.00	589,673.00	1,420,244.00	1,643,192.00	1,847,681.00	2,030,744.00	2,226,806.00	2,488,286.00
Capital Outlay	802,490.42	2,553,306.00	3,199,132.00	2,832,803.00	2,951,070.00	2,348,665.00	1,542,138.00	1,342,031.00	2,813,187.00	3,041,968.00
<b>Total Expenditures</b>	<b>82,002,389.64</b>	<b>79,199,157.00</b>	<b>77,327,984.00</b>	<b>74,681,125.00</b>	<b>73,811,373.00</b>	<b>70,711,061.00</b>	<b>67,741,057.00</b>	<b>67,188,744.00</b>	<b>66,659,304.00</b>	<b>67,795,398.00</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(735,295.74)	(1,218,426.00)	(841,912.00)	(951,611.00)	(294,549.00)	(6,148.00)	914,842.00	(3,894,975.00)	(2,530,840.00)	(2,366,451.00)
<b>Other Financing Sources (Uses):</b>										
PY Revenue/Charges, Net		445,283.00	(62,846.00)		(791,699.00)	359,516.00	294,324.00	1,034,907.00	745,466.00	1,859,486.00
Grant Proceeds			500,000.00	500,000.00	500,000.00	500,000.00	3,319,873.00			
Leases Proceeds	2,000,000.00	1,000,000.00	500,000.00	500,000.00	500,000.00	500,000.00				
Cancellation of Lease Payable	(2,000,000.00)									
Adjustments to correct balances						74,373.00				
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>1,445,283.00</b>	<b>437,154.00</b>	<b>500,000.00</b>	<b>(291,699.00)</b>	<b>933,889.00</b>	<b>3,614,197.00</b>	<b>1,034,907.00</b>	<b>745,466.00</b>	<b>1,859,486.00</b>
<b>Net Change in Fund Balances</b>	<b>(735,295.74)</b>	<b>\$ 228,857.00</b>	<b>\$ (404,758.00)</b>	<b>\$ (451,611.00)</b>	<b>\$ (586,248.00)</b>	<b>\$ 927,741.00</b>	<b>\$ 4,529,039.00</b>	<b>\$ (2,860,068.00)</b>	<b>\$ (1,785,374.00)</b>	<b>\$ (506,965.00)</b>
Debt Service as a Percentage of Noncapital Expenditures	8.27%	8.62%	8.90%	9.16%	9.59%	9.77%	10.06%	10.09%	10.41%	10.29%

Source: Exhibit B-2



**TOWNSHIP OF EWING SCHOOL DISTRICT**  
 General Fund - Other Local Revenue by Source  
 Last Ten Fiscal Years (Modified Accrual Basis of Accounting)  
*Unaudited*

	Fiscal Year Ended June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Various Refunds	\$ 631,173.41					\$ 1,645.00	\$ 10,354.00	\$ 1,622.00	\$ 900.00	\$ 1,005.00
Sale of Assets/Textbooks	924.00						117.00	23,431.00	55,509.00	6,798.00
Rental of School Facilities	1,625.00						483,774.00	268,329.00	251,067.00	213,661.00
Refunds of Prior Year Expenditures	65,519.50	\$ 541,016.00	\$ 438,927.00	\$ 414,160.00	\$ 414,186.00	365,973.00	306,052.00	50,775.00	142,363.00	130,298.00
Tuition	499,708.57	210,912.00	212,827.00	187,865.00	261,910.00	246,819.00				
Other	95,276.01									
Preschool Fees	81,975.00				18,333.00			514.00	637.00	6,323.00
Transportation Services									42,570.00	340,396.00
Interest on Investments	1,242.02									
<b>Total Miscellaneous Revenues</b>	<b>\$ 1,377,443.51</b>	<b>\$ 751,928.00</b>	<b>\$ 651,754.00</b>	<b>\$ 602,025.00</b>	<b>\$ 694,429.00</b>	<b>\$ 614,437.00</b>	<b>\$ 800,297.00</b>	<b>\$ 344,671.00</b>	<b>\$ 493,046.00</b>	<b>\$ 698,481.00</b>

Source: District Records

## Revenue Capacity Information

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

**TOWNSHIP OF EWING SCHOOL DISTRICT**  
Assessed Value and Actual Value of Taxable Property  
Last Ten Fiscal Years  
*Unaudited*

Year Ended Dec. 31	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities (1)	Net Valuation Taxable	Tax-Exempt Property	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate (2)
2017	\$ 23,123,900.00	\$ 1,333,587,200.00		\$ 503,900,650.00	\$ 20,317,200.00	\$ 76,136,700.00	\$ 1,957,065,650.00	\$ 8,884,318.00	\$ 1,965,949,968.00	\$ 674,635,860.00	\$ 2,926,518,290.00	\$ 3.045
2016	21,469,400.00	1,333,113,900.00		496,195,150.00	20,004,300.00	70,626,500.00	1,941,409,250.00	8,823,322.00	1,950,232,572.00	672,698,460.00	2,875,320,540.00	3.010
2015	17,434,100.00	1,329,254,000.00		503,965,450.00	18,385,000.00	73,076,500.00	1,942,115,050.00	8,382,930.00	1,950,497,980.00	672,073,860.00	2,928,812,283.00	2.959
2014	16,979,000.00	1,328,640,100.00		501,779,550.00	18,788,500.00	64,816,500.00	1,930,983,650.00	9,071,727.00	1,940,055,377.00	672,162,910.00	2,892,239,006.00	2.916
2013	17,771,300.00	1,326,103,100.00		494,366,000.00	18,884,600.00	64,816,500.00	1,921,751,500.00	9,094,085.00	1,930,845,585.00	673,096,810.00	3,024,414,042.00	2.855
2012	22,470,800.00	1,315,688,800.00		463,295,800.00	18,960,500.00	64,816,500.00	1,885,232,400.00	9,613,329.00	1,894,845,729.00	653,789,610.00	3,194,730,665.00	2.815
2011	22,004,300.00	1,314,451,600.00	\$ 497,300.00	413,148,450.00	14,498,100.00	63,959,500.00	1,828,559,250.00	9,357,481.00	1,837,916,731.00	652,307,300.00	3,298,646,050.00	2.759
2010	25,755,500.00	1,309,928,300.00	5,900.00	417,357,200.00	14,767,800.00	65,002,400.00	1,832,817,100.00	8,987,707.00	1,841,804,807.00	654,082,200.00	3,634,559,942.00	2.721
2009	21,081,300.00	1,303,560,800.00	22,300.00	418,748,700.00	14,937,800.00	65,335,700.00	1,823,686,600.00	8,783,222.00	1,832,469,822.00	631,202,400.00	3,772,424,236.00	2.596
2008	16,022,300.00	1,306,857,100.00	77,600.00	414,891,500.00	16,415,000.00	65,335,700.00	1,819,599,200.00	8,579,643.00	1,828,178,843.00	631,869,900.00	3,604,629,401.00	2.593

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

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

Source: Burlington County Board of Taxation

**TOWNSHIP OF EWING SCHOOL DISTRICT**  
 Direct and Overlapping Property Tax Rates  
 Last Ten Fiscal Years  
 (Rate per \$100 of Assessed Value)  
*Unaudited*

---

Year Ended Dec. 31	<u>District Direct Rate</u>		<u>Debt Service - Overlapping Rates</u>		Total Direct and Overlapping Tax Rate	
		<u>Basic Rate</u>	<u>Municipality of Ewing</u>	<u>County of Mercer</u>		
2017	\$	3.045	\$	1.359	\$	5.405
2016		3.010		1.334		5.332
2015		2.959		1.312		5.261
2014		2.916		1.293		5.247
2013		2.855		1.272		5.164
2012		2.815		1.232		5.107
2011		2.759		1.500		5.281
2010		2.721		1.103		4.934
2009		2.596		0.894		4.597
2008		2.593		0.887		4.488

Source: Municipal Tax Collector

**TOWNSHIP OF EWING SCHOOL DISTRICT**  
Principal Property Tax Payers  
Current Year and Nine Years Ago  
*Unaudited*

	2017			2008		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
New Jersey Manufacturers Insurance	\$ 47,037,200.00	1	2.39%	\$ 47,037,200.00	1	2.57%
Cole Ofc Ewing, LLC	34,000,000.00	2	1.73%			
Ewing Prop/Parkwinmer/Hilton Management	30,597,000.00	3	1.56%			
Princeton Office Center, LLC	22,010,500.00	4	1.12%			
Pfizer, Inc.	18,529,900.00	5	0.94%	18,477,900.00	2	1.01%
LRF Ewing NJ, LLC	18,500,000.00	6	0.94%			
Educational Testing Service	14,463,700.00	7	0.74%	14,463,700.00	4	0.79%
Mountainview Office Park, LLC	13,712,200.00	8	0.70%	17,578,950.00	3	0.96%
Levin Properties	13,313,000.00	9	0.68%	12,656,000.00	5	0.69%
American Prop/Jefferson Bear Tav	11,537,100.00	10	0.59%			
Halston Builders				10,204,800.00	6	0.56%
River Edge Apartments				9,573,300.00	7	0.52%
G F Princeton LLC				9,000,000.00	8	0.49%
Marriott Courtyard				8,945,200.00	9	0.49%
Lighthouse Ewing, LLC				8,756,800.00	10	0.48%
<b>Total</b>	<b>\$ 223,700,600.00</b>		<b>11.38%</b>	<b>\$ 156,693,850.00</b>		<b>8.57%</b>

Source: Municipal Tax Assessor

**TOWNSHIP OF EWING SCHOOL DISTRICT**  
 Property Tax Levies and Collections  
 Last Ten Fiscal Years  
*Unaudited*

---

<u>Fiscal Year Ended June 30,</u>	<u>School District Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy (1)</u>		<u>Collections in Subsequent Years</u>
		<u>Amount</u>	<u>Percentage of Levy</u>	
2017	\$ 58,962,416.00	\$ 54,154,937.00	91.85%	\$ 4,807,479.00
2016	58,170,321.00	55,030,034.00	94.60%	3,140,287.00
2015	57,195,495.00	53,934,998.32	94.30%	3,260,496.68
2014	55,749,241.00	52,429,088.00	94.04%	3,320,153.00
2013	54,518,701.00	48,641,208.08	89.22%	5,877,492.92
2012	53,447,792.00	49,728,573.73	93.04%	3,719,218.27
2011	52,680,975.00	52,680,975.00	100.00%	-
2010	47,549,220.00	47,549,220.00	100.00%	-
2009	47,575,977.00	47,575,977.00	100.00%	-
2008	47,210,425.00	47,210,425.00	100.00%	-

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

Source: District Records

# Debt Capacity Information

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

**TOWNSHIP OF EWING SCHOOL DISTRICT**  
 Ratios of Outstanding Debt by Type  
 Last Ten Fiscal Years  
*Unaudited*

Fiscal Year Ended June 30,	Governmental Activities		Business-Type Activities		Total District	Percentage of Personal Income (2)	Per Capita (3)
	General Obligation Bonds (1)	Capital Leases	Capital Leases	Capital Leases			
2017	\$ 5,990,000.00	\$ 2,700,582.32	-	\$ -	8,690,582.32	Unavailable	Unavailable
2016	12,545,000.00	3,253,993.97	-	-	15,798,993.97	Unavailable	Unavailable
2015	18,870,000.00	1,482,570.00	-	-	20,352,570.00	0.88%	\$ 63,247.00
2014	25,040,000.00	2,209,517.00	-	-	27,249,517.00	1.25%	59,875.00
2013	31,030,000.00	3,017,593.00	-	-	34,047,593.00	1.63%	57,323.00
2012	35,385,000.00	3,842,469.00	-	-	39,227,469.00	1.82%	59,508.00
2011	40,420,000.00	4,589,606.00	-	-	45,009,606.00	2.18%	56,971.00
2010	45,230,000.00	3,219,071.00	-	-	48,449,071.00	2.48%	54,600.00
2009	49,840,000.00	3,777,233.00	-	-	53,617,233.00	2.78%	53,145.00
2008	54,260,000.00	4,126,188.00	-	-	58,386,188.00	2.94%	55,114.00

Sources:

- (1) District Records
- (2) Personal income has been estimated based upon the municipal population and per capita
- (3) Per Capita personal income by county-estimated based upon the 2010 Census published



**TOWNSHIP OF EWING SCHOOL DISTRICT**  
 Ratios of Net General Bonded Debt Outstanding  
 Last Ten Fiscal Years  
*Unaudited*

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Assessed Valuation Taxable (2)	Per Capita (3)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding (1)		
2017	\$ 5,990,000.00	-	\$ 5,990,000.00	0.30%	Unavailable
2016	12,545,000.00	-	12,545,000.00	0.64%	\$ 348.65
2015	18,870,000.00	-	18,870,000.00	0.97%	517.18
2014	25,040,000.00	-	25,040,000.00	0.95%	686.33
2013	31,030,000.00	-	31,030,000.00	1.60%	850.74
2012	35,385,000.00	-	35,385,000.00	1.87%	974.82
2011	40,420,000.00	-	40,420,000.00	2.20%	1,114.85
2010	45,230,000.00	-	45,230,000.00	2.40%	1,262.74
2009	49,840,000.00	-	49,840,000.00	2.77%	1,372.10
2008	54,260,000.00	-	54,260,000.00	3.02%	1,506.76

**Sources:**

- (1) District Records
- (2) Net Assessed Valuation provided by Abstract of Ratables, County Board of Taxation
- (3) Per Capita calculation based upon population information provided by the NJ Dept of Labor and Workforce Development

**TOWNSHIP OF EWING SCHOOL DISTRICT**  
 Direct and Overlapping Governmental Activities Debt  
 As of December 31, 2016  
*Unaudited*

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Statutory Net Debt Outstanding</u>	<u>Net Debt Outstanding Allocated to Ewing Township</u>
Municipal Debt: (1)				
Ewing Township School District	\$ 5,990,000.00	\$ 5,990,000.00	\$ 26,424,324.09	\$ 26,424,324.09
Ewing Township	<u>26,424,324.09</u>			
	<u>32,414,324.09</u>	<u>5,990,000.00</u>	<u>26,424,324.09</u>	<u>26,424,324.09</u>
Overlapping Debt Apportioned to the Municipality:				
County of Mercer: (2)				
General:				
Bonds	226,132,000.00	4,331,068.00 (3)	221,800,932.00	14,561,636.06 (5)
Notes	69,900,000.00		69,900,000.00	4,589,062.60 (5)
Loans and Other Obligations	12,207,127.00	3,319,457.00 (3)	8,887,670.00	583,491.76 (5)
Bonds Issued by Other Public Bodies				
Guaranteed by the County	<u>88,936,283.00</u>	<u>88,936,283.00</u>		
	<u>397,175,410.00</u>	<u>96,586,808.00</u>	<u>300,588,602.00</u>	<u>19,734,190.42</u>
	<u>\$ 429,589,734.09</u>	<u>\$ 102,576,808.00</u>	<u>\$ 327,012,926.09</u>	<u>\$ 46,158,514.51</u>

Sources:

- (1) 2016 Annual Debt Statement
- (2) County's Official Statement
- (3) Includes Cash on Hand, Accounts Receivable and County College Bonds paid with State Aid.
- (4) Deductible in accordance with N.J.S. 40:37A-80.
- (5) Such debt is allocated as a proportion of the Township's share of the total 2016 Equalized Value, which is 6.57%.  
 The source for this computation was the 2016 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.

**TOWNSHIP OF EWING SCHOOL DISTRICT**  
 Legal Debt Margin Information  
 Last Ten Fiscal Years  
*Unaudited*

**Legal Debt Margin Calculation for Fiscal Year 2017**

Equalized valuation basis (1)	
\$ 2,859,218,336.00	2016
2,831,071,501.00	2015
2,865,848,307.00	2014
<u>\$ 8,556,138,144.00</u>	

\$ 2,852,046,048.00	Average equalized valuation of taxable property
\$ 114,081,841.92	Debt limit (4% of average equalization value) (2)
<u>5,990,000.00</u>	Total Net Debt Applicable to Limit
<u>\$ 108,091,841.92</u>	Legal Debt Margin

	Fiscal Year Ended June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Debt limit	\$ 114,081,841.92	\$ 113,835,218.00	\$ 114,986,440.00	\$ 117,416,620.00	\$ 122,830,899.00	\$ 133,800,069.00	\$ 139,946,960.00	\$ 143,543,666.00	\$ 136,970,094.00	\$ 126,499,501.00
Total net debt applicable to limit (3)	<u>5,990,000.00</u>	<u>12,545,000.00</u>	<u>18,870,000.00</u>	<u>25,040,000.00</u>	<u>31,030,000.00</u>	<u>35,385,000.00</u>	<u>40,420,000.00</u>	<u>45,230,000.00</u>	<u>49,840,000.00</u>	<u>54,260,000.00</u>
Legal debt margin	<u>\$ 108,091,841.92</u>	<u>\$ 101,290,218.00</u>	<u>\$ 96,116,440.00</u>	<u>\$ 92,376,620.00</u>	<u>\$ 91,800,899.00</u>	<u>\$ 98,415,069.00</u>	<u>\$ 99,526,960.00</u>	<u>\$ 98,313,566.00</u>	<u>\$ 87,130,094.00</u>	<u>\$ 72,239,501.00</u>
Total net debt applicable to the limit as a percentage of debt limit	5.25%	11.02%	16.41%	21.33%	25.26%	26.45%	28.88%	31.51%	36.35%	42.89%

Sources:  
 (1) Equalized valuation bases were provided by the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.  
 (2) Limit set by NJSA 18A:24-19 for a K through 12 district.  
 (3) District Records

## Demographic and Economic Information

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

**TOWNSHIP OF EWING SCHOOL DISTRICT**  
Demographic and Economic Statistics  
Last Ten Fiscal Years  
*Unaudited*

---

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2016	35,982	Unavailable	Unavailable	4.7%
2015	36,486	\$ 2,307,630,042.00	\$ 63,247.00	6.2%
2014	36,484	2,184,479,500.00	59,875.00	6.8%
2013	36,474	2,090,799,102.00	57,323.00	5.9%
2012	36,299	2,160,080,892.00	59,508.00	6.0%
2011	36,256	2,065,540,576.00	56,971.00	7.8%
2010	35,819	1,955,717,400.00	54,600.00	6.5%
2009	36,324	1,930,438,980.00	53,145.00	4.5%
2008	36,011	1,984,710,254.00	55,114.00	3.8%
2007	36,129	1,925,603,442.00	53,298.00	3.2%

## Sources:

- (1) Population information provided by the NJ Dept of Labor and Workforce Development
- (2) Personal income has been estimated based upon the municipal population and per capita
- (3) Per Capita personal income by county-estimated based upon the 2010 Census published
- (4) Unemployment data provided by the NJ Dept of Labor and Workforce Development



## Operating Information

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

**TOWNSHIP OF EWING SCHOOL DISTRICT**  
 Full-time Equivalent District Employees by Function/Program  
 Last Ten Fiscal Years  
*Unaudited*

Function/Program	Fiscal Year Ended June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Instruction	237	248	248	247	245	237	239	305	308	301
Regular	86	89	89	69	67	62	65	9	9	9
Special Education		1	1	1	1	1	1	1	1	1
Other Special Education	61	54	54	54	54	54	54	54	54	29
Support Services:										
Student and Instruction Related Services	74	56	56	55	55	55	56	58	58	95
General Administrative Services	5	5	4	4	4	4	3	2	2	2
School Administrative Services	17	16	17	16	16	16	15	14	14	14
Business Administrative Services	49	51	51	49	49	49	46	43	43	41
Plant Operations and Maintenance	3	2	2	2	2	2	2	2	2	2
Pupil Transportation	64	136	136	116	116	113	120	9	9	4
Food Service	23	24	24	24	24	24	25	23	23	23
<b>Total</b>	<b>619</b>	<b>682</b>	<b>683</b>	<b>637</b>	<b>633</b>	<b>617</b>	<b>626</b>	<b>520</b>	<b>523</b>	<b>521</b>

Source: District Records



**TOWNSHIP OF EWING SCHOOL DISTRICT**  
 Operating Statistics  
 Last Ten Fiscal Years  
*Unaudited*

Fiscal Year Ended June 30,	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Elementary	Middle School	High School				
2017	\$ 74,488,381.49	\$ 20,853.41	6.23%	323.0	11.0	10.0	12.0	3,530.0	3,379.0	-0.65%	95.72%
2016	70,041,166.00	19,630.37	5.52%	328.0	11.0	10.0	12.0	3,553.0	3,407.0	-1.31%	95.89%
2015	67,533,448.00	18,604.26	5.38%	328.0	11.0	10.0	12.0	3,600.0	3,440.0	-1.10%	95.56%
2014	65,268,649.00	17,654.49	2.24%	319.0	10.0	10.0	11.0	3,640.0	3,345.0	-0.08%	91.90%
2013	64,065,059.00	17,268.21	3.68%	312.0	10.0	10.0	10.7	3,643.0	3,501.0	-0.79%	96.10%
2012	61,673,620.00	16,655.04	5.82%	299.0	10.0	10.1	10.7	3,672.0	3,530.0	-0.92%	96.13%
2011	59,508,124.00	15,738.73	0.41%	304.0	10.2	10.0	10.7	3,706.0	3,632.0	-0.76%	98.00%
2010	59,205,170.00	15,675.18	3.04%	314.0	10.0	10.1	10.6	3,734.5	3,660.0	-0.52%	98.01%
2009	57,168,077.00	15,212.37	4.27%	317.0	10.1	10.0	10.7	3,753.9	3,679.0	-4.26%	98.00%
2008	58,053,586.00	14,589.99	5.24%	313.5	10.0	10.1	10.6	3,920.9	3,842.0	-1.37%	97.99%

Source: District Records

**TOWNSHIP OF EWING SCHOOL DISTRICT**  
 School Building Information  
 Last Ten Fiscal Years  
*Unaudited*

	Fiscal Year Ended June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>District Building</b>										
<b>Elementary</b>										
Antheil Elementary (1982):										
Square Feet	111,198	111,198	111,198	111,198	111,198	111,198	111,198	111,198	111,198	111,198
Capacity (students)	886	886	886	886	886	886	886	886	886	886
Enrollment	676	663	663	729	729	729	729	729	729	734
Lore Elementary (1954):										
Square Feet	71,571	71,571	71,571	71,571	71,571	71,571	71,571	71,571	71,571	71,571
Capacity (students)	839	839	839	839	839	839	839	839	839	839
Enrollment	606	591	591	528	528	528	528	528	528	537
Parker Elementary (1993):										
Square Feet	67,417	67,417	67,417	67,417	67,417	67,417	67,417	67,417	67,417	67,417
Capacity (students)	534	534	534	534	534	534	534	534	534	534
Enrollment	416	404	404	461	461	461	461	461	461	458
<b>Middle School</b>										
Fisher Middle School (1960):										
Square Feet	157,085	157,085	157,085	157,085	157,085	157,085	157,085	157,085	157,085	157,085
Capacity (students)	970	970	970	970	970	970	970	970	970	970
Enrollment	756	799	799	877	877	877	877	877	877	916
<b>High School</b>										
Ewing High School (1950):										
Square Feet	202,755	202,755	202,755	202,755	202,755	202,755	202,755	202,755	202,755	202,755
Capacity (students)	1,435	1,435	1,435	1,435	1,435	1,435	1,435	1,435	1,435	1,435
Enrollment	1,064	1,058	1,058	1,139	1,139	1,139	1,139	1,139	1,139	1,113
<b>Other</b>										
Ryan Administration (1946):										
Square Feet	3,914	3,914	3,914	3,914	3,914	3,914	3,914	3,914	3,914	3,914
Enrollment	12	12	12	12	12	12	12	12	12	12
Gusz Building (1979):										
Square Feet	23,156	23,156	23,156	23,156	23,156	23,156	23,156	23,156	23,156	23,156

Number of Schools at June 30, 2017  
 Elementary = 3  
 Middle School = 1  
 High School = 1  
 Other = 2

Source: District Records

**TOWNSHIP OF EWING SCHOOL DISTRICT**  
 Schedule of Required Maintenance  
 Last Ten Fiscal Years  
*Unaudited*

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

* School Facilities	Project # (s)	Fiscal Year Ended June 30,									
		2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Antheil Elementary	N/A	\$ 124,436.93	\$ 158,170.00	\$ 175,422.00	\$ 188,019.00	\$ 176,782.00	\$ 170,749.00	\$ 165,775.00	\$ 164,447.00	\$ 148,958.00	\$ 141,798.00
Lore Elementary	N/A	381,442.30	101,804.00	112,908.00	121,016.00	113,783.00	109,900.00	106,699.00	105,844.00	95,874.00	91,266.00
Parkway Elementary	N/A	193,924.47	95,895.00	106,355.00	113,992.00	107,179.00	103,521.00	100,506.00	99,702.00	90,310.00	85,969.00
Fisher Middle School	N/A	108,173.88	223,441.00	247,812.00	265,608.00	249,733.00	241,210.00	234,184.00	225,899.00	210,426.00	200,313.00
Ewing High School	N/A	270,065.09	288,403.00	319,860.00	342,829.00	322,339.00	311,338.00	302,270.00	299,848.00	271,604.00	258,551.00
<b>Total School Facilities</b>		<b>1,078,042.67</b>	<b>867,713.00</b>	<b>962,357.00</b>	<b>1,031,464.00</b>	<b>969,816.00</b>	<b>936,718.00</b>	<b>909,434.00</b>	<b>895,740.00</b>	<b>817,172.00</b>	<b>777,897.00</b>
Other Facilities		52,731.69	-	-	-	-	-	-	-	-	-
<b>Grand Total</b>		<b>\$ 1,130,774.36</b>	<b>\$ 867,713.00</b>	<b>\$ 962,357.00</b>	<b>\$ 1,031,464.00</b>	<b>\$ 969,816.00</b>	<b>\$ 936,718.00</b>	<b>\$ 909,434.00</b>	<b>\$ 895,740.00</b>	<b>\$ 817,172.00</b>	<b>\$ 777,897.00</b>

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

Source: District Records

## TOWNSHIP OF EWING SCHOOL DISTRICT

Insurance Schedule

June 30, 2017

Unaudited

	<u>Coverage</u>	<u>Deductible</u>
<b>Burlington County Insurance Pool Joint Insurance Fund</b>		
Property / Inland Marine / Automobile Physical Damage - JIF Self Insured Retention	\$ 250,000.00	\$ 500.00
Crime - JIF Self Insured Retention	250,000.00	500.00
General Liability / Auto Liability - JIF Self Insured Retention	250,000.00	
Educators Legal Liability - JIF Self Insured Retention	175,000.00	
Workers Compensation - JIF Self Insured Retention	250,000.00	
<b>School Pool for Excess Liability Limits Joint Insurance Fund (SPELL JIF)</b>		
Property / Inland Marine / Automobile Physical Damage	175,000,000.00	
Crime	500,000.00	
Workers Compensation	Statutory	
General Liability / Auto Liability	20,000,000.00	
Educators' Legal Liability	20,000,000.00	
<b>Travelers Insurance Company</b>		
Boiler and Machinery	125,000,000.00	1,000.00
<b>Beazley / Lloyd's of London</b>		
Pollution Legal Liability	3,000,000.00	25,000.00
<b>AIG / Lexington Insurance Company, Inc.</b>		
Cyber Liability	1,000,000.00	25,000.00
<b>Lloyd's of London</b>		
Violent Malicious Acts	1,000,000.00	15,000.00
Disaster Management Services	2,000,000.00	15,000.00
<b>Non-JIF Coverage</b>		
Western Surety Company:		
Business Administrator/Board Secretary	2,000.00	
Treasurer	350,000.00	
<b><u>Excess and Reinsurance Carriers Involved</u></b>		
Property and Crime:		
SPELL JIF, Great American Insurance Company		
Axis Surplus Insurance Company		
Westchester Fire Insurance Company		
Alterra Excess & Surplus Insurance Company		
Ironshore Specialty Insurance Company		
Evanston Insurance Company		
RSUI Indemnity Company		
James River Insurance Company		
BRIT / Lloyd's of London		
Colony Insurance Company		
Arch Specialty Insurance Company		
United National Insurance Company		
General Liability and Automobile Liability:		
SPELL JIF, Great American Insurance Company		
Workers Compensation:		
SPELL JIF, Great American Insurance Company,		
Safety National Casualty Corp.		
Educators Legal Liability:		
SPELL JIF, Great American Insurance Company		

Source: District Records

SINGLE AUDIT SECTION

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

**INDEPENDENT AUDITOR'S REPORT**

The Honorable President and  
Members of the Board of Education  
Township of Ewing School District  
County of Mercer  
Ewing, New Jersey 08618

**Report on Compliance for Each Major Federal and State Program**

We have audited the Township of Ewing School District's, in the County of Mercer, State of New Jersey, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2017. The School District's major federal and state programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the School 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; audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey; Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance, and State of New Jersey Circular 15-08-OMB, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Township of Ewing School District's, in the County of Mercer, State of New Jersey, compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### Opinion on Each Major Federal and State Program

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

### Report on Internal Control Over Compliance

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

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

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

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

Respectfully submitted,

*Bowman & Company LLP*

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

*Daniel M DiGangi*

Daniel M. DiGangi  
Certified Public Accountant  
Public School Accountant No. CS 002376

Voorhees, New Jersey  
November 27, 2017

**TOWNSHIP OF EWING SCHOOL DISTRICT**  
 Schedule of Expenditures of Federal Awards, Schedule A  
 For the Fiscal Year Ended June 30, 2017

Federal Grantor/ Pass-through Grantor / Program Title	Federal CFDA Number	Federal FAIN Number	Grant or State Pass-Through Entity Identifying Number	Program or Award Amount	Grant Period		Balance June 30, 2016	Carryover / (Walkover) Amount
					From	To		
<b>General Fund:</b>								
U.S. Department of Homeland Security								
Passed-through the State Department of Education:								
Disaster Grants - Public Assistance - Presidentially Declared Disasters	97.036	N/A	Unavailable	\$ 10,196.07	7-1-16	6-30-17	-	-
U.S. Department of Health and Human Services:								
Passed-through the State Department of Education:								
Medical Assistance Program (Medicaid):								
ARRA - Special Education Medicaid Initiative	93.778	1705NJ5MAP	Unavailable	8,787.10	4-1-09	12-31-10		
Special Education Medicaid Initiative	93.778	1705NJ5MAP	Unavailable	201,077.75	7-1-16	6-30-17		
Medical Assistance Program (Medicaid Administrative Claiming Aid)	93.778	1705NJ5MAP	Unavailable	14,647.57	7-1-16	6-30-17		
Total Medical Assistance Program (Medicaid)							-	-
<b>Total General Fund</b>								
<b>Special Revenue Fund:</b>								
U.S. Department of Education:								
Passed-through State Department of Education:								
N.C.L.B.:								
ARRA Title I, Part A	93.778	1605NJ150030	Unavailable	311,621.00	9-1-09	8-31-10	\$ 127,100.00	
Title I, Part A	84.01	S010A150030	NCLB143016	442,083.00	7-1-15	6-30-16	(275,655.46)	\$ (30,561.00)
Title I, Part A	84.01	S010A160030	NCLB143017	464,475.00	7-1-16	6-30-17		30,561.00
Total Title I, Part A							(148,555.46)	-
Title II, Part A, Improving Teacher Quality	84.367A	S367A150029	NCLB143016	101,100.00	7-1-15	6-30-16	(18,049.00)	(23,204.85)
Title II, Part A, Improving Teacher Quality	84.367A	S367A160029	NCLB143017	71,815.00	7-1-16	6-30-17		23,204.85
Total Title II, Part A, Improving Teacher Quality							(18,049.00)	-
Title III	84.365	S365A150030	NCLB143016	32,126.00	7-1-15	6-30-16	(11,492.02)	(31.00)
Title III	84.365	S365A160030	NCLB143017	21,014.00	7-1-16	6-30-17		31.00
Title III, Immigrant	84.365	S365A140030	NCLB143015	5,956.00	7-1-14	6-30-15	(47.00)	
Title III, Immigrant	84.365	S365A150030	NCLB143016	5,089.00	7-1-15	6-30-16	(820.88)	(1,781.00)
Title III, Immigrant	84.365	S365A160030	NCLB143017	6,122.00	7-1-16	6-30-17		1,781.00
Total Title III							(12,359.90)	-
I.D.E.A. Part B:								
Special Education Cluster:								
Basic	84.027	H027A150100	FT143016	1,066,504.00	7-1-15	6-30-16	(122,481.41)	(56,987.00)
Basic	84.027	H027A160100	FT143017	1,005,148.00	7-1-16	6-30-17		56,987.00
Preschool	84.173	H173A150114	PS143016	38,263.00	7-1-15	6-30-16	(4,581.64)	(6,518.00)
Preschool	84.173	H173A160114	PS143017	38,360.00	7-1-16	6-30-17		6,518.00
Total I.D.E.A. Part B Special Education Cluster							(127,063.05)	-
Perkins Grant	84.048	V048A150030	Unavailable	17,037.00	7-1-15	6-30-16	(1,316.25)	
Perkins Grant	84.048	V048A160030	Unavailable	19,971.00	7-1-16	6-30-17		
Total Perkins Grant							(1,316.25)	-
<b>Total Special Revenue Fund</b>								
							(307,343.66)	-
<b>Enterprise Fund:</b>								
U.S. Department of Agriculture:								
Passed-through State Department of Education:								
Child Nutrition Cluster:								
School Breakfast Program	10.553	16161NJ304N1099	Unavailable	89,473.81	7-1-15	6-30-16	(18,982.83)	
School Breakfast Program	10.553	171NJ304N1099	Unavailable	89,331.29	7-1-16	6-30-17		
Food Distribution Program	10.555	16161NJ304N1099	Unavailable	125,538.23	7-1-15	6-30-16		23,196.07
Food Distribution Program	10.555	171NJ304N1099	Unavailable	113,745.34	7-1-16	6-30-17		
National School Lunch Program	10.555	16161NJ304N1099	Unavailable	699,498.20	7-1-15	6-30-16	(129,805.81)	
National School Lunch Program	10.555	171NJ304N1099	Unavailable	729,724.68	7-1-16	6-30-17		
Total Child Nutrition Cluster							(125,592.57)	-
<b>Total Enterprise Fund</b>								
							(125,592.57)	-
<b>Total Federal Financial Assistance</b>								
							\$ (432,936.23)	-

(A) See Note 6 to the Schedules of Expenditures of Federal Awards and State Financial Assistance  
 The accompanying Notes to Financial Statements and Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.



Cash Received	Budgetary Expenditures			Passed- Through to Subrecipients	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2017		Due to Grantor
	Pass-Through Funds	Direct Funds	Total Budgetary Expenditures				(Accounts Receivable)	Unearned Revenue	
\$ 10,196.07	\$ 10,196.07	-	\$ 10,196.07	-	-	-	-	-	-
8,787.10	8,787.10		8,787.10						
201,077.75	201,077.75		201,077.75						
14,647.57	14,647.57		14,647.57						
224,512.42	224,512.42	-	224,512.42	-	-	-	-	-	-
234,708.49	234,708.49	-	234,708.49	-	-	-	-	-	-
305,986.00					\$ 230.46			\$ 127,100.00	
	576,944.94		576,944.94				\$ (546,387.00)	3.06	
305,986.00	576,944.94	-	576,944.94	-	230.46	-	(546,387.00)	127,103.06	-
41,252.00					1.85				
949.15	90,646.63		90,646.63				(70,864.00)	4,371.37	
42,201.15	90,646.63	-	90,646.63	-	1.85	-	(70,864.00)	4,371.37	-
11,523.02									
3,164.00	20,341.30		20,341.30				(17,850.00)	703.70	
47.00									
2,601.00	5,766.66		5,766.66		0.88		(6,514.00)	2,528.34	
17,335.02	26,107.96	-	26,107.96	-	0.88	-	(24,364.00)	3,232.04	-
179,469.00					(0.59)				
951,623.00	1,020,021.16		1,020,021.16				(53,525.00)	42,113.84	
11,100.00					(0.36)				
37,651.00	44,169.00		44,169.00				(709.00)	709.00	
1,179,843.00	1,064,190.16	-	1,064,190.16	-	(0.95)	-	(54,234.00)	42,822.84	-
1,316.00					0.25				
12,619.00	16,990.23		16,990.23				(7,352.00)	2,980.77	
13,935.00	16,990.23	-	16,990.23	-	0.25	-	(7,352.00)	2,980.77	-
1,559,300.17	1,774,879.92	-	1,774,879.92	-	232.49	-	(703,201.00)	180,510.08	-
18,982.83									
81,870.47	89,331.29		89,331.29				(7,460.82)		
	23,196.07		23,196.07						
113,745.34	100,579.84		100,579.84					13,165.50	
129,805.81									
679,614.30	729,724.68		729,724.68				(50,110.38)		
1,024,018.75	942,831.88	-	942,831.88	-	-	-	(57,571.20)	13,165.50	-
1,024,018.75	942,831.88	-	942,831.88	-	-	-	(57,571.20)	13,165.50	-
\$ 2,818,027.41	\$ 2,952,420.29	-	\$ 2,952,420.29	-	\$ 232.49	-	\$ (760,772.20)	\$ 193,675.58	-

**TOWNSHIP OF EWING SCHOOL DISTRICT**  
 Schedule of Expenditures of State Financial Assistance, Schedule B  
 For the Fiscal Year Ended June 30, 2017

State Grant/ Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2016 (Restated)		Carryover / (Walkover) Amount
			From	To	Unearned Revenue / Accounts Receivable	Due to Grantor	
<b>General Fund:</b>							
New Jersey Department of Education:							
Current Expense:							
State Aid - Public Cluster:							
Equalization Aid	16-495-034-5120-078	\$ 6,862,747.00	7-1-15	6-30-16	\$	(612,089.43)	
Equalization Aid	17-495-034-5120-078	6,810,851.00	7-1-16	6-30-17			
Categorical Special Education Aid	16-495-034-5120-089	2,208,951.00	7-1-15	6-30-16		(197,016.67)	
Categorical Special Education Aid	17-495-034-5120-089	2,237,280.00	7-1-16	6-30-17			
Categorical Security Aid	16-495-034-5120-084	222,407.00	7-1-15	6-30-16		(19,836.51)	
Categorical Security Aid	17-495-034-5120-084	249,993.00	7-1-16	6-30-17			
Additional Adjustment Aid	16-495-034-5120-085	1.00	7-1-15	6-30-16		(0.10)	
Additional Adjustment Aid	17-495-034-5120-085	1.00	7-1-16	6-30-17			
PARCC Readiness Aid	16-495-034-5120-098	36,200.00	7-1-15	6-30-16		(3,228.68)	
PARCC Readiness Aid	17-495-034-5120-098	36,200.00	7-1-16	6-30-17			
Per Pupil Growth Aid	16-495-034-5120-097	36,200.00	7-1-15	6-30-16		(3,228.68)	
Per Pupil Growth Aid	17-495-034-5120-097	36,200.00	7-1-16	6-30-17			
Professional Learning Community Aid	17-495-034-5120-101	35,310.00	7-1-16	6-30-17			
<b>Total State Aid - Public Cluster</b>						<b>(835,400.07)</b>	
State Aid - Transportation:							
Categorical Transportation Aid	16-495-034-5120-014	230,148.00	7-1-15	6-30-16		(20,526.93)	
Categorical Transportation Aid	17-495-034-5120-014	262,252.00	7-1-16	6-30-17			
Additional Non-Public Transportation Aid	16-495-034-5120-014	36,541.00	7-1-15	6-30-16		(36,541.00)	
Additional Non-Public Transportation Aid	17-495-034-5120-014	38,068.00	7-1-16	6-30-17			
<b>Total State Aid - Transportation</b>						<b>(57,067.93)</b>	
Extraordinary Aid							
Extraordinary Aid	16-495-034-5120-044	182,735.00	7-1-15	6-30-16		(182,735.00)	
Extraordinary Aid	17-495-034-5120-044	300,411.00	7-1-16	6-30-17			
<b>Total Extraordinary Aid</b>						<b>(182,735.00)</b>	
Homeless Tuition Aid							
Homeless Tuition Aid	16-495-034-5120-005	7,911.00	7-1-15	6-30-16		(7,911.00)	
Homeless Tuition Aid	17-495-034-5120-005	27,540.00	7-1-16	6-30-17			
<b>Total Homeless Tuition Aid</b>						<b>(7,911.00)</b>	
Reimbursed TPAF Social Security Contributions							
Reimbursed TPAF Social Security Contributions	17-495-034-5094-003	2,056,720.22	7-1-16	6-30-17			
<b>Total Reimbursed TPAF Social Security Contributions</b>							
<b>Total General Fund</b>						<b>(1,083,114.00)</b>	
<b>Special Revenue Fund:</b>							
New Jersey Department of Education:							
Nonpublic Aid:							
Nursing Services							
Nursing Services	16-100-034-5120-070	14,850.00	7-1-15	6-30-16		\$ 104.00	
Nursing Services	17-100-034-5120-070	15,660.00	7-1-16	6-30-17			
<b>Total Nursing Services</b>						<b>104.00</b>	
Textbook Aid (Ch. 194)							
Textbook Aid (Ch. 194)	16-100-034-5120-064	8,166.00	7-1-15	6-30-16		242.00	
Textbook Aid (Ch. 194)	17-100-034-5120-064	8,704.00	7-1-16	6-30-17			
<b>Total Textbook Aid (Ch. 194)</b>						<b>242.00</b>	
Technology							
Technology	16-100-034-5120-373	3,718.00	7-1-15	6-30-16		42.00	
Technology	17-100-034-5120-373	3,926.00	7-1-16	6-30-17			
<b>Total Technology</b>						<b>42.00</b>	
Security							
Security	16-100-034-5120-509	4,125.00	7-1-15	6-30-16		637.00	
Security	17-100-034-5120-509	8,700.00	7-1-16	6-30-17			
<b>Total Security</b>						<b>637.00</b>	
Auxiliary Services (Ch. 192)							
Compensatory Education	17-100-034-5120-067	2,149.00	7-1-16	6-30-17			
Transportation	17-100-034-5120-068	7,809.00	7-1-16	6-30-17			
English as a Second Language	17-100-034-5120-067	4,293.00	7-1-16	6-30-17			
<b>Total Auxiliary Services (Ch. 192)</b>							
Handicapped Services (Ch. 193)							
Corrective Speech	17-100-034-5120-066	2,120.00	7-1-16	6-30-17			
Supplementary Instruction	17-100-034-5120-066	3,924.00	7-1-16	6-30-17			
Examination and Classification	16-100-034-5120-066	9,711.00	7-1-15	6-30-16		3,869.00	
Examination and Classification	17-100-034-5120-066	15,488.00	7-1-16	6-30-17			
<b>Total Handicapped Services (Ch. 193)</b>						<b>3,869.00</b>	
<b>Total Nonpublic Aid:</b>						<b>4,894.00</b>	
<b>Total Special Revenue Fund</b>						<b>4,894.00</b>	
<b>Debt Service Fund:</b>							
New Jersey Department of Education:							
School Construction Debt Service Aid	17-495-034-5120-075	911,735.00	7-1-16	6-30-17			
<b>Total Debt Service Fund</b>							
<b>Enterprise Fund:</b>							
New Jersey Department of Agriculture:							
Child Nutrition Cluster:							
State School Lunch Aid	16-100-010-3350-023	17,016.70	7-1-15	6-30-16		(3,144.28)	
State School Lunch Aid	17-100-010-3350-023	16,974.13	7-1-16	6-30-17			
<b>Total Enterprise Fund</b>						<b>(3,144.28)</b>	
<b>Total State Financial Assistance subject to Major Program Determination for Sate Single Audit</b>						<b>(1,086,258.28)</b>	
<b>State Financial Assistance not subject to Calculation for Major Program Determination for State Single Audit:</b>							
<b>General Fund (Non-Cash Assistance):</b>							
New Jersey Department of the Treasury:							
TPAF Post Retirement Medical							
TPAF Post Retirement Medical	17-495-034-5094-001	2,564,292.00	7-1-16	6-30-17			
TPAF Pension & Annuity Fund	17-495-034-5094-002	2,969,934.00	7-1-16	6-30-17			
TPAF Non-Contributory Insurance	17-495-034-5094-004	107,608.00	7-1-16	6-30-17			
TPAF Long-Term Disability Insurance	17-495-034-5094-004	7,396.00	7-1-16	6-30-17			
<b>Total General Fund (Non-Cash Assistance)</b>							
<b>Total State Financial Assistance</b>						<b>\$ (1,086,258.28)</b>	<b>\$ 4,894.00</b>

(A) See Note 6 to the Schedules of Expenditures of Federal Awards and State Financial Assistance  
 The accompanying Notes to Financial Statements and Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are and integral part of this schedule.

Cash Received	Total Budgetary Expenditures	Passed- Through to Subrecipients	Adjustments	Repayment of Prior Years' Balances	Balance June 30, 2017			Memo	
					(Accounts Receivable)	Unearned Revenue / Interfund Payable	Due to Grantor	Budgetary Receivable June 30, 2017	Cumulative Total Expenditures
\$ 612,089.43	\$ 6,810,851.00				\$ (595,968.76)			\$ (595,968.76)	\$ 6,810,851.00
6,214,882.24									
197,016.67									
2,041,511.66	2,237,280.00				(195,768.34)			(195,768.34)	2,237,280.00
19,836.51									
228,117.90	249,993.00				(21,875.10)			(21,875.10)	249,993.00
0.10									
0.92	1.00				(0.08)			(0.08)	1.00
3,228.68									
33,032.40	36,200.00				(3,167.60)			(3,167.60)	36,200.00
3,228.68									
33,032.40	36,200.00				(3,167.60)			(3,167.60)	36,200.00
32,220.27	35,310.00				(3,089.73)			(3,089.73)	35,310.00
<u>9,418,197.86</u>	<u>9,405,835.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(823,037.21)</u>	<u>-</u>	<u>-</u>	<u>(823,037.21)</u>	<u>9,405,835.00</u>
20,526.93									
239,304.21	262,252.00				(22,947.79)			(22,947.79)	262,252.00
36,541.00									
	38,068.00				(38,068.00)				38,068.00
<u>296,372.14</u>	<u>300,320.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(61,015.79)</u>	<u>-</u>	<u>-</u>	<u>(22,947.79)</u>	<u>300,320.00</u>
182,735.00									
	300,411.00				(300,411.00)				300,411.00
<u>182,735.00</u>	<u>300,411.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(300,411.00)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>300,411.00</u>
7,911.00									
	27,540.00				(27,540.00)				27,540.00
<u>7,911.00</u>	<u>27,540.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(27,540.00)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,540.00</u>
1,868,304.16	2,056,720.22				(188,416.06)				2,056,720.22
<u>1,868,304.16</u>	<u>2,056,720.22</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(188,416.06)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,056,720.22</u>
<u>11,773,520.16</u>	<u>12,090,826.22</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,400,420.06)</u>	<u>-</u>	<u>-</u>	<u>(845,985.00)</u>	<u>12,090,826.22</u>
15,660.00	15,656.00			\$ 104.00			\$ 4.00		15,656.00
<u>15,660.00</u>	<u>15,656.00</u>	<u>-</u>	<u>-</u>	<u>104.00</u>	<u>-</u>	<u>-</u>	<u>4.00</u>	<u>-</u>	<u>15,656.00</u>
8,704.00	8,665.00			242.00			39.00		8,665.00
<u>8,704.00</u>	<u>8,665.00</u>	<u>-</u>	<u>-</u>	<u>242.00</u>	<u>-</u>	<u>-</u>	<u>39.00</u>	<u>-</u>	<u>8,665.00</u>
3,926.00	3,790.00			42.00			136.00		3,790.00
<u>3,926.00</u>	<u>3,790.00</u>	<u>-</u>	<u>-</u>	<u>42.00</u>	<u>-</u>	<u>-</u>	<u>136.00</u>	<u>-</u>	<u>3,790.00</u>
8,700.00	8,662.00			637.00			38.00		8,662.00
<u>8,700.00</u>	<u>8,662.00</u>	<u>-</u>	<u>-</u>	<u>637.00</u>	<u>-</u>	<u>-</u>	<u>38.00</u>	<u>-</u>	<u>8,662.00</u>
2,149.00	2,149.00								2,149.00
7,809.00	7,809.00								7,809.00
4,293.00	4,293.00								4,293.00
<u>14,251.00</u>	<u>14,251.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,251.00</u>
2,120.00	1,335.00						785.00		1,335.00
3,924.00	3,924.00								3,924.00
	11,162.00			3,869.00			4,326.00		11,162.00
<u>21,532.00</u>	<u>16,421.00</u>	<u>-</u>	<u>-</u>	<u>3,869.00</u>	<u>-</u>	<u>-</u>	<u>5,111.00</u>	<u>-</u>	<u>16,421.00</u>
72,773.00	67,445.00			4,894.00			5,328.00		67,445.00
<u>72,773.00</u>	<u>67,445.00</u>	<u>-</u>	<u>-</u>	<u>4,894.00</u>	<u>-</u>	<u>-</u>	<u>5,328.00</u>	<u>-</u>	<u>67,445.00</u>
911,735.00	911,735.00								911,735.00
3,144.28									
15,812.14	16,974.13				(1,161.99)				16,974.13
<u>18,956.42</u>	<u>16,974.13</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,161.99)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,974.13</u>
12,776,984.58	13,086,980.35			4,894.00	(1,401,582.05)		5,328.00	(845,985.00)	13,086,980.35
2,564,292.00	2,564,292.00								2,564,292.00
2,969,934.00	2,969,934.00								2,969,934.00
107,608.00	107,608.00								107,608.00
7,396.00	7,396.00								7,396.00
<u>5,649,230.00</u>	<u>5,649,230.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,649,230.00</u>
<u>\$ 18,426,214.58</u>	<u>\$ 18,736,210.35</u>	<u>-</u>	<u>-</u>	<u>\$ 4,894.00</u>	<u>\$ (1,401,582.05)</u>	<u>-</u>	<u>\$ 5,328.00</u>	<u>\$ (845,985.00)</u>	<u>\$ 18,736,210.35</u>

**TOWNSHIP OF EWING SCHOOL DISTRICT**  
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance  
For the Fiscal Year Ended June 30, 2017

---

**Note 1: BASIS OF PRESENTATION**

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

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying schedules are presented using the budgetary basis of accounting, with the following exceptions: programs recorded in the capital projects fund are presented on the modified accrual basis of accounting and programs recorded in the enterprise funds are presented using the accrual basis of accounting. These bases of accounting are described in note 1 to the School District’s basic financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

**Note 3: INDIRECT COST RATE**

The School District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Note 4: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

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

**Note 4: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONT'D)**

The net adjustment to reconcile expenditures from the budgetary basis to the GAAP basis is \$0.00 for the general fund and \$131,849.19 for the special revenue fund. See exhibit C-3, notes to required supplementary information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

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

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 234,708.49	\$ 17,749,998.22	\$ 17,984,706.71
Special Revenue	1,905,184.99	67,445.00	1,972,629.99
Debt Service		911,735.00	911,735.00
Food Service	919,635.81	16,974.13	936,609.94
Total Awards and Financial Assistance	<u>\$ 3,059,529.29</u>	<u>\$ 18,746,152.35</u>	<u>\$ 21,805,681.64</u>

**Note 5: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**Note 6: ADJUSTMENTS**

Amounts reported in the column entitled "adjustments" represent minor rounding differences and the cancellation of prior year encumbrances.

**Note 7: REIMBURSED AND ON-BEHALF PAYMENTS**

During the fiscal year ended June 30, 2017, the School District was the recipient of federal and state assistance that represented either a reimbursement to the School District or payments made on-behalf of the School District. Revenues and expenditures reported under the federal food distribution program represent the current year value received and the current year distribution, respectively, of American-grown United States Department of Agriculture foods utilized in the School District's food service program. TPAF Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year. Lastly, the School District has recognized as revenues and expenditures on-behalf payments made by the State for normal costs, non-contributory insurance, post-retirement medical costs, and long-term disability insurance related to TPAF members.

**Note 8: MAJOR PROGRAMS**

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

**TOWNSHIP OF EWING SCHOOL DISTRICT  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2017**

**Section 1- Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_ yes X no

Significant deficiency(ies) identified? \_\_\_ yes X none reported

Noncompliance material to financial statements noted? \_\_\_ yes X no

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified? \_\_\_ yes X no

Significant deficiency(ies) identified? \_\_\_ yes X none reported

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
		Child Nutrition Cluster:
<u>10.553</u>	<u>171NJ304N1099</u>	<u>School Breakfast Program</u>
<u>10.555</u>	<u>171NJ304N1099</u>	<u>Food Distribution Program</u>
<u>10.555</u>	<u>171NJ304N1099</u>	<u>National School Lunch Program</u>
<u>93.778</u>	<u>1705NJ5MAP</u>	<u>Special Education Medicaid Initiative</u>
<u>93.778</u>	<u>1705NJ5MAP</u>	<u>ARRA - Special Education Medicaid Initiative</u>
<u>93.778</u>	<u>1705NJ5MAP</u>	<u>Medicaid Administrative Claiming Aid</u>

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

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

**TOWNSHIP OF EWING SCHOOL DISTRICT  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2017**

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

**State Financial Assistance**

Internal control over major programs:

Material weakness(es) identified? \_\_\_\_\_ yes  no

Significant deficiency(ies) identified? \_\_\_\_\_ yes  none reported

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

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

Identification of major programs:

<u><b>GMIS Number(s)</b></u>	<u><b>Name of State Program</b></u>
	State Aid Public Cluster:
<u>17-495-034-5120-089</u>	<u>Categorical Special Education Aid</u>
<u>17-495-034-5120-078</u>	<u>Equalization Aid</u>
<u>17-495-034-5120-084</u>	<u>Categorical Security Aid</u>
<u>17-495-034-5120-098</u>	<u>PARCC Readiness</u>
<u>17-495-034-5120-097</u>	<u>Per Pupil Growth Aid</u>
<u>17-495-034-5120-101</u>	<u>Professional Learning Community Aid</u>
<u>17-495-034-5120-085</u>	<u>Adjustment Aid</u>
<u>17-495-034-5120-014</u>	<u>Categorical Transportation Aid</u>
<u>17-495-034-5120-014</u>	<u>Non-Public Transportation Aid</u>

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

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

**TOWNSHIP OF EWING SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2017

---

***Section 2- Schedule of Financial Statement Findings***

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

None.



**TOWNSHIP OF EWING SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2017

---

***Section 3- Schedule of Federal Award Findings and Questioned Costs***

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

None.

**TOWNSHIP OF EWING SCHOOL DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2017

---

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

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

None.

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

---

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

None.

